

The Index.

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Debates on The Family Bank

Elizur Wright
Ezra H. Heywood

THE FAMILY BANK:
ITS RELATION TO THE LABOR QUESTION.
[September 7, 1876. p. 424-425.]
[Elizur Wright]

To judge of the importance of the end aimed at by the Family Bank, as well as of the adaptation of the means to it, it is necessary to survey the situation.

Massachusetts is one of the barrenest as well as the most populous of the States. Consequently, it depends largely on manufacturers and trade, which tend by their necessarily minute division of labor to divide the population into distinct classes, instead of leaving it as one class with an upper and lower side. For a long time Massachusetts has been educating her native population for other States more fertile and less populous, and filling up the vacancy in her industries from the crowded and less thrifty population of the Old World. Once we were all capitalists in a small way, and at the same time all workingmen. Now we have some capitalists who never work—except at the business of consumption,—and multitudes of workingmen who own little or no capital, not even the roofs over their heads. And what is of still greater significance, we have a considerable number of what may be called distinctively business men, who do not classify with either laborers or capitalists, though they labor largely with their brains, and own more or less capital. As a class, however, they owe for more than they own. They are the great employers both of labor and capital. To the laborers they pay wages, to the capitalists interest. Neither the laborers nor the capitalists can dispense with the services or escape the domination of this class, till they have cultivated their own intellects with more success. Neither the sailors nor passengers in ships will prosper without captains, unless they understand navigation. A Teutonic specimen gave a pretty clear view of what is often the situation, when, being asked what he was doing, he replied, "Vell, at present nodings. But I am going into partnerships mit a man. He supplies de cabital and I supply de eggsperience. In dree years I will have de cabital and he will have de eggsperience." The men of this class are really not very

numerous, but they manage both labor and capital, whether corporate or private, out of all proportion to their numbers.

The great middle class, combining the possession of capital and manual labor in the same persons, who neither borrow nor pay wages to any great extent probably still holds a large majority of our people yet it seems to be sinking out of sight, and society to be resolving itself into employers and employed, business men and hirelings.

At any rate, the number of persons and whole families that depend for subsistence almost entirely on daily, weekly, or monthly wages is relatively, if not rapidly, increasing, and their case deserves far more consideration than they can enforce by any political power they possess. Some hard local, if not general, facts are giving more and more significance to what is called the conflict between labor and capital. There is really no such conflict. Capital is the child of labor, and is, moreover, the most dutiful, profitable, and loving child it ever had. It means nothing but the productions of past labor put in a shape to aid the future. There is, and always has been, a conflict between the lazy and the laborious—between society and its parasites,—with rich men as well as poor men on both sides of it.

But that is not the conflict on hand. another has grown out of the growth of machinery; not between labor and capital, but between the manual laborer and the mental laborer—the laborer in the ranks and the captain or employer of labor,—about the distribution of the products, and even the laws of property; and it seems to have arisen from a misunderstanding of his own interests on the part of the laborer, and some shortness of sight as well as hardness of heart on the part of the captain.

On one side, it is assumed that law can interfere to give to adult laborers, in addition to the natural market price of their labor, some share of the profits of the capital and business talents concerned in the production which do not belong to them, without at the same time abridging their own liberty or rights of property. On the other side, this is denied, and it is maintained, with strong support of facts, that in the modern application of capital to production by machinery, in which brain as well as muscle contribute largely to the result, the laborers for wages have, on the whole had the best of it, and must always have, if they will be just to themselves. They are always receiving a share of the joint production of capital and labor in advance, or before the final result is ascertained. The employer, whose one brain may have told on the result as much as a hundred hands, after paying, also, interest on any capital he may have borrowed, takes what is left. It may be a large profit or it may be an increased debt, even when he has done his best.

To decide which of the two classes has had the advantage, we must compare all the laborers and all the business managers and large capitalists for a long time. Looking back on the laborers for fifty years, we shall doubtless find multitudes who have worked hard and lived and died in abject poverty. But not many of them were worse off than they would have been before capital, through the great captains of industry, began to enact its mighty rôle. On the other hand, what multitudes, by fidelity and frugality, have won and saved from their wages enough to give them a standing in the great middle class; where every man and woman has the means of happiness which Solomon and the Queen of Sheba could not buy!

And then, we shall find thousands of them who, starting with nothing but their muscle, skill, and wages, are now rather capitalists than laborers. They are happy if they keep letting down ladders for others to climb up, instead of trying to climb too high themselves.

Looking back fifty years on the class commonly denominated capitalists, that is, the large or non-laboring capitalists, and the great borrowing managers of capital, we find continual accumulation rather the exception than the rule. The path is strewn with wrecks. Even

success breeds them. Whatever wins great profits is soon overdone. The very progress of invention is often fatal to capital. If the average workingman could look over this whole field, on the fallen as well as the rising and risen, his heart would bleed, instead of his eye growing green, and he would perhaps pray to be preserved from being the runner or owner of a dozen cotton-mills

The griping of scant wages, and the pressure of the wolf at the door, are already so unendurable in Massachusetts, that it is no wonder the wages-people should combine to seek relief in every possible quarter, and some that are impossible. A little more than half a century ago, the factory system of Great Britain, under laws against the laborer which had come down from the Henrys, was fast reducing its operatives to the level of its machinery. It was by combining their voices into a cry loud enough to arrest the attention of Parliament that they gained some relief. The difference in law between a man and a tool, a child and a spindle, was established. Whether the relief from law, there and here, has gone as far as it can go consistently with liberty and justice to all parties may be a matter of doubt, but there can be no doubt it will have to stop short of what the wages-people are taught to expect. They are now asking for legislation in a communistic direction; in effect, that the general court should take capital to some extent out of the control of individuals and corporations for their special benefit, that, in short, it should do what the founders of the Jewish and Christian churches did, forbid the individual to take pay for the use of his capital. Those legislative experiments failed signally in both instances, and there is no hope that our general court would succeed any better if it tried.

There would be some sense in looking for relief in this quarter, if the evil had come necessarily and wholly from the laws of property, or the unfair use of capital against the receivers of wages.

Perhaps they have not counted the cost to themselves of the remedy they ask. On looking abroad and back they will find that something might have been saved which has been wasted, that poverty comes sometimes from want of forethought and self restraint, rather than low wages. Social experiments in the line of their legislative visions have been made in the world sufficient in number and extent to teach us this much,—that whenever individualism is absorbed in communism, and capital is no longer private or "property," the community grows or remains rich only by exercising a restraint on individual members to which our average human nature refuses to submit. The moment such restraint relaxes, the social experiment fails. The grim chance of starving, along with one's wife and little ones, or dying in the poorhouse, which is still worse, seems the necessary price of the liberty we boast of, and sometimes fight for. If we would have an abolition of that dread contingency by legislative action, it must come, not in the shape of a law regulating the hours or wages of adult labor, but the multiplication of laborers, making it criminal to invite mouths into the world till the parents have accumulated the capital which will surly feed them. Under the present liberty, or rather stern individualism and devil take the hindmost, society or civilization contrives to exist with an average happiness probably greater than that of any experiment of communism yet tried; certainly with an average wealth greater than if property were made common by law or curtailed of the right of accumulation. Yet the best statistics inform us that in the wealthiest countries, by the accumulation of capital in private and corporate hands, the mass, including rich and poor, keeps only about three years ahead of Death on the pale horse, the trooper that is always at the heels of the savage. If, therefore, there were to be a distribution of the whole accumulated capital or wealth of the country, giving each person an equal share, nobody would be raised above the necessity of labor, and thousands who lack the ability to labor productively, and are now living more or less comfortably on the profits of capital acquired by the past labors of themselves or their ancestors, would come to starvation in 1879. So the result would be a vast multiplication of paupers, increase of taxes, and no rich men to pay them. The laborers are too much taxed as

it is. They are mostly men and women with hopes, and cannot afford to have any infringement of individual liberty or of the rights of property. It is for their interest to cultivate and encourage rather than pillage the rich.

On the other hand, it is equally the interest of the rich to encourage the thrift of the poor. The wisest and most prudent policy of any employer of this age is probably that of Sir J. Whitworth, of England, in giving his laborers every year a bonus on their savings during the year. If he were to add this bonus to the wages, thus giving for the labor just so much above the market price, he would run the risk of encouraging extravagance, thriftlessness, and vice equally with the opposite qualities. His bonus makes character worth something. In the absence of any law compelling the laborer to thrift and self-restraint, it makes all the difference in the world whether the employer offers some premium to those who will be a law unto themselves, or simply raises wages indiscriminately. The latter, or something to the same effect, is what the labor leagues usually ask, without seeming to perceive that, if they should succeed, their savings would be shared equally by the worthy and the unworthy, and must tend to make the former the slaves of the latter. Individualism is the foundation of American liberty, and its true type is not a trade union, but a trade-unit, as, for example, the young Franklin seeking employment in a strange city with two ridiculous loaves of bread. American liberty, which goes to the extent of allowing every man to ask what interest he pleases for his capital, and to make his own bargains about his own labor, should be as dear to the poor as the rich. Coöperation, every man sharpening the countenance of his friend, as "iron sharpeneth iron," is excellent, but there is no such thing as coöperation between honest and dishonest capitalists, when they understand each other, and there should be none between industrious and idle laborers. If rich men cannot afford to patronize dishonesty and idleness, surely the poor laborer cannot afford to starve himself or lessen his honest chances in "the struggle for existence," by carrying dead-weights, or feeding dead-beats, or increasing the revenue which the government derives from rum and tobacco.

The Family Bank does not intend to be a charitable institution, but one through which persons capable of helping themselves may do it to the best advantage consistent with justice to others.

The working-people of Germany have formed flourishing societies, under the name of People's Banks, founded on the principle of "solidarity" or personal responsibility of all members for society liabilities, by which the same class there, as is now invited to use the Family Bank here, seeks to benefit itself. Mr. Quincy, in introducing these German banks to the notice of Americans, says:—

"The underlying principle upon which the whole association-system rests is expressed by the word *self-assistance*. Charity, as such, forms no element therein. The workman or trader who has so far gone under as to make it improbable that he can help himself out sufficiently to repay the advance he receives, becomes at once 'dead wood' for the society, and must be, without hesitation or pity, excluded therefrom. He then comes under the province of charity, public or private. Associationship, in other words, will afford him the most valuable assistance in keeping his legs, but cannot undertake to pick him up after he actually goes down."

So in the Family Bank, if a borrower does not take time by the forelock to meet the payments on his loan, he will be foreclosed upon. But this can take place once in his lifetime, not upon his family after his death. Anything more charitable than this would be unjust to stockholders and depositors, and, in fact, fatal to the coöperation.

The Family Bank is by no means proposed as a cure for the evil of society or individualism, evils rather of undeveloped or misdeveloped human nature. Cure may be possible by other

means. But be it possible or not, prevention will do no mischief. Let charity and mercy do their work where they must. Financial justice will leave them less to do, and they will still have too much. If it is destiny, as some ruins seem to hint, that every civilization shall be preyed upon by poverty at the bottom and luxury at the top, till it ends in Palenques populous with bats, let us put that day as far off as possible for ours.

The Family Bank appeals to the young of the laboring class, and of every class, sect, and sex. They are the hope of the world, and the world should encourage their hopes in the right direction. A large majority of them need just such a bank, which will make it possible for them, without deferring it too long, to defer housekeeping till they have houses to keep. At the bottom of all incentives to labor, and in fact of all civilization, all upward progress and domination of the planet by a race worthy to inhabit it, is the worship of each other by two human beings of opposite sexes, The character of the worship is determined by the character of the beings and their surroundings. Better any other worship fail, or become corrupt, than this. The single-family home is its proper temple, and no worship is at its best without its proper temple. To make it as easy and tempting as it can be for every youthful pair in whose hearts this mutual worship has budded to consecrate to it a temple in a garden, where some part of that happiness may be gained and preserved which the primeval pair is believed to have lost, is the special aim of this attempt at coöperation.

The people of Massachusetts, whose property consists chiefly of their muscles and good sense, are invited to own and control the institution. They are quite able to do it, for there are more than ten thousand of them who can take each a share of the stock. If they will speak soon enough, nobody will own more than one share at the start. The books for subscription to the stock will be opened simultaneously in ail the considerable centres of population in the State on some day of which due notice will be given. In the meantime, persons favorable to the enterprise, and wishing to assist it by the thorough distribution of this circular, will be supplied with copies, or any further information they desire, by addressing "FAMILY BANK, P. O. BOX 123, BOSTON."

**"THE FAMILY BANK:
"ITS RELATION TO THE LABOR QUESTION."**

EDITOR OF THE INDEX:—

In your issue of Sept. 7th was an article, under the above title, which involves so deeply and disastrously the welfare of working people that I am moved to ask of you brief space to reply. The writer said:—

"The wages people are now asking for legislation in a communistic direction; in effect, that the general court should take capital to some extent out of the control of individuals and corporations for their special benefit. . . . The laborers are too much taxed as it is. They are mostly men and women with hopes, and cannot afford to have any infringement of individual liberty or of the rights of property. It is for their interest to cultivate and encourage rather than pillage the rich."

This writer (whom I take to be Hon. Elizur Wright) is mistaken in supposing that, in a compulsory legislative sense, the tendency of labor-reformers is "communistic"; that we are disposed to "pillage the rich," or in any other way to invade "the rights of property." While I grant that there is some ground for his assertion, if he had in view eight and ten-hour law schemes, graduated taxation, government-workshopism, and the greenback delusion, still,

those merely transient phases of the agitation should not blind a clear-seeing writer to the main demand of labor reform,—opportunity and reciprocity. Mr. Wright has but to turn the pages of P. J. Proudhon, John Ruskin, Josiah Warren, William B. Greene, J. K. Ingalls, or other intelligent exponents of labor-reform thought, to find the interference policy, "communism" as he understands it, utterly rejected; and that all we ask of government is not to obstruct the path of productive enterprise; that, in Daniel Webster's phrase, it will "protect persons and property from invasion."

But, in order to effectually "protect persons and property from invasion," government must apply the free-trade idea to banks and landlords as well as to custom houses; it must not only cease to sanction tariff frauds, but also usury, rent, property in land, compulsive taxation, majority rule, and every other means of speculative increase or intrusive dictation. Since no political economist pretends to deny that labor is the source of wealth and the only true basis of exchange; and since, as John Stuart Mill says, "The essential principle on which private property is based is to assure to all persons what they have produced by their labor," those only who oppose speculative increase in all forms truly defend "the rights of property." I am surprised that Elizur Wright, a bright-minded Abolitionist, can suppose that the old communistic dogma, "what the law makes property is property," is any more defensible when applied to speculative profits than when it was used by Henry Clay to defend negro slavery. Closer study of the labor question will disclose to him the fact that, in the field of essential equity, labor reformers are almost alone in asserting "the rights of property"; that is, the right of labor to its earnings.

Mr. Wright has written much to show that the old life insurance system has outlived its usefulness; but he fails to see that, while his "family bank" discards some abuses, it is an effort to popularize and perpetuate the worst feature of the old system, the greatest extant fraud on labor *usury*. He says in his "Circular," a portion of which you reprinted, it is to be "the bank of the laborers," "a savings bank with a life insurance function." How presuming it is to call this "the laborer's bank" may be seen in the fact that Proudhon's "Bank of Exchange," Greene's "Mutual Bank," Warren's "Time Bank," all the banks ever proposed by clear-headed labor reformers, discard usury, were suggested by the belief that interest on money is robbery, and that any "laborer" who *takes* usury thereby helps his worst enemy to invade and destroy his own class. Mr. Wright cannot be aware of how grave an imposition his "bank," as a bank, is on working people. He proposes to give capital systematic and perpetual power to plunder its own well-beloved parent, labor.

But, not to mention the incidental "aid and comfort" which his bank gives to the "specie-basis" fraud and the compulsory-marriage feud, its "life insurance function" is the chief cat hidden in this financial, "family" meal. The old life insurance system largely rests on a bet, a wager-laying, gambling process in which those who "put up" the most money win the fewest and smallest prizes. To make money out of life insurance you must die early and die often. But of those not lucky enough to die, the number of working people and business men who, by stress of "hard times," have been compelled to surrender their policies, is fearful to contemplate! Companies have become enormously rich out of this one extortionate source of income. Notwithstanding the many merits of the system and the opinions of many worthy people who still believe in it, its tendency to draw capital from productive enterprise and concentrate it in cities for speculative purposes, to create many offices and officials to be supported by "the insured," and its disastrous relations to holders of "foreclosed" policies, indicate that it has had its day, and must soon disappear. While I have no desire to underrate the merits of Mr. Wright's scheme (and his many years' experience in life insurance renders him peculiarly capable of suggesting improvements), it seems to me that what he himself, in his admirable book, *Politics and Mysteries of Life Insurance*, terms "perfection in theory," where "the risk of each year, no more and no less, is paid for at the beginning, in the course of, or at the end of the year," "a thousand persons

agreeing to pay one dollar each to the family of each deceased member," is destined to prove itself, if not "perfection" in practice, vastly superior to the betting, usury method of the old system, or of the "family bank." Accumulating facts tend to show that this cooperative method immensely reduces the cost of insurance, leaves capital where it ought to be left, in productive business, and is abundantly self-supporting and self-perpetuating.

E. H. HEYWOOD,
Sec'y N. E. Labor Reform League.

PRINCETON, Mass., Oct. 23, 1876.

MR. HEYWOOD ON THE "FAMILY BANK."

[November 16, 1876. p. 544.]

EDITOR OF THE INDEX:—

I am glad to see that your well-read columns have attracted a criticism of the "Family Bank" from Mr. E. H. Heywood. If I understand him (but I am not sure that I do), he regards it as objectionable in every point of view. Its main purpose is to enable laboring people to escape perpetual rent by temporarily paying interest, which he dubs "usury." But he objects to interest as well as rent. And indeed they do seem to be about the same thing in principle, though they may differ in degree. But what it is impossible for me to understand is how Mr. Heywood protects a man's right of property, when he will not allow him to receive either rent or interest, even when another man is willing to pay it. A, a laborer, builds a good house. B, another laborer, who has been losing half his time and strength through having to sleep on the ground under a shanty of slabs, catching cold and rheumatism, would like to hire the house of A, at a rent which he can earn in a third of his time. Does Mr. Heywood object? Do the labor-reformers demand that B shall have the "opportunity" to dwell in A's house without paying him anything for it or doing anything for him? This would not be the "reciprocity" which they also demand, would it?

Again, suppose A sells the house he has built to C for no matter what sort of money, gold or paper; but for so much as will hire A or another builder who has tools and skill, which B has not, to build another house as good as that which he sold to C. Now he offers to lend this money to B for just the same, or perhaps less yearly interest than that which B was willing to pay in rent,—the loan to be repaid by twelve yearly installments, each installment to stop its interest. Does Mr. Heywood "protect property" by forbidding any such bargain, and insisting that the money, if lent at all, shall be lent without interest?

This seems to me rather *preventing* property than *protecting* it.

Rent of property and interest of money are undeniably disagreeable things to people who must pay them, or not have the use of the property or money. I look upon them as existing facts, which cannot be abolished by statute law without such discouragement to the production and accumulation of property as to send us all back to holes in the ground

What I hold to as the ground and sufficient motive for the Family Bank is, that there is a choice between these evils of perpetual rent and temporary interest. When we began to keep sheep, some sixty years ago, in the wilderness of Ohio, the wolves were stubborn facts. That dogs sometimes killed sheep was also a fact. Yet we patronized dogs because by their means we suffered less from the wolves. Without undervaluing Mr. Heywood's

benevolence in trying to rescue laboring men from both rent and interest, I must confess an entire want of faith in his success and contend that something will be gained, if we can place the laboring man, by means of his own savings, in a home which he has every motive to improve and beautify, instead of one which he is tempted to waste and abuse.

The trouble with the savings banks of Massachusetts is that through them the savings of the poor are lent at a moderate interest to the rich. This interest, as far as it goes, is a benefit to the poor. But they might have a still greater benefit, if they themselves had a fair chance to borrow at a moderate interest on giving proper security. It is only by getting the use of capital on fair and reasonable terms that a poor man can drive the wolf to a suitable and comfortable distance from his door; and no man has shown this more clearly than William B. Greene in his *Mutual Banking*, albeit he becomes queerly muddly when he discusses the relation of money to capital.

As to the other writers whom Mr. Heywood quotes against the Family Bank, I must confess I have not read them much and as to his own writings, after several readings, I entirely fail to understand them, except as self-contradictory. He professes to have found in my writings something favorable to what is called "coöperative insurance" for laboring people. It might do very well for a small society of mutually trustworthy people, all knowing each other; but, when applied on a large scale to people who are strangers to each other, it becomes no insurance at all, for want of any principle of cohesion or corporate vitality. I could easily astonish Mr. Heywood with statistics of its victims.

I am quite aware that the legislature, in granting the charter of the Family Bank, has given the owners of the Capital Stock a privilege of considerable value. That is why I wish it should be owned by laboring men. Let them do what they can to aid Mr. Heywood in securing for them "opportunity and reciprocity," if they know what he means by those words. But, in the meantime, why should not ten thousand of them seize the opportunity of getting eight per cent. per annum for a little of their money —if they cannot do better?

ELIZUR WRIGHT.

"THE FAMILY BANK."
[December 21, 1876. p. 609.]

EDITOR OF THE INDEX:—

Will you grant me brief space in your hospitable columns to reply to remarks by Hon. Elizur Wright on my criticism of his "family bank"? In THE INDEX of November 16, he said:—

"He objects to interest as well as rent. And indeed they do seem to be about the same thing in principle, though they may differ in degree. It is impossible for me to understand how Mr. Heywood protects a man's right of property, when he will not allow him to receive either rent or interest, even when another man is willing to pay it. Does he 'protect property' by forbidding any such bargain, and insisting that the money, if lent at all, shall be lent without interest? I look upon interest and rent as existing facts, which cannot be abolished by statute law without such discouragement to the production and accumulation of property as to send us all back to holes in the ground. . . . Without undervaluing Mr. Heywood's benevolence in trying to rescue laboring men from both rent and interest, I must confess an

entire want of faith in his success. . . . The trouble with the savings banks of Massachusetts is that through them the savings of the poor are lent at a moderate interest to the rich. This interest, as far as it goes, is a benefit to the poor. But they might have a still greater benefit, if they themselves had a fair chance to borrow at a moderate interest on giving proper security. . . . I am quite aware that the legislature, in granting the charter of the Family Bank, has given the owners of the Capital Stock a privilege of considerable value. That is why I wish it should be owned by laboring men. Why should not ten thousand of them seize the opportunity of getting eight *per cent.* per annum for a little of their money—if they cannot do better?"

Mr. Wright discerns that interest and rent are "about the same in principle," and must stand or fall together, because, having no basis in natural equity, they exist as chattel slavery did, by the compulsory force of local statute law. But, if it is his misfortune not yet to have learned that interest and rent are essentially inequitable, he will, as a free-trader, agree with me that property-holders should have no special, legislative power to live on the unpaid earnings of working-people. He will also concede that all are conscientiously opposed to paying to others any higher rate of profit than we are compelled to; and that, as all political economists admit, price (in the absence of monopoly or special legal intrusion) constantly tends towards the cost of production. Now since (as the statistics of Boston banks during the last fifty years show) the cost of money is less than one-half of one *per cent.*, the power of money-lenders to exact more than cost rests on the legalized bank monopoly which forbids, by heavy fines and taxes, free competition in the issue and circulation of currency; and which therefore is a direct invasion of the natural right of all to use their own credit, and of the property of borrowing business men and other working-people. While to *take* interest is to invade others' property to that extent and forfeit one's rightful claim to the principal, one *pays* interest in the hope that he can fleece the next man, pass the steal around, and so recover his loss. Mr. Wright, in defending the specie basis fraud, as Peter Cooper in supporting the three hundred and sixty-five interconvertible bond swindle, gives lenders special legislative power over borrowers, I object. The law, if it cannot "protect persons and property from invasion," should at least cease to help usurers invade their victims. Mr. Wright, not I, invokes the interference of "statute law"; free-trader in principle, I have always considered usury-laws hostile to liberty and practically worthless. While one has as much right to set a price on money (which is subject to the laws of value as other species of capital are) as on houses, "*What is a just price for any commodity?*" is a question which Mr. Wright seems never to have considered. Granting that borrowers and lenders should make their own contracts, without intrusion, on what principle of liberty, or of equality, does Mr. Wright, a free-trader, discriminate against borrowers by supporting the specie basis monopoly? His idea that to withdraw legislative sanction from usury would "discourage production" and "send us all back to holes in the ground," recalls the pro-slavery argument which declared that negro emancipation would hinder civilization! Damning with faint praise my "benevolence," he lacks faith in my "success"; so Calhoun lacked faith in Garrison's success, but negro slaves went free nevertheless. Though now uppermost in, the struggle, "if the thing is unjust, you have not succeeded," and I, "the under-dog in the fight" can well afford to bide my time. I *do not* ask that B may live in A's house without paying the cost to A of so doing; but I *do* ask that B may not be compelled to pay, in the form of rent, many times over for the house, yet never own one.

Mr. Wright thinks his "family bank" better for labor than "the savings banks of Massachusetts"; by his own showing it is much worse. Generally, having no special profits in the way of stock dividends to pay, savings banks can loan money for six *per cent.* on which they pay five. If, as Mr. Wright says, the "family bank" will pay *eight per cent.* stock dividends, where are the borrowers simple enough to suppose it can loan money on less rates than savings banks burdened with no stock tax at all? He wants "laboring men" to buy stock to get high rates of interest in order to borrow of the same bank, at low rates! By

loaning money (to themselves) for eight *per cent.* they can borrow (of themselves) at less than six! Capitalists who promise to pay eight *per cent.* are properly distrusted, for no business can long survive such a tax; the Rothschilds buy Massachusetts six *per cent.* bonds rather than New York sevens, because up-rates of interest tend to repudiation. Not to "undervalue" Mr. Wright's "benevolent" intent to aid "laboring men," his bank, on this eight *per cent.* profit basis must inevitably break, for victims enough cannot be coaxed or forced to float it. No doubt its charter offers a legislative "privilege of considerable value" to stock-jobbers; but, so long as money can be had on call for two *per cent.*, and savings bank loans at six, borrowers will shun an eight *per cent.* "bank," to which, if the legislature granted any such "privilege" as Mr. Wright claims, it was guilty of grosser injustice than it ordinarily stoops to. As to the statistics to show that coöperative insurance will not work, with which Mr. Wright says he can "astonish" me, until something comes out of his "coöperative" budget worse than this "family bank," I shall continue to think self-government in finance quite as possible and desirable as experience proves it to be in religion and politics.

E. H. HEYWOOD,

PRINCETON, Mass, Nov. 30, 1876.