

FREE COINAGE OF SILVER AS RELATED  
TO AGRICULTURE, ETC.

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SPEECH

OF

HON. JAMES H. KYLE,

OF SOUTH DAKOTA,

IN THE

SENATE OF THE UNITED STATES,

MAY 3, 1892.

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WASHINGTON.

1892.



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The Senate having under consideration a message from the President in reference to an agreement between this and foreign countries on the subject of bimetallism—

Mr. KYLE said:

Mr. PRESIDENT: The people have an account to settle with the advocates of a gold basis, and they will not rest until their rights are restored. They have been robbed of their silver currency through no fault of their own, or of the majority of their representatives in Congress, but through the subtle cunning of the money power. This is the class who have never lost an opportunity to profit by the misfortunes of war. Not patriotic enough to defend their country at the front, they were content to "stay by the stuff" and mature plans by which to control our finances. They well knew that war meant debt; that debt meant bonds, and that through the manipulation of such securities there has always been a rich harvest for the broker and bondholder. The reconstruction days of the South were not half so important to them as the reconstruction of the finances. In funding and refunding the debt of the United States there are many mysterious proceedings which may never be satisfactorily explained.

But our so-called financiers were then fixing the policy which has proved ruinous during the past quarter of a century. Instead of paying off our war debt, as popular wisdom would have dictated, a policy chiefly beneficial to the bondholder seems to have been adopted. At the beginning of the war our national debt was but \$64,769,703. In 1866 the debt was \$2,773,236,173. In other words, the war had cost us something over two and a half billions of dollars. Let us see how this was manipulated in the interest of the bondholder. The late Senator Beck, on January 12, 1874, in a speech on this floor, revealed some very startling facts as to the sale of our 5 and 6 per cent bonds. These were purchaseable with greenbacks, which were very much depreciated. I have collated a table showing the total profit to

the bondholder in principal and interest from 1862 down to 1874, the time at which the speech was delivered:

Year.	Bonds sold.	Gold value.	Profit to holder.	Interest received.	Total profit.
5-20s sold :					
1862.....	\$60,982,450	\$44,030,640	\$16,951,801	\$11,187,188	\$28,139,989
1863.....	160,987,550	101,890,854	59,096,006	35,468,017	94,555,713
1864.....	381,292,250	139,697,636	191,594,613	114,956,768	308,551,381
1865.....	279,746,150	208,213,090	71,532,060	38,627,307	110,159,367
1866.....	124,914,400	88,591,773	36,332,627	17,434,556	53,757,183
1867.....	421,469,550	303,803,503	118,254,047	48,671,494	167,915,741
1868.....	425,443,800	312,626,326	112,617,497	40,542,288	153,159,785
6 percents sold.	195,139,550	123,957,410	72,182,140	26,115,724	98,298,864
Total profit.....					1,012,537,203

This shows a total profit to the bondholder in the purchase of United States securities of over one thousand millions of dollars. I will digress for a moment to give the following facts about the war debt, taken from the Statistical Abstract of 1890:

We owed in 1866.....	\$2,783,000,000
We have paid on the principal.....	1,080,000,000
We have paid as interest.....	2,462,000,000
We have paid as premium on bonds.....	36,000,000

Total amount paid..... 3,578,000,000

Add to this the profit to bondholders of \$1,012,537,203, and we have a total of \$4,590,537,203. We have paid nearly five thousand millions toward the debt, and still \$1,545,996,591.61 remain to be paid. It will take more of wheat or cotton to extinguish the debt, than would have been required at the close of the war.

Had the debt been contracted to be paid in wheat it would have taken in 1866.....	bushels.....	1,007,000,000
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We have paid on the principal.....	do.....	1,188,000,000
We have paid as interest.....	do.....	2,225,000,000
We have paid as premium on bonds.....	do.....	50,400,000

Total amount paid..... do..... 3,463,400,000

We yet owe..... do..... 2,156,250,000

Total.....	do.....	5,619,650,000
Deducting amount due in 1866.....	do.....	1,007,000,000

Amount consumed by interest and payment on principal...do.... 4,612,650,000

Had debt been contracted to be paid in cotton it would have taken in 1867.....	pounds.....	7,092,000,000
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We have paid on the principal.....	do.....	10,800,000,000
As interest.....	do.....	24,620,000,000
As premiums on bonds.....	do.....	360,000,000

Total paid..... do..... 35,780,000,000

We yet owe..... do..... 16,930,000,000

Total.....	do.....	52,710,000,000
Deduct amount due in 1867.....	do.....	7,092,000,000

Amount consumed by interest and payment on principal...do.... 45,618,000,000

This drain, Mr. President, has been from the pockets of the taxpayers of the country, while bonds have gone untaxed. And, according to our present policy, it will yet require several thou-

sand millions to liquidate our indebtedness. But the bondholders were but just beginning their systematic plundering when they made the purchase of these securities. A war is a bonanza to security holders, and seldom in history have they failed to take advantage of it. English capitalists saw the opportunity at the close of the Napoleonic wars and demonetized silver in 1816. Germany followed in 1872, at the close of the Franco-Prussian war, and France in 1874. The purpose of our brokers, coached by English financiers, seems to have been to secure the final payment of the war bonds in gold coin; at any rate it has so turned out. The first official act, March 18, 1869, of President Grant, was to sign a bill making the bonds payable in coin of the country. There were many vigorous opponents of this measure, among them Thaddeus Stevens of Pennsylvania, Morton of Indiana, and the present Senator from Ohio, who used these words in a speech in this Chamber, February, 27, 1867:

Equity and justice are amply satisfied if we redeem these bonds at the end of five years in the same kind of money of the same intrinsic value it had at the time they were issued. Gentlemen may reason about this matter over and over again and they can not come to any other conclusion, at least that has been my conclusion after the most careful consideration. Senators are sometimes in the habit, in order to defeat the argument of an antagonist, of saying that this was repudiation. Why, sir, every citizen of the United States has conformed his business to the legal-tender clause. He has collected and paid his debts accordingly.

But the bondholder was not only not satisfied with legal-tender payment, but wanted the coin payment limited to gold. By the demonetization of silver, gold alone remained the lawful coin and his long-cherished hopes were realized.

Before a French monetary commission in 1869, Count Walowski said:

The sum total of the precious metals is reckoned at 50 millards, one-half gold and one-half silver. If by a stroke of the pen they suppress one of these metals in the monetary service they double the demand for the other metal, to the ruin of all debtors.

It seems to have been a concerted plan of European and American financiers to increase the value of their holdings. It is as if the holder of the world's supply of cloth had clandestinely forced upon the people a shorter yardstick in order to double the number of yards in his possession. England had already taken this step; but Germany, Italy, Holland, Norway, Sweden, Denmark, and the United States were using silver. When by demonetization of silver this vast population came to a gold basis, the demand for gold was more than doubled, while the supply had fallen off very perceptibly. Mr. Moreton Frewen, an able English writer on economic subjects, in an address at Easton Lodge, October 4, 1889, says:

The national debts of Europe had all been contracted in silver and could have been properly liquidated in silver. Suddenly and without a word of warning, every contract in Europe was violated by the closure of every mint to silver. Still, it is only when we pass on to the deed done at Washington that the silver question emerges as the biggest and the best-planned financial coup of the century. The whole affair was a vast "job," and I believe that any grand jury would find a true bill on the evidence that comes to us from America.

There is perhaps no legislation of the United States Congress which has been criticised during twenty-five years so bitterly as the act of 1873. The farmer, the laborer, the merchant, everybody discusses it. Politicians are wondering at the sudden up-

rising which has occurred among the people, by which a new party as wide as the nation has been formed; and why both old parties are in the toils. Let me say, Mr. President, that these are the people who have waited a score of years for remedial legislation, and who are now taking the reins into their own hands. They have been deceived by pretentious platforms and Sibylline declarations until patience is exhausted. They want to know in whose interests the currency is being manipulated, as it is clearly seen that at every move in financial policy the eye of the Administration has turned toward New York and Europe.

There is no doubt in my mind that the inception of the demonetization of silver occurred in the monetary councils of Europe and was transmitted to friends (for they are all friends) on this side of the water. English agents doubtless came to the United States as lobbyists before the committees of Congress. From the report of Mr. Hooper, chairman of the committee in charge of this bill, I quote the following:

Mr. Ernest Seyd, of London, a distinguished writer and bullionist, who is now here, has given great attention to the subject of mint and coinage. After having examined the first draft of this bill he made various sensible suggestions, which the committee adopted and embodied in the bill.

Mr. MORGAN. That was the act of 1873.

Mr. KYLE. The act of 1873. Little did the toiling millions at work on the farm and in the shop dream that plans were being devised by the financiers of the East to rob them of the currency bequeathed to them by the founders of the Republic. The act of 1873, Mr. President, was conceived and brought forth in darkness. The originators of it well knew that it would never pass if brought into the arena of open discussion. It went through by stealth. Little attention was called to it; and the majority of this body were in ignorance as to the scope of the act. The title bore no suggestion of such a change. The very wording of it is such as to divert attention from it: "An act revising and amending the laws relating to the mints, assay office, and coinage laws of the United States."

No suggestion at all of demonetizing the silver dollar. Section 15 reads:

That the silver coin of the United States shall be a trade dollar, a half dollar or 50-cent piece, a quarter dollar or 25-cent piece, a dime or 10-cent piece; and the weight of the trade dollar shall be 420 grains Troy; the weight of the half dollar shall be 12 grammes and one-half gramme. \* \* \* And said coins shall be a legal tender at their nominal value, for any amount not exceeding \$5 in any one payment.

SEC. 17. That no other coins, either of gold, silver, or minor coinage, shall hereafter be issued from the mint, other than those of the denominations, standards, and weights herein set forth.

Had the bill stated in words of clear meaning that the standard dollar is hereby demonetized, it never would have passed and become a law. The section was either not read, or being read was not comprehended. The Senator from Ohio [Mr. SHERMAN] on calling up this bill used these words:

I rise for the purpose of moving that the Senate proceed to the consideration of the mint bill. I will state that this bill will not probably consume any more time than the time consumed in reading it. It is a matter of vital interest to the Government, and I am informed by officers of the Government that it should pass promptly. The amendments reported by the Committee on Finance present the points of difference between the two Houses, and they can go to a committee of conference without having a controversy here in the Senate about them.

It is difficult to find members of either House at that time who knew that silver was to be demonetized. I doubt if a score in either House knew the full scope of the bill.

Gen. Garfield, in a speech made at Springfield, Ohio, during the fall of 1877, said:

Perhaps I ought to be ashamed to say so, but it is the truth to say that, I at the time being the chairman of the Committee on Appropriations, and having my hands overfull during all that time with work, I never read the bill. I took it upon the faith of a prominent Democrat and a prominent Republican, and I do not know that I voted at all. There was no call of the yeas and nays, and nobody opposed that bill that I know of. It was put through as dozens of bills are, as my friend and I know, in Congress, on the faith of the report of the chairman of the committee; and therefore I tell you, because it is the truth, that I have no knowledge about it.—*Congressional Record*, volume 7, part 1, Forty-fifth Congress, second session, page 989.

On February 15, 1878, the following colloquy between Senator Blaine and Senator VOORHEES took place:

MR. VOORHEES. I want to ask my friend from Maine, whom I am glad to designate in that way, whether I may call him as one more witness to the fact that it was not generally known whether silver was demonetized. Did he know, as Speaker of the House, presiding at the time, that the silver dollar was demonetized in the bill to which he alludes?

MR. BLAINE. I did not know anything that was in the bill at all. As I have before said little was known or cared on the subject. [Laughter.] And now I should like to exchange questions with the Senator from Indiana, who was then on the floor and whose business it was, far more than mine, to know, because by the designation of the House I was to put questions and the Senator from Indiana, then on the floor of the House with his power as a debater, was to unfold them to the House. Did he know?

MR. VOORHEES. I very frankly say that I did not.—*Ibid*, page 1063.

MR. HOLMAN, in a speech delivered in the House of Representatives July 13, 1876, said:

I have before me the record of the proceedings of this House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through this House was a "colossal swindle." I assert that the measure never had the sanction of this House, and it does not possess the moral force of law.

Senator Beck, in a speech made in the Senate, January 10, 1878, said:

It (the bill demonetizing silver) never was understood by either House of Congress. I say that with a full knowledge of the facts. No newspaper reporter—and they are the most vigilant men I ever saw in obtaining information—discovered that it had been done.—*Congressional Record*, volume 7, part 1, Forty-fifth Congress, second session, page 260.

When President Grant, on January 14, 1875, signed the resumption act, he sent a message to Congress urging the establishment of mints at Chicago, St. Louis, and Omaha, to coin silver for purposes of resumption, not knowing that he had signed an act demonetizing the silver dollar. Much less were the people informed, through the press or otherwise, that the silver dollar was to be demonetized.

Mr. President, the people generally give notice when a law is obnoxious, or when they wish a bad law repealed. In what papers had this law of eighty years' standing been discussed? How many county newspapers had declared against the old-fashioned dollar? How many journals had published interviews from leading men upon the subject? How many county, State, or national conventions had passed resolutions declaring that it was unsafe longer to maintain a silver standard? These are the ways in which the people express themselves; and it seems to me that so

important a measure as changing a standard which had been in use from the beginning of the Republic should have been discussed around the fireside of every intelligent citizen of the Union. But no, Mr. President, it was known to an interested few only in England and the money centers of the United States. And now that the disastrous effects of the change are felt all over the nation, party fealty is such that it will be a Herculean task to secure a return to free coinage of silver, which it is safe to say three-fourths of our population desire.

Free coinage, Mr. President, is nothing new or unheard of. One might suppose from the bitter discussions on the platform and by the press that it was some untried, dangerous policy. The people seemingly forget that we had no other policy until a few years ago. Ever since the founding of our Government till 1873, a period of eighty-three years, the United States Mint would take any man's silver and turn it into dollars at Government expense; and every piece of money of 37½ grains of fine silver was a measuring unit for the commodities of commerce. Our fathers adopted the Spanish milled dollar as their monetary unit, which continued to act as such during the unparalleled growth of our nation up to 1873. The amount of fine silver has not varied. The amount of pure gold in the gold dollar was changed by the acts of 1834 and 1837. But the silver dollar remained stationary.

It was always substantially at a par with gold, and in 1873 commanded a premium of 3 cents. It was the poor man's money, entering into all the small transactions of commercial life. Gold was the money of the rich, who looked upon the poor man's dollar with jealous eye, because he could not corner or control it. No one found fault with bimetalism except the money kings, and it was at their instance that the change to a gold basis was broached. Millionaires were of slow growth in those days, and it was impossible to bridle the patience of those who had once scented the possibility of rich gains from a rise in gold bullion. What cared they as to any inconvenience or disaster which might arise to the mass of the people by the change from a bimetallic to a gold basis? The wrecking policy of contraction had been entered upon already, and the additional decrease of two or three hundred millions in the money volume and the payment of obligations according to a gold standard would add no great additional burden.

The subject of finance has been so intimately associated for the past twenty years with the condition of agriculture, Mr. President, that the discussion of the one involves the discussion of the other. The dark picture of our farming interest is a logical sequence to the act of demonetization, and also furnishes ample reason for a return to free coinage and a bimetallic standard.

In 1868, Count Wolowski, of France, in discussing the conditions which might arise from the demonetization of silver, made the following prediction:

One of the principal difficulties in this period of general depression will be that the people will look for its causes in all possible directions. The advocates of the gold standard will offer all possible fantastic and groundless excuses and reasons of a secondary nature only, and the real cause, the demonetization of silver, will be overlooked until the perspicuity of the phenomena and dire necessity shall force thinking men to point it out. Through-

out the world a decline in prices will follow, injurious alike to owners of real property and the laboring classes, and advantageous only, and unjustly so, to the holders of State bonds and similar securities.

We are now living in the day foretold by Count Wolowski, and it is my purpose to-day to picture the condition of agriculture as related to the manipulation of the currency. I hold in my hand, Mr. President, a little map called the "Jones chart," which notes the variations in the prices of wheat, cotton, and silver from 1871 to 1892. The coincidence is most remarkable. I have prepared from this map a table which will show clearly the association between these products. When silver has approached par the price of these commodities has correspondingly risen, and *vice versa*.

Table giving coincidences between prices of silver, wheat, and cotton from 1871 to 1892.

Year.	Silver, per ounce.	Wheat, per bushel.	Cotton, per pound.	Remarks.
1872	\$1.32	\$1.29½	\$0.21	
1873	1.29	1.17	.17½	
1874	1.27	1.05	.16½	
1875	1.24	1.07	.15½	
1876	1.24	1.05	.12	Stringency in money market.
1877	1.19	1.39	.11½	Corner in wheat.
1878	1.12	.95	.11	Money panic.
1879	1.11½	1.07	.11½	Bland act and short wheat crops.
1880	1.14	1.09	.12½	
1881	1.13	1.19	.12½	Short wheat crops in this country.
1882	1.12	1.15	.11½	Wheat cornered.
1883	1.11	1.02	.10½	
1884	1.10½	.83	.10½	
1885	1.05	.83	.10½	
1886	.98½	.77	.09½	
1887	1.00	.81	.10½	
1888	.94½	.90	.10½	
1889	.95	.92½	.10½	
1890	1.09	.92	.11½	Act of July 14, 1890.
1891	1.01½	1.01	.08½	

It is incredible that such coincidences should occur for so long a term of years without some foundation in fact, and, though it may be difficult to explain local fluctuations, the general coincidence is explainable through the manipulation of the money market in relation to silver. It has become an axiom of commerce that the market price of American cotton and wheat varies with the market price of silver bullion in the European markets, and the European price of imported wheat varies directly as the silver-bullion market. It only remained therefore for us to examine a chart of market reports for twenty years to confirm the impressions already formed from the operations of commercial laws.

Free coinage of silver, Mr. President, affects directly, not indirectly, the products of the American farmer. A gold standard puts us at a disadvantage in the European market for wheat and cotton, while free coinage will materially relieve us of the sharp competition of Russia and the silver-using districts of Asia. Russia uses silver when she can get it. In India the rupee is the coin of commerce, and that country alone consumes annually fifty

millions of silver, forty millions coming from the United States. Russia exports to England 100,000,000 bushels of wheat. India exports to European markets 50,000,000 bushels of wheat and about 1,000,000 bales of cotton. In the year 1890-'91 the United States exported to Europe 3,750,443 bales of cotton and 55,131,948 bushels of wheat.

The price of Asiatic bills of exchange therefore cuts an important figure in the transaction in the European market. With American free coinage of silver and the consequent depreciation of silver bullion from \$1.29 to 90 cents per ounce the Bank of England and the English grain merchant will convert our silver into rupees for the Indian trade. At the present time England buys 32 cents' worth of our bullion and converts it into a rupee worth 48 cents, and which purchases from the Hindoo 48 cents' worth of wheat.

England's policy, Mr. President, is self-protection. Self first, with a disposition to crowd to the wall every nation which competes with her in commerce. Her policy is retaliatory towards the United States. At the same time she wrests every penny possible from her colonial and tributary subjects. Though she swells her millions by coining cheap bullion into rupees and purchases therewith the Indian wheat and cotton, yet the Indian farmer is none the richer. On the other hand, when the Hindoo is forced to pay his \$75,000,000 tribute to England in the way of rents and interest on bonds and stocks he must buy gold with his silver rated at European bullion value. England may be able to dictate such disastrous bargains with a tributary nation, but why she should be able to make us a tool to accomplish her ends I can not see. She says to us, "Demonetize your silver in order that I may be able to purchase cheap bullion, and by this give the Asiatic nations the European wheat and cotton markets."

Now, Mr. President, England objects to free coinage of silver in America because she knows as well as we that silver would at once go to par, and that means to her 48 cents in the rupee, instead of 32 cents. The price of wheat in the European market being \$1, for instance, it would seem at first thought that the odds were all in favor of the American exporter, seeing that the Indian exporter must pay twice the freight and present a poorer quality of wheat. But as India wants the silver, and the Indian shipper can take the gold dollar and make a second trade in cheap silver bullion before returning to India, it is plain to be seen that he has an advantage over the American shipper. And whereas the Indian shipper may have paid under the present arrangement 3 rupees (or \$1.44) for wheat, come to England and sold it for 100 cents in gold, and with the gold bought enough silver bullion to make 4 rupees (or \$1.92), thereby clearing one rupee on each bushel, he must with Asiatic exchange at par pay the Indian producer less for his products, in which event the field will be left clear for the American exporter.

Now, here is the syllogism as applied to the exportation of our agricultural products:

1. Our prices for cotton and wheat are regulated largely by the European market.
2. East India and the United States are competitors for that market.

3. Considering quality of grain and price of freight, other things being equal, the market is ours.

4. If Asiatic bills of exchange, however, fall below par, the East Indian has the advantage of us.

5. Demonetization of silver in the United States has furnished cheap silver bullion and hence lowered Asiatic exchange.

6. Free coinage of silver would bring it to a par with gold, and also raise Asiatic exchange to par.

7. Therefore, free coinage of silver restores to our farmers the European market, with no unjust competition from Asiatic silver nations.

The objections raised to the free coinage of silver, Mr. President, seem puerile, and only such as the creditor class of citizens have always raised. The threatened deluge of foreign silver has frightened many an advocate of the white metal. But the European ratio between the two metals being 15½ to 1, and in India 15 to 1, while in the United States it is 16 to 1—in other words, an ounce of silver in America being worth only \$1.29, while in Europe \$1.33, and in India \$1.37—it is hardly probable that the current would turn this way. But suppose for a moment that the junk-dealer of France would come across with his shipload of old silver, expecting that every 70 cents' worth of it could be turned at the mint into a dollar. He can get for his bullion either silver coin or paper. He can get no gold unless we choose to give it to him, and he is left to one of two alternatives, either to take his silver back or invest it in American industries, in which case he becomes a promoter of our welfare. But such statements of the press are all bugaboo, and affect only the ignorant and the timid.

If Europe had twice the silver she has there could be no such danger; but she has not the silver and can not get it, except from silver-producing America. Before many generations have gone by there will not be gold enough to supply the arts, and resort must be had to silver. There is not, Mr. President, gold enough in the world to meet the demands of commerce, which has been growing during the present century out of all proportion to the metal basis at present adopted by England, Germany, France, and the United States.

The United Kingdom has one hundred and seven millions of silver, or \$2.81 per capita; France has seven hundred millions of silver, or \$17 per capita; Germany has about two hundred and twenty millions of silver, or \$4.41 per capita. This is all in use as subsidiary coin. India, China, and other Asiatic nations are the grave of silver. They receive all they can get, but do not give up a dollar. Russia, Austria, and Italy have dispensed with silver. And when we have gone over the world there is not an ounce which can be spared for the purpose of flooding the United States with a debased coin. It is needed by this and all nations to broaden the metallic base of the mountain of paper current in our business transactions.

It was predicted by financiers during the discussion fourteen years ago that gold would leave the country. I believe statistics show that gold came into the country. It was a scare with no basis in reason, nor has there yet been a valid reason advanced

why gold should have left. If so, it has evidently proven fallacious. According to the testimony of gold men we are now coining about all the silver offered or that we can use, and yet we are not troubled about gold fleeing the country. It stands to reason that gold will not leave us without cause, and never under any circumstances unless the American gets the best end of the bargain. It may go to Europe, because, on account of the extraordinary prices of American products, it is more profitable to purchase abroad than at home. In case of a possible famine in the United States, silver as well as gold must go to purchase needed supplies. But with a balance of trade in our favor constantly increasing, and possessing the vast quantity of products which Europe is compelled to buy, we need not fear but that every ship which goes laden with American products will return with European gold.

The net excess of gold bullion exports over imports for 1891 was \$66,706,884, a large portion of which was paid as interest on English mining, land, and railroad securities. But this, according to the views of gold men, is a contribution to American development, and is bound to occur under the present law as well as under free coinage. So that the sum total of complaint and argument against free coinage of silver is not that silver will flood us, or that gold will leave us, but the "inconvenience" which might arise to a class of security-holders who have built large hopes upon an appreciated gold market. But has there not been time since the silver discussion began to adjust business for the change? How much warning was given when farm property was to be depreciated in value by the demonetization of silver? The argument used by gold men in 1873, that time would adjust the "inconveniences" for the debtor, can now be turned with very good propriety, seeing that bondholders are well able to endure the slight depreciation in gold securities.

The present condition of agriculture, Mr. President, is closely connected with an ample and flexible volume of currency. It is not claimed that free coinage of silver will largely increase the volume of currency. But with our rapidly increasing population we shall need \$500,000,000 during the next ten years in order to insure us an additional \$10 per capita. It is claimed, however, that free coinage of silver, by bringing the metal to a par with gold, will unlock the currency now hoarded for purposes of speculation and promote free circulation. But we are asked to consult New York as to whether the country needs a larger or more flexible volume.

They scorn the people's complaints as long as the supply is ample enough for their needs. It matters not that the people from the Allegheny Mountains, west through the fertile valleys of Illinois, Mississippi, and Missouri, rise up regardless of party lines and demand more money. They are guilty of not asking permission of the sages of finance who are supposed to keep their fingers on the public pulse and to know within a 10-cent piece how much is for their good. I should rather remark, who keep their finger on the Treasury purse strings and carefully watch how much a suffering people will endure. The great mass of our population, industrious, frugal, honest; the farmer, the me-

chanic, the laborer, the merchant, the wealth-producers of the nation, ask for a greater volume of money.

But modern lexicons are apparently not comprehensive enough to supply modern journalists with material by which to characterize these common people, who even modestly assert their right to think upon finance. The people are a common herd apparently, whose duty it is to perform the daily labor by which the nation grows without a murmur of dissent or a question as to whether their representatives adopt a wise policy or not. It is the pride of our free government that the people rule; but it seems to-day, Mr. President, to be a question in Congress as to who are the people, whether New York or the Mississippi Valley; whether New England or the vast South; whether a few corporations or the masses. To whom is our ear turned when bills are considered touching the disbursement of the taxes which the people pay into the Treasury? To the interest of a few privileged classes or to the vast multitude of the poor? Whether it be gambling in futures, or free coinage of silver, or any popular demand, gilt-edged petitions from boards of trade, chambers of commerce all over the country are poured in upon us.

But for every one of these come the crumpled petitions representing a thousand farmers, written with the soiled, stiffened hand wearied with his daily task. Whose interests should be consulted? To whom should we listen? To the agriculturist not more, I would say, than to other classes; but the demand is for justice and fair play. The people demand a volume of currency sufficient to transact the business of the country, and that it shall increase in volume proportionately with the increase of business and the increase of population.

But we are met by the banker who tells us at one time that there is an abundance of money and at another that the volume of currency has but little to do with business prosperity. Even the Secretary of the Treasury has sent out a carefully prepared report to show that we have a larger circulation than at any previous period for thirty years; that the per capita circulation is now \$24. It is not my purpose to go into the discussion of this matter at length. It may be time enough for that when secretaries and politicians agree. Secretary Windom's report for 1889 as to the volume of money in circulation placed side by side with that of Secretary Foster, for the years from 1878 to 1889, show the following differences:

Year.	Windom.	Foster.	Difference.
1878.....	\$805,793,808	\$729,132,634	\$75,661,173
1879.....	862,579,734	818,631,733	43,947,961
1880.....	1,022,033,685	973,382,228	48,650,457
1881.....	1,147,892,435	1,114,338,119	33,554,316
1882.....	1,188,752,363	1,174,290,419	14,411,944
1883.....	1,230,650,032	1,203,365,696	27,284,336
1884.....	1,281,569,924	1,243,923,969	37,645,955
1885.....	1,286,650,871	1,292,568,615	5,937,544
1886.....	1,264,889,551	1,252,700,525	12,149,026
1887.....	1,353,485,690	1,317,539,143	35,946,447
1888.....	1,384,340,280	1,372,180,870	12,159,410
1889.....	1,406,018,000	1,280,361,649	125,656,351

Again, Mr. Foster's statement as to the volume of currency in circulation on July 1, 1890, was \$1,429,251,270. Six months afterwards, when there should have been more money, in response to a resolution of the Senate, Mr. Nettleton, Assistant Secretary, gave the volume as \$1,037,912,728, a difference of \$391,338,542.

In making the estimates from 1865 to the present time, very few officials have taken account of the heavy reserves held in banks, nor the large amount of currency hoarded, lost, mutilated, or destroyed, which according to good authorities very materially decreases the amount of per capita for any given year.

From the Philosophy of Price, I present a statement of the volume of currency with such deductions made.

Year.	Population.	Circulation.	Per capita.
1854.....	25,090,860	\$44,682,000	\$17.04
1855.....	23,831,024	426,952,000	15.81
1856.....	27,793,730	433,748,000	15.68
1857.....	23,890,865	454,799,000	15.79
1858.....	23,766,846	395,208,000	13.27
1859.....	30,610,096	468,305,000	15.28
1860.....	31,443,321	482,102,000	15.33
1861.....	31,443,321	497,358,453	15.73
1862.....	24,000,000	544,788,268	22.69
1863.....	24,500,000	1,043,610,415	42.58
1864.....	25,000,000	988,050,985	38.72
1865.....	26,000,000	1,639,127,388	70.77
1866.....	33,819,281	1,803,409,216	53.01
1867.....	36,269,502	1,350,949,218	37.51
1868.....	37,016,949	794,756,112	21.47
1869.....	37,779,800	730,705,633	19.34
1870.....	38,558,371	691,038,377	18.70
1871.....	39,730,073	670,344,147	16.89
1872.....	40,978,697	631,641,363	15.14
1873.....	42,245,110	652,890,782	15.45
1874.....	43,550,756	633,032,773	14.51
1875.....	44,898,705	630,427,609	14.04
1876.....	46,284,344	620,316,970	13.40
1877.....	47,714,829	586,328,074	12.28
1878.....	48,655,306	549,540,057	11.23
1879.....	50,155,783	534,424,248	10.65
1880.....	51,660,456	528,524,267	10.23
1881.....	53,210,269	610,632,433	11.48
1882.....	54,806,577	657,404,084	11.97
1883.....	56,550,714	648,205,895	11.48
1884.....	58,144,235	501,476,978	10.17
1885.....	59,888,562	533,405,001	8.90
1886.....	61,685,218	470,574,361	7.63
1887.....	63,535,774	423,452,221	6.67
1888.....	65,000,000	398,719,212	6.10
1890.....	65,000,000	306,999,982	4.72

This is in the main verified by a table published in the Chicago Inter-Ocean in 1878:

Year.	Currency.	Population.	Per capita.
1865.....	\$1,651,282,373	34,819,581	\$47.42
1866.....	1,803,702,726	35,527,148	50.76
1867.....	1,380,414,677	36,269,502	36.68
1868.....	817,199,773	37,016,949	22.05
1869.....	750,025,989	37,779,805	19.80
1870.....	740,039,179	38,588,300	19.20

## Population and volume of currency—Continued.

Year.	Currency.	Popu- lation.	Per capita.
1871.....	\$731,244,714	39,750,973	\$18.47
1872.....	736,340,912	40,978,607	17.00
1873.....	733,291,749	42,245,110	17.48
1874.....	779,531,589	43,550,736	17.89
1875.....	773,170,260	44,890,705	17.35
1876.....	735,358,832	46,284,344	15.89
1877.....	690,443,394	47,714,829	14.40

The 7.30 three-year notes, whose circulation as currency is most scouted, were outstanding on the 1st of September, 1865, to the amount of \$830,000,000, every dollar of which was legal tender for its face value under the terms of the law "to the same extent as United States notes."

From a speech made in this Hall by the late Senator Plumb, in June, 1890, I quote the following:

Let us see, therefore, how much money is available for actual use among the people. From the total of \$1,560,000,000, arrived at as above, must be first deducted an average of \$260,000,000, which the Treasury always keeps on hand, and about which something has heretofore been said in the debate on this bill. That leaves as the maximum which by any possibility can be used \$1,300,000,000.

There ought, in fairness, to be deducted from this \$150,000,000, error in estimate of gold in the country, which would reduce the money outside the Treasury to \$1,150,000,000. From this is to be subtracted the \$700,000,000 kept as a reserve (in the banks), as before computed, leaving a balance of but \$550,000,000 which is available for delivery or other use in the transactions of the business of all the people, or a trifle over \$8 per capita. But the force of my argument is not materially weakened by conceding the gold coin to be as estimated by the Treasury Department, which would leave in actual circulation \$700,000,000. In order to make up this amount all doubt must be resolved in favor of the Treasury and against the people, both the doubt as to the lost and destroyed notes and that as to the gold supply. If I was deciding this case upon what I consider the best evidence, I would be bound to say that I believed the money in actual circulation did not much, if at all, exceed \$500,000,000.

Upon this narrow foundation has been built the enormous structure of credit of which I have spoken. It is the greatest of the kind that was ever built, because it was built by the best people that ever built anything. Over \$20,000,000,000 of debts, the enormous and widely extended business of 65,000,000 of people, all rest upon and must be served by a volume of currency which must seem to the most veteran financier as absolutely and dangerously small.

These opinions are corroborated by the statements of other men prominent as students of finance. There is plainly an inadequate volume of currency and business is depressed. Being the tool or medium by which transactions are made, business can not be carried on without an adequate supply any more than freight can be moved in a given time without an adequate supply of cars. Our heavy crops of the Northwest are dependent for removal upon the volume of money. If there be a scarcity, stagnation ensues and prices fall.

But in addition to an increased volume of currency there must be provided some means to make it flexible enough to meet what might be called the emergencies of commerce. It so happens that a large bulk of the labor product of the South and West is turned on the market in a very few months, thus doubling or trebling the volume of wealth and business, while the volume of currency remains the same. The money volume during the summer is all used in the lines of trade, so that when the emergency

of moving large crops of grain is sprung upon us business men are cramped. Interest goes up and prices of agricultural products go down.

Secretary Windom, in his speech of January 31, 1891, before the New York Board of Trade, so well stated this that I quote:

The ideal financial system would be one that should furnish just enough absolutely sound currency to meet the legitimate wants of trade and no more, and that should have enough elasticity of volume (flexibility) to adjust itself to the various necessities of these people. Could such a circulating medium (flexible) be secured, the gravest commercial disasters which threaten our future might be avoided. These disasters have always come when unusual activity in business has caused an abnormal demand for money, as in autumn, for the moving of our immense crops. There will always be great danger at those times under any cast-iron system of currency, such as we now have.

Had it not been for the peculiar condition which enabled the United States to disburse over \$75,000,000 in about two and one-half months last autumn, I am firmly convinced that the stringency in August and September would have resulted in a widespread financial ruin.

Flexibility of volume, therefore, is all-important to every interest of our country outside of the money centers; and some method must be devised by which the currency can at stated times be materially increased, and then diminished again after agricultural products are moved. Farmers are not so set upon the subtreasury plan but that they are willing to give it up if we provide something better that will answer the same ends. By the present system all legitimate business pursuits are at the mercy of the kings of finance, who are always satisfied with a nonelastic and inadequate volume of money.

The money power of the United States, Mr. President, are not the first to discover the rich harvest in store through contraction of the currency. Sir Archibald Alison, the historian, in reviewing past history sees between the lines the operations of the financier, and says:

The two great events in the history of mankind have been brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, to heathenism, and to moral corruption, was, in reality, brought about by a decline in the silver and gold mines of Spain and Greece. And as if Providence intended to reveal in the clearest manner possible the influence of this mighty agent in human affairs, the restoration of mankind from the ruin this cause had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails to cross the Atlantic he bore mankind and its fortunes in his bark. The annual supply of the precious metals—of money—for the use of the globe was trebled; before a century had passed the price of every species of produce was quadrupled. The weight of debt and taxation insensibly wore off under the influence of that prodigious increase; in the renovation of industry society was changed, the weight of feudalism cast off, and the rights of man established.

Substantiating this view, I quote from the scholarly report of the United States Monetary Commission of 1877:

Primarily, then, prices must have been entirely controlled by the volume of money unaffected by credit. There can never occur a universal fall in prices and a general withdrawal of credits without a preceding decrease in the volume of money. As the volume of money shrinks, prices fall. When money is decreasing in volume, prices have no bottom, except a receding one, and they are inexorably ruled by the volume of money. In the whole history of the world every great and general fall in prices has been preceded by a decrease in the volume of money. At the Christian era the metallic money of the Roman Empire amounted to \$1,800,000,000. At the end of the fifteenth century it had shrunk to \$200,000,000. During this period a most extraordinary and baleful change took place in the condition of the world.

Population dwindled and commerce, arts, wealth, and freedom all disappeared. The people were reduced by poverty and misery to the most degraded condition of serfdom and misery.

The disintegration of society was almost complete. The conditions of life were so hard that individual selfishness was the only instinct consistent with self-preservation. All public spirit, all generous emotions, all noble aspirations of man shriveled and disappeared as the volume of money shrunk and prices fell. That the Dark Ages were caused by decreasing money and falling prices and that the recovery therefrom and the comparative prosperity which followed the discovery of America were due to the increasing supply of the precious metals and rising prices will not seem surprising or unreasonable when the noble functions of money are considered. Money is the great instrument of association, the very fiber of social organism, the vitalizing force of industry, and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning; with a diminishing supply it must languish, and, unless relieved, finally perish.

The history of finance during our brief life as a nation fully confirms the economic position taken by these eminent students. Since Jefferson and Jackson sounded the first note of warning against banking corporations, we have seen the fruits of delegating the control of the volume of the currency to selfish individuals.

The effect of contracting the currency since the war is a picture of darkness and desolation. I will not trace the course of the juggernaut car in its twenty-five years of destructive progress; the wrecked homes, the broken hearts, and business stagnation are within the memory of all present. Here is a picture of the business failures and devastation wrought during a quarter of a century:

Year.	Number.	Liabilities.
1864.....	495	\$8,579,000
1865.....	520	17,625,000
1866.....	632	47,333,000
1867.....	2,780	96,666,000
1868.....	2,608	63,694,000
1869.....	2,799	75,054,000
1870.....	3,551	88,242,000
1871.....	2,915	85,252,000
1872.....	4,069	121,036,000
1873.....	5,183	228,499,000
1874.....	5,820	155,239,600
1875.....	7,740	201,006,000
1876.....	9,092	191,117,000
1877.....	8,872	190,669,000
1878.....	10,478	234,483,132
1879.....	5,658	98,149,053
1880.....	4,735	65,752,000
1881.....	5,582	81,155,932
1882.....	6,738	102,600,000
1883.....	9,184	172,874,172
1884.....	10,968	226,343,427
1885.....	11,211	267,340,264
1886.....	12,292	229,288,238
1887.....	12,042	335,121,888
1888.....	13,348	247,659,956
<b>Total.....</b>	<b>149,061</b>	<b>3,633,102,082</b>

The above table will not agree with Bradstreet, because he does not include failures for less than \$10,000. I have included all in the table given, and have added a per cent for failures compromised or settled. This constitutes the sequel to the financial

policy of this Government for the past twenty-five years. Do we not want a change?

I present another picture of depreciation in agricultural products as the result of contraction:

Calendar year.	Total production.	Total area of crops.	Total value of crops.
	<i>Bushels.</i>	<i>Acres.</i>	
1857.....	1,329,729,400	65,636,444	\$1,284,037,300
1858.....	1,450,789,000	68,715,923	1,110,500,583
1859.....	1,401,612,100	69,457,703	1,101,884,188
1870.....	1,629,027,600	69,254,016	997,423,018
1871.....	1,528,770,100	65,061,951	911,845,441
1872.....	1,664,331,600	68,230,137	874,594,459
1873.....	1,538,632,801	74,112,137	919,217,273
1874.....	1,454,180,300	80,051,239	1,015,530,570
1875.....	2,032,235,300	86,863,178	1,030,277,039
1876.....	1,963,422,100	93,920,319	935,008,844
1877.....	2,178,934,646	93,150,236	1,035,571,078
1878.....	2,309,254,950	100,956,260	913,975,920
1879.....	2,437,482,300	102,260,950	1,234,127,719
1880.....	2,718,193,501	120,928,285	1,361,497,704
1881.....	2,066,029,570	123,358,070	1,470,957,200
1882.....	2,699,394,496	126,568,529	1,469,693,893
1883.....	2,629,319,088	130,633,556	1,280,765,937
1884.....	2,992,880,000	136,292,766	1,184,311,520
1885.....	3,015,439,000	135,876,080	1,143,146,759
1886.....	2,842,579,000	141,859,656	1,162,161,910
1887.....	2,660,457,000	141,821,315	1,204,289,370

Especial attention is called to the above table of recapitulation. It shows that in 1867, 65,636,000 acres in cultivation produced 1,329,729,000 bushels of all kinds of grain, which sold for \$1,284,000,000; while in 1887, twenty years subsequent, 141,821,000 acres produced 2,660,457,000 bushels, which sold for only \$1,204,289,000. That is, the product for 1867, from less than one-half as many acres and half the amount, brought the farmer \$79,711,000 more. It is impossible to charge this wholesale destruction of values to overproduction. It was a want of ability to purchase, caused by a shrinking volume of currency, and nothing else. In 1867 we had \$52 per capita of population, in 1887 we had less than \$7.

The opinion of these statesmen and economists is, that if a currency of \$2,000,000,000 (for 30,000,000 of people) be reduced to less than \$1,000,000,000 for a population of 60,000,000, so that we have but one-quarter as much money as formerly, disaster is bound to overtake all lines of business except that of the money lender.

The hundreds of thousands of debt assumed by farmers before contraction had to be paid under the specie programme. Thousands of brave men sank under the load of mortgage in despair. From a leading journal I note the following:

At the close of the war of the rebellion we had \$2,000,000,000 of debt-paying medium, and but few debts. Under the contraction policy, inaugurated in 1866, about \$1,300,000,000 was destroyed. So debts created on a basis of \$2,000,000,000 had to be paid when the volume was reduced to \$700,000,000. This was a wholesale robbery of labor, and it was brought about strictly according to law. What shall we think of such lawmakers?

In a speech delivered in this Chamber March 17, 1874, Gen. Logan referred to contraction as follows:

I will give the following tables, showing the amount of currency in circulation in the year 1865 and 1866:

	1865.	
National-bank notes.....		\$171, 321, 503
Legal-tender and other notes.....		688, 918, 800
State-bank notes.....		53, 000, 000
Seven-thirty notes.....		830, 000, 000
		1, 758, 240, 703
	1866.	
National-bank notes.....		8280, 253, 818
State-bank notes.....		9, 748, 025
Legal-tender and other notes.....		608, 870, 825
Seven-thirties.....		830, 000, 000
		1, 728, 872, 668

Since which time contraction has gone on until the whole amount of currency of every kind now outstanding is only \$742,000,000.

At the same time he quoted the following from the Chicago Inter-Ocean with approval:

Slavery is only another name for greed. The black man was not held in bondage for the mere pleasure of ownership, but that the white man might subsist in idleness off his labor. On the strength of this supreme greed of a few thousand owners of black men all the millions of the white men of the South were wrought up to a fury of passion, pressing them forward to the sacrifice of their lives and fortunes on the altar of a false cause. What is the situation to-day? The same battle is being waged in a different field, with different weapons. In the national Senate Chamber a bitter contest is in progress by the representatives of the moneyed aristocracy on the one hand and by the representatives of the masses of the people on the other. The proposition on the part of the capitalists is to grasp and firmly hold the largest possible percentage of the profits of all the labor of the country. They want high rates of interest whereby they may tax traffic, and low rates of wages whereby they may tax labor.

By contracting the currency they secure both of these objects, for they force traffic to supplicate the banks for loans and drive labor to beggary; and as the necessities of merchants render more pressing their importunities for loans the rate of interest is advanced to cover the increased risk, and as the demand for labor declines the price also declines. On the other hand, the proposition of the people, those who live by labor and traffic, is to extend the volume of currency, thereby cheapening money, and so stimulating manufacturing and other industries into such activity as will insure employment to the laboring classes at remunerative rates of wages. No contest was ever more clearly defined. At no time in the history of our country, not even in the history of the rebellion, has it been more evident that the interests of the many clash with those of the few.

The condition thus described has not materially improved.

The VICE-PRESIDENT. The Senator will please address the Chair.

Mr. MORGAN. Mr. President, the Senator from South Dakota is compelled, in order to engage the attention of the few Senators who are disposed to listen to him, even to turn his back upon the Chair. There are persons in the gallery who desire to hear this very able argument, if Senators on the floor will permit them to do it, but they seem disposed not to do it.

Now, Mr. President, I insist upon silence, because hereafter, when the country comes to answer this able argument that is now being made, there will be very profound silence in this Chamber and many of the seats that are vacant now will be vacant then by the direction of the people after they have made answer to this argument.

The VICE-PRESIDENT. The Senate will be in order.

Mr. KYLE. I beg pardon for turning my back to the Chair, but when, in the heat of my argument, I found my audience behind me, I turned my back instinctively upon the Chair.

For twenty years the course of prosperity has been towards the

home of wealth, while 48 per cent of our population, the agricultural class, have been striving against hope to relieve themselves from an oppression the cause of which was to them mysterious. To our credit be it said that we are still an agricultural nation. May the day be far distant when this class shall cease to be an intelligent, independent, moral, directing force in our political affairs. Shall we refuse to know why these people are oppressed? Shall we blind our eyes to the fact that only about \$17,000,000,000 of the \$63,000,000,000 of our wealth is taxed, and that the farmer pays taxes on the largest share of it? Evidently some of the remaining 52 per cent of our population manage to escape paying taxes on all their property.

The oppressed and overtaxed farmers call to us for help. Our mortgage history is a tale of woe and suffering. The Goths and Vandals swooping down upon ancient Rome were not more ruthless or destructive than are the organized moneyed forces of this country. Despite the rosy tinge given to American farming by the Senator from Oregon [Mr. DOLPH] in a late speech, the Mississippi and Missouri Valleys, the garden spot of agriculture, have been under the load of mortgage for twenty years, and the future looks dark. Complete data upon this subject can not yet be furnished by the Census Department, but the following from the National Economist has been substantiated by many writers:

After a careful examination of all obtainable statistics bearing upon farm mortgages, we have selected the tables of the Michigan bureau of labor as a basis for calculations. We make that choice, first, because the system of collecting was fair and intelligent; second, because the estimates were made from actual figures; third, Michigan farmers are in a situation, so far as commercial relations and natural resources are concerned, to be as independent and as free from debt as any of her sister States. If after a fair investigation we find a large per cent of farms mortgaged in Michigan, we may look for an equal, if not greater, per cent in all the remaining agricultural States.

We wish to present the true condition as nearly as possible. After full consideration we give the following:

11 Northwestern States and Territories.....	\$2, 043, 300, 000
13 Southern States .....	648, 600, 000
11 Pacific States and Territories .....	118, 000, 000
New England and Atlantic States.....	273, 672, 000
Total mortgage indebtedness.....	3, 083, 572, 000

To explain these burdensome debts as an evidence of prosperity is to display gross ignorance of the situation. It is customary I know to speak of a growing West and the need of capital for development; but that does not explain the omnipresent mortgage in the older States. The cause is often attributed to the extravagance of the modern farmer. That he wishes to ride in a carriage when his fathers were content with the wagon. Who, I ask, has a better right to a carriage than the farmer? The prosperity of a country is largely indicated by the percentage of farmers who own their own homes and who enjoy something of the comforts and pleasures of life. In our country, however, thirty years have brought us far towards the condition of the European farmer. Here is an interesting table as showing our drift from a nation of home-owners to a nation of tenants:

## Farm tenancy in 1880 and 1890.

States and counties.	Families hiring farms, 1890.	Families hiring farms, 1880.
<b>KANSAS.</b>		
Chase.....	35.60	19.23
Clay.....	30.16	13.67
Dickinson.....	33.18	13.08
Geary.....	29.66	15.38
McPherson.....	32.73	10.75
Marion.....	39.73	17.66
Morris.....	37.69	10.22
Ottawa.....	36.86	9.53
Riley.....	23.55	15.83
Saline.....	30.65	12.44
Ten counties.....	33.25	13.13
(68.38 per cent above farms are encumbered.)		
<b>OHIO.</b>		
Adams.....	37.79	18.40
Brown.....	32.19	17.50
Butler.....	41.33	30.48
Clermont.....	36.46	21.80
Clinton.....	38.34	23.92
Greene.....	39.28	28.27
Hamilton.....	39.62	33.51
Highland.....	31.44	16.85
Preble.....	37.68	30.49
Warren.....	40.68	29.80
Ten counties.....	37.10	24.96
<b>VIRGINIA.</b>		
Page.....	12	12
Rockingham.....	15	11
Shenandoah.....	14	6
Frederick.....	27	19
Loudoun.....	33	28
Five counties.....	20.20	15.20
<b>NEW YORK.</b>		
Columbia.....	25	21
Dutchess.....	27	19
Orange.....	27	22
Fulton.....	20	14
Oneida.....	23	18
Steuben.....	21	14
Cortland.....	27	21
Genesee.....	22	16
Eight counties.....	24	18.12
<b>MASSACHUSETTS.</b>		
Barnstable.....	7	5
Bristol.....	19	9
Dukes.....	10	11
Franklin.....	10	7
Hampden.....	16	8
Hampshire.....	12	6
Nantucket.....	25	2
Norfolk.....	20	7
Plymouth.....	10	4
Worcester.....	13	8
Ten counties.....	14.20	6.70

## Farm tenancy in 1880 and 1890—Continued.

States and counties.	Families hiring farms, 1890.	Families hiring farms, 1880.
<b>RHODE ISLAND.</b>		
	<i>Per cent.</i>	<i>Per cent.</i>
Kent.....	24	19
Bristol.....	26	14
Newport.....	23	24
Washington.....	20	21
Four counties.....	23.25	19.50
<b>MAINE.</b>		
Androscoggin.....	7	3
Cumberland.....	8	3
Franklin.....	7	2
Kennebec.....	8	2
Oxford.....	7	3
Sagadahoc.....	7	2
Six counties.....	7.33	2.50

We might as well meet and face the facts as they are. The voice of the people means something. The agriculturists may be ignorant of many things, but they know when there is an unjust discrimination against them.

The situation to-day, Mr. President, is anomalous. We occupy the favored spot on earth in wealth of resources. Everything that is needed for the supply of man is ours. We are just in our infancy, and in that formative period of development when labor should be most richly rewarded. We have grown from a handful of people to sixty-three millions. Our wealth of eight thousand millions in 1850, and thirty thousand millions in 1870, has now reached the almost incomprehensible figure of sixty-three thousand millions. And yet we look upon the sad picture of a depressed industry, with two million laborers tramping as beggars, while women and children in rags are perishing for the necessities of life. There are reasons for these things. The poor are not all victims of ignorance, shiftlessness, and vice. They are rather victims of an economic condition.

It is an economic law that the prosperity of a nation consists not so much in the accumulation of wealth as in the proper distribution of it. Our gain of eighteen thousand millions in a decade makes us the envy of the world. But where has it gone? There seem to have been millions flowing by a steady stream into the pockets of the favored few, while the masses are left with a bare existence. The farmer is denying himself and yet runs in debt. How is it with the day laborer? According to the labor reports of Massachusetts the average yearly wages for the employé for 1886, averaging forty lines of industry, was \$395.89. For 1887, \$396.14, or about \$1.02 per day.

In a speech delivered in Congress May 16, 1888, Hon. Benja-

min Butterworth made the following statements in regard to the income of farms in some of the States:

States.	Per year.	Per day.
Ohio.....	\$394.00	\$1.08
Georgia.....	155.00	.42
Mississippi.....	379.00	.74
Illinois.....	476.00	1.30
Alabama.....	149.00	.41
Wisconsin.....	375.00	1.02

The average income of the farmers of the United States is less than \$1 a day counting three hundred and sixty-five days in a year. Mr. Butterworth also stated the average income of mechanics and laborers in different cities:

Cities.	Per year.	Per day.
Cincinnati.....	\$238.00	\$0.93
Lowell, Mass.....	234.00	.80
Chicago.....	436.00	1.20
St. Louis.....	424.00	.....
Philadelphia.....	340.75	.95
Lawrence, Mass.....	331.75	.90
Richmond, Va.....	214.00	.60
Augusta, Ga.....	267.00	.73
Louisville, Ky.....	334.00	.90

This is not a very good showing for the remuneration of productive labor.

How far removed from starving is this? I well know the answer with reference to this, as applied to the modern farmer and day laborer, that never in the history of this or any other country has this class been so well paid. Barring certain skilled workmen, wages are low enough now. But it must be remembered that more money is used by the laborer than ever before. Time was when the farmer produced his wearing apparel and every article of food. That day has passed. The mechanic once kept his garden and other helps of a domestic kind. That day is past. He now pays cash for every article consumed by the family. It is safe to say that the demands upon the laborer are double what they were in the early days, and therefore the conclusion that his condition is not materially improved.

But how has the millionaire flourished? In 1860 there were but very few millionaires in our country. Now there are over thirty-two thousand. The matter is commented on by the Christian Union, of New York, as follows:

Mr. Vanderbilt's aggregate wealth is estimated at \$201,000,000, and there are fourteen States which separately return less property, real and personal, than this one fortune. He owns one two-hundred-and-eighteenth part of the wealth of the nation. The great estates of Rome, in the time of the Cæsars, and of France, in the time of the Bourbons, rivaled those of the United States of to-day; but both nations were on their way to a frenzy of revolution, not in spite of their wealth, but, in some true sense, because of it.—*Christian Union, 1884.*

In the November Forum, 1889, Thomas G. Shearman gives the following startling table showing the concentration of wealth in the hands of the few.

<i>Concentration of wealth in the hands of the few.</i>	
Families.	Worth..
70.....	\$2,625,000,000
90.....	1,025,000,000
180.....	1,440,000,000
135.....	968,000,000
360.....	1,656,000,000
1,755.....	4,038,000,000
6,000.....	7,500,000,000
7,000.....	4,550,000,000
11,000.....	4,125,000,000
14,000.....	3,220,000,000
16,500.....	2,722,000,000
50,000.....	5,000,000,000
75,000.....	4,500,000,000
200,000.....	4,000,000,000
1,000,000.....	3,500,000,000
2,000,000.....	4,000,000,000
9,620,000.....	7,215,000,000
13,002,090.....	62,082,000,000

Now let us put them into four great classes:

Families.	Worth.
182,090.....	\$43,367,000,000
1,200,000.....	7,500,000,000
2,500,000.....	5,200,000,000
9,120,000.....	6,015,000,000
13,002,090.....	62,082,000,000

How the immortal Webster would stare at such figures!

He once spoke of this threatening evil in this manner:

The freest government can not long endure where the tendency of the law is to create a rapid accumulation of property in the hands of the few, and to render the masses of the people poor and dependent.

Further comment is unnecessary to show the violation of just economic laws as applied to individuals. But the injustice is equally noticeable when applied to States. It is manifestly unjust that the population of one State should be compelled to "make bricks without straw" in order that the product of their labor should be used to build up the wealth of another State, even though the steady drain of wealth should be in accordance with law. I have taken the pains to figure out from the late census reports some facts upon this point, showing how the manufacturing States have been favored.

During the past decade fifteen States, comprising the great agricultural belt south of us and as far west as Texas, with a population of 22,000,000, produced in round numbers but \$1,496,000,000 of wealth.

Nine of the richest States of the Mississippi Valley, with a population of 19,000,000, were able to produce in ten years only fourteen hundred and eighty-three millions of wealth, while the six New England States, with but four and a half millions of people, produced nine hundred and six millions of wealth. Massachusetts alone, with two millions of people, produced five hundred and sixty-nine millions of wealth in ten years, while Indiana, with the same population, produced but fifty-five millions. This goes to show that either New England is a rustler or else

the hard-earned dollars of the agricultural States have contributed to her wealth.

One more example taken from S. S. King's compilation from the census report of 1890: Ten Southern States, taken with five of the best States of the Mississippi Valley, show the following facts:

Square miles of area .....	776,480
Population in 1890 .....	19,996,827
Assessed valuation .....	\$3,995,169,502

Now compare these figures with the single State of New York:

Square miles of area .....	49,170
Population .....	5,032,871
Assessed valuation .....	\$2,651,940,006

Now, here are the deductions:

The fifteen States here have sixteen times the territory and better soil; they have four times the population with which to produce wealth; they have one and a half times the capital in assessed valuation; and yet the fifteen States gained in wealth during ten years only \$1,117,188,213, while New York alone gained \$1,123,385,932, or six millions more than the fifteen States.

I present also the report of the Comptroller of the Currency upon the distribution of loanable funds, together with some comments by Mr. N. A. Dunning, in the National Economist. On page 234 of this report is the following table:

*Table showing, by States and Territories, the population of each on June 1, 1891, and the aggregate capital of national and State banks, loan and trust companies, and savings and private banks in the United States on June 30, 1891, and the average of these per capita of population.*

States and Territories.	Population June 1, 1891.	All banks.	
		Capital, etc.	Average per capita.
Maine .....	683,000	881,253,068	\$122.55
New Hampshire .....	379,000	96,225,832	253.89
Vermont .....	333,000	40,981,914	123.07
Massachusetts .....	2,299,000	742,651,224	323.02
Rhode Island .....	352,000	127,126,389	361.15
Connecticut .....	764,000	199,953,331	261.72
New York .....	6,110,000	1,663,604,173	272.27
New Jersey .....	1,484,000	119,766,779	80.70
Pennsylvania .....	5,382,000	546,267,053	101.50
Delaware .....	170,000	14,886,050	87.56
Maryland .....	1,048,000	101,096,200	96.46
District of Columbia .....	236,000	20,146,171	85.37
Virginia .....	1,670,000	42,131,055	25.23
West Virginia .....	773,000	14,113,894	18.26
North Carolina .....	1,638,000	10,602,746	6.47
South Carolina .....	1,165,000	14,556,233	12.49
Georgia .....	1,887,000	22,682,049	12.14
Florida .....	405,000	8,485,786	20.95
Alabama .....	1,538,000	14,900,568	9.69
Mississippi .....	1,309,000	11,754,338	8.98
Louisiana .....	1,137,000	35,138,019	30.90
Texas .....	2,304,000	65,070,737	28.24
Arkansas .....	1,161,000	7,607,971	6.55
Kentucky .....	1,870,000	86,078,682	45.03
Tennessee .....	1,773,000	42,603,237	24.03
Ohio .....	3,730,000	220,297,991	59.22
Indiana .....	2,213,000	71,753,585	32.42
Illinois .....	3,899,000	271,513,188	69.61
Michigan .....	2,139,000	124,322,250	58.12

## Population, aggregate capital of national and State banks, etc.—Continued.

States and Territories.	Population June 1, 1891.	All banks.	
		Capital, etc.	Average per capita.
Wisconsin.....	1,728,000	\$31,828,490	\$53.14
Iowa.....	1,935,000	111,981,211	57.87
Minnesota.....	1,390,000	102,482,170	75.35
Missouri.....	2,734,000	164,047,645	60.00
Kansas.....	1,448,000	53,890,588	37.22
Nebraska.....	1,148,000	69,333,620	60.39
Colorado.....	410,000	40,480,478	92.00
Nevada.....	44,000	1,175,791	26.75
California.....	1,244,000	271,189,235	218.00
Oregon.....	333,000	17,878,204	53.69
Arizona.....	61,000	1,272,356	20.86
North Dakota.....	193,000	8,985,308	46.56
South Dakota.....	341,000	11,069,101	31.22
Idaho.....	93,000	2,588,258	27.83
Montana.....	145,000	20,277,490	139.85
New Mexico.....	157,000	4,415,963	28.12
Indian Territory.....	181,300	232,954	1.56
Oklahoma.....	115,000	480,347	4.18
Utah.....	214,000	15,358,062	71.77
Washington.....	375,000	27,859,317	74.29
Wyoming.....	66,000	5,373,750	81.42
<b>Total.....</b>	<b>64,156,300</b>	<b>5,840,438,191</b>	<b>91.03</b>

A glance at the tables submitted will show that the Eastern States are enjoying the benefits of a per capita of loanable funds ranging from \$80.70 in New Jersey to \$361.72 in Rhode Island, while the Southern States have only \$6.56 in Arkansas to \$30.90 in Louisiana. This inequality becomes more marked as the statistics of loans and currency are considered, which will be brought out further on. To such an extent has this inequitable condition of congestion in the East and depletion in the South and West obtained as to attract the attention of many who have heretofore doubted its existence, and may lead to a thorough awakening of public interest in the matter.

It will be noticed that out of the gross amount of loanable funds aggregating \$5,840,438,191, the eleven Eastern States control \$3,737,812,013, or nearly 64 per cent, while the eleven Southern States have only \$197,041,996, or a little over 3 per cent, and the remaining twenty-seven States and Territories have \$1,905,584,182, or about 33 per cent.

The eleven Eastern States, with an area of 117,062,640 acres of land, hold \$3,737,812,191 in loanable funds, while the eleven Southern States, with 479,995,758 acres, has but \$197,041,996. Reduced to an average gives the eleven Eastern States \$31.93 and the eleven Southern States less than 4 cents per acre. These figures will be met with the statement that the East needs more money than the South, which under present conditions, is no doubt true, and because it is, furnishes one of the best reasons for a change.

That the financial system as now practiced tends to intensify this situation to the detriment of other sections is apparent to all who will give it even a partial examination. To eliminate the necessity for the West and South going to the East for money to carry on or encourage production, is one of the greatest questions before the American people.

These instances can be multiplied *ad libitum*. A depressed agriculture has rapidly driven the population from the rural districts to the cities. According to Census Bulletin 52, in 1880 but 22.57 per cent of the population lived in cities of 8,000 and more. In 1890 this had increased to 29.12 per cent, a gain of 6.55 per cent. Whereas the increase the previous decade had been but 1.64 per cent. The question is, Can these vast agricultural regions of the South and West afford the constant drain both of population and money tribute to the great commercial and manufactur-

ing centers? By what law is this draining process carried on? It is enough to say that it is carried on in violation of the most fundamental laws of economics as applied to a well-governed and prosperous nation. It is a one-sided game. It is all contribution and no return except in this, that when we have once impoverished ourselves, the wealth once centralized, is loaned back to us at exorbitant rates of interest, a rate which in all our Western States no farming interests can afford, I care not how prosperous.

This, Mr. President, is not the cry of a small class of disgruntled, selfish farmers and laboring men. It is the voice of the best class of the Republic. None more loyal, without a trace of the spirit of envy or vengeance. Here is their declaration of grievances as set forth in the preamble of the platform of the greatest labor convention of the age, at St. Louis on the 22d of February:

#### THE PEOPLE'S FAIRTY PLATFORM.

This, the first great labor conference of the United States and of the world, representing all divisions of urban and rural organized industry assembled in national congress, invoking upon its action the blessing and protection of Almighty God, puts forth to and for the producers of the nation this declaration of union and independence.

The conditions which surround us best justify our coöperation. We meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot box, the Legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized. Many of the States have been compelled to isolate the voters at the polling places in order to prevent universal intimidation or bribery.

The newspapers are subsidized or muzzled; public opinion silenced; business prostrated; our homes covered with mortgages; labor impoverished and the land concentrating into the hands of capitalists. The urban workmen are denied the right of organization for self-protection, imported pauperized labor beats down their wages; a hireling standing army unrecognized by our laws, is established to shoot them down and they are rapidly degenerating to European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes unprecedented in the history of the world, while their possessors despise the Republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes, paupers and millionaires.

The national power to create the money is appropriated to enrich the bondholders. Silver, which has been accepted as coin since the dawn of history, has been demonetized to add to the purchasing power of gold by decreasing the value of all forms of property, as well as human labor, and the supply of currency is purposely abridged to fatten usurers, bankrupt enterprises, and enslave industry. A vast conspiracy against mankind has been organized on two continents and is taking possession of the world. If not met and overthrown at once it forebodes terrible social convulsions, the destruction of civilization, or the establishment of an absolute despotism.

In this crisis of human affairs the intelligent working peoples' producers of the United States have come together here in the interests of peace, order, and society, to aid in prosperity and justice.

#### PLATFORM ADOPTED AT ST. LOUIS FEBRUARY 22, 1892.

##### *Finance.*

First. We demand a national currency safe, sound, and flexible, issued by the General Government only, a full legal tender for all debts, public and private; and that without the use of banking corporations a just, equitable, and efficient means of distribution direct to the people at a tax not to exceed 2 per cent be provided, as set forth in the subtreasury plan of the Farmers' Alliance, or some better system; also, by payments in discharge of its obligations for public improvements.

a. We demand free and unlimited coinage of silver.

b. We demand that the amount of the circulating medium be speedily increased to not less than \$50 per capita.

c. We demand a graduated income tax.

d. We believe that the money of the country should be kept as much as possible in the hands of the people; and hence we demand all national and

State revenue shall be limited to the necessary expenses of the Government economically and honestly administered.

*e.* We demand that postal savings banks be established by the Government for the safe deposit of the earnings of the people and to facilitate exchange.

*Land.*

Second. The land, including all the natural resources of wealth, is the heritage of all the people and should not be monopolized for speculative purposes, and alien ownership of land should be prohibited. All land now held by railroads and other corporations in excess of their actual needs, and all lands now owned by aliens, should be reclaimed by the Government and held for actual settlers only.

*Transportation.*

Third. Transportation being a means of exchange and a public necessity, the Government should own and operate the railroads in the interest of the people.

*d.* The telegraph and telephone, like the post-office system, being a necessity for transmission of news should be owned and operated by the Government in the interest of the people.

We are confronted with earnest appeals of statesmen and party leaders to refrain from independent political action. We are pointed to history to witness the folly of such a course; that it means political suicide to those who embark, with no possible hope of successful reform. But at the same moment when the money question, dear to the people's hearts, is brought to the consideration of Congress, its enemies in one party stigmatize it as a maniacal craze. While its supposed friends in the other, upon the ground of expediency, quietly lays it to rest. We are told plainly by the action of the House within the last month, that we can expect no relief from Congress, and that both parties will nominate as chief executive a man who is unfriendly to silver. We can get, they say, no relief from a third party. Now, between the two, may I ask where the people are to come in?

With all due respect to the sagely advice of such leaders, let me say that the people are not placed in such a dilemma; and that if relief be not granted, such a combination will be formed as will relegate one or the other of the old parties to the position of third in the race.

These people do not determine upon independent action unless compelled to do so. There is no glory in meeting the malicious and revengeful attacks of the partisan press consequent upon such action. And there is not a citizen of the great South and West to-day who would not unite in the chorus of gratitude, were he informed that relief from his burdens had been granted by either of the existing parties.

There is no desire for class legislation so-called, but only for justice and fair play. Can it be that the people's representatives, separated long years from their constituents, have forgotten their needs? The people are long-suffering. They are not unreasonable. Let us not turn a deaf ear to their petitions, but by just and humane laws usher in a day of prosperity for the laboring man that shall make this Republic conspicuous among the nations of the world.