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RUIN FOR THE COUNTRY.

CHICAGO, May 7.—A special to the Post from Washington says that the discovery is made that there is an actual basis for the report that the Morgan-Rothschild syndicate is conspiring to corner the gold market, though the story has been regarded as a foolish canard. It is a fact, however, that the brokers representing the syndicate have been paying a premium for the refined gold output of the private refineries throughout the West during the last two montns, and that they are accumlating fine gold at the rate of $2,500,000 to $3,000,000 per month, which represents fully two-thirds of the entire gold output of the United States. The attention of the officials of the Treasury Department was first attracted to the peculiar business by the sharp falling off in the deposits of gold at the mints, and inquiry very soon developed the fact that private parties were buying the products of the refineries.

Further inquiry revealed that the metal was bought and was drifting to New York, where it is being put in store to the credit of the Morgan-Rothschild syndicate. In order to divert the stream from its usual channels leading into the United States mints, the private purchasers have been obliged to pay a premium of 1⅛ to 1¼ cents. The premium paid for most of the gold was one-eighth of 1 cent, but so anxious have been the buyers to increase their lines and get everything in sight that they have marked up their quotations during the last few days. At the present time they are getting nearly the entire output of the United States except from the extreme Western Coast.

Many long-headed men in Washington and Wall street who are familiar with the methods of the parties composing the syndicate, have jumped at the conclusion that the foundation is being laid for another bond deal before Congress meets again. The last bond deal of $52,000,000 has been pretty well closed out, over $51,000,000 in gold having been paid out of the $64,000,000, and it is generally believed that the entire deal will be cleaned up before the first day of August, under the terms of the contract with the Treasury Department. The Morgan-Rothschild syndicate has an option on any new bonds that may be issued by the government prior to October 1 next.

The treasury is absolutely in their hands until that date. If from natural causes or through chicanery and manipulation, the administration is obliged to issue another batch of bonds to maintain the gold reserve, the sale must be made to the syndicate that took the last issue. There is no escape from such action. It was nominated specifically in the contract signed by direction of the President. The clause in which the syndicate agrees to maintain the treasury reserves leaves the syndicate to be judge as to what it can do in the premises or to what methods it shall adopt. If, in the carrying out of that moral obligation the syndicate shall decide that the government must issue another $100,000,000 or $50,000,000 in bonds, the administration will have nothing to do but comply with the terms.

If the President does not want to issue any more bonds at the dictation of the syndicate the reserve can be practically wiped out in ten days, and then if he should decide in self-protection to put out more bonds he must sell them to the Morgan-Rothschild people and nobody else. The new bonds are selling today in open market at 1.21½. They cost the syndicate 1.04½, which would show a profit of 17 points in the operation, amounting in all to $10,540,000. It would not be fair to say the syndicate made that much out of the operation, but it is very safe to estimate its profits at $8,000,000. The syndicate is hurrying the completion of its present deal with the government. It deposited over $1,000,000 today, which will bring the reserve up to nearly $93,000,000. It will not have to complete these payments until the 1st of August, but the operation may be closed up within a few weeks. That will leave the syndicate a free field.