

**The Decline in the Price of Silver, and its Relation to the Price  
of Wheat, Cotton, and other Farm Products.**

SPEECH  
OF  
HON. R. F. PETTIGREW,  
OF SOUTH DAKOTA.

IN THE SENATE OF THE UNITED STATES,

*Thursday, March 15, 1894.*

The Senate having under consideration the bill (H. R. 4956) directing the coinage of the silver bullion held in the Treasury, and for other purposes—

Mr. PETTIGREW said:

Mr. PRESIDENT: I do not intend to discuss the silver question at this time, but as there has been so much controversy over the question as to whether the remarkably low price of wheat and cotton was in any way related to the decline and low price of silver, I desire to put a few facts into the RECORD on this occasion.

The following table, taken from the speech of Senator HANSBROUGH of North Dakota, showing the world's production of wheat, was compiled by the Department of Agriculture:

*Approximate statement of the world's wheat crop from 1885 to 1892, inclusive.*

Countries.	1885.	1886.	1887.	1888.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
United States .....	357,112,000	457,218,000	455,329,000	415,868,000
Ontario .....	31,572,931	28,459,322	20,703,452	20,923,709
Manitoba .....	7,209,479	6,922,723	12,741,050	7,220,640
Argentine Republic and Chile .....	*25,000,000	*28,800,625	*28,000,000	*28,375,000
Austria .....	48,281,992	44,644,090	52,351,733	51,843,452
Hungary .....	113,805,460	102,846,419	145,906,514	135,859,786
Belgium .....	18,516,935	18,219,412	19,887,110	15,298,080
Denmark .....	5,533,355	5,201,640	6,024,672	3,805,465
France .....	311,733,033	304,427,095	319,094,204	280,176,816
Germany .....	95,505,881	97,973,269	104,013,175	92,991,571
Great Britain and Ire- land .....	82,071,332	65,285,353	78,567,593	76,760,671
Greece .....	*4,967,625	*4,937,250	*5,000,000	*4,823,750
Italy .....	117,027,013	119,793,575	126,223,350	110,095,000
Netherlands .....	6,325,545	5,194,702	6,889,532	5,243,700
Portugal .....	*7,661,250	*8,228,750	*6,000,000	*7,093,750
Roumania .....	*2,629,063	*22,629,063	*24,000,000	*51,075,000
Russia .....	178,084,400	163,455,273	278,697,917	313,935,995
Poland .....	†14,110,000	†13,100,000	†15,600,000	14,369,446

\*Unofficial.

†Estimated.

## Approximate statement of the world's wheat crop, etc.—Continued.

Countries.	1885.	1886.	1887.	1888.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Servia.....	*4,681,875	*4,525,813	*5,000,000	*4,540,000
Spain.....	*113,500,000	*131,660,000	*95,000,000	*101,155,875
Sweden.....	3,974,773	3,867,487	4,370,485	3,853,736
Norway.....	†280,000	†280,000	*230,000	*312,125
Switzerland.....	*2,057,188	*1,645,750	*2,000,000	*1,702,500
Turkey in Europe.....	*45,400,000	*41,143,750	*42,000,000	*42,562,500
India.....	299,155,584	258,317,622	238,585,947	266,882,112
Asia Minor.....	*43,200,938	†37,000,000	†37,000,000	*38,306,250
Persia.....	*26,743,438	†22,000,000	†22,000,000	*22,700,000
Syria.....	*16,457,500	†14,000,000	†14,000,000	*14,187,500
Japan.....	12,362,906	16,453,383	15,571,400	15,839,821
Algeria.....	*22,700,000	*32,915,000	21,215,718	†19,862,500
Cape Colony.....	†3,600,000	*3,666,022	3,662,555	3,932,090
Egypt.....	*14,187,500	*16,457,500	*13,700,000	*14,187,500
Australasia.....	38,412,447	‡32,681,648	‡45,932,961	‡35,733,671
Total.....	2,093,859,443	2,113,950,536	2,266,331,368	2,221,519,911

Countries.	1889.	1890.	1891.	1892.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
United States.....	490,590,000	399,262,000	611,780,000	515,949,000
Ontario.....	19,288,983	22,643,193	33,611,074	29,690,129
Manitoba.....	7,428,511	15,128,034	23,922,598	14,909,420
Argentine Republic and Chile.....	*24,118,750	*60,271,043	*47,256,500	*47,549,418
Austria.....	38,376,705	44,059,962	41,070,599	\$47,123,526
Hungary.....	93,520,530	148,017,904	126,268,750	138,223,680
Belgium.....	19,339,038	19,409,505	*14,187,500	30,748,362
Denmark.....	4,977,875	4,062,599	4,666,445	*4,538,683
France.....	307,357,350	331,748,810	219,241,787	310,037,795
Germany.....	87,170,362	104,020,781	85,750,011	*100,057,440
Great Britain and Ire- land.....	78,149,523	78,306,016	77,016,151	62,621,756
Greece.....	*5,000,000	*5,675,000	*5,675,000	*3,972,500
Italy.....	108,934,463	131,433,000	141,455,050	\$115,676,431
Netherlands.....	6,473,217	*6,189,120	*3,713,472	*5,675,000
Portugal.....	*8,512,500	*8,252,160	*8,252,160	*6,100,625
Roumania.....	*44,784,883	53,607,639	45,672,264	*59,828,160
Russia.....	197,883,931	213,051,826	169,108,708	241,578,934
Poland.....	10,052,537	12,629,698	12,680,920	24,440,446
Servia.....	*5,000,000	*10,315,200	*7,945,000	*4,951,296
Spain.....	75,622,213	*70,143,360	†1,349,094	*73,395,520
Sweden.....	3,809,037	4,048,962	\$4,551,350	\$4,559,863
Norway.....	*233,750	236,602	*412,608	*412,608
Switzerland.....	*2,570,000	*2,475,648	4,041,766	*3,300,894
Turkey in Europe.....	*39,725,000	*37,134,720	*33,008,640	*24,756,480
India.....	237,522,133	228,592,000	255,434,667	203,163,000
Asia Minor.....	*36,887,500	*37,134,720	*37,029,375	*37,134,720
Persia.....	*22,500,000	*22,693,440	20,630,400	*18,567,360
Syria.....	*12,768,750	*12,378,240	*12,343,125	*12,378,240
Japan.....	16,491,845	12,567,996	18,131,295	*13,857,802
Algeria.....	*22,500,000	*22,693,440	*21,281,250	19,398,797
Cape Colony.....	3,776,137	2,045,616	2,748,749	2,813,460
Egypt.....	*7,945,000	*8,252,160	*11,140,416	*8,252,160
Australasia.....	‡35,996,836	‡43,861,853	‡33,874,000	‡37,096,221
Total.....	2,075,027,329	2,172,372,246	2,205,251,330	2,217,764,701

\*Unofficial

†Estimated.

‡No official figures for South Australia were published for 1886, 1887, 1888, or 1889, and the figures for that colony incorporated in the totals for Australasia for three years were consequently unofficial.

§Preliminary.

I will also insert a statement of the average export price of wheat and cotton for the past twenty-two years and of the price of silver. The figures are from the Statistical Abstract:

Year.	Wheat.	Cotton.	Silver.	Year.	Wheat.	Cotton.	Silver.
		<i>Cents.</i>				<i>Cents.</i>	
1872	\$1.49	19.3	\$1.32	1883	\$1.13	10.8	\$1.11
1873	1.31	18.8	1.20	1884	1.07	10.5	1.01
1874	1.43	15.4	1.27	1885	.86	10.6	1.06
1875	1.12	15.0	1.24	1886	.87	9.9	.99
1876	1.24	12.9	1.15	1887	.89	9.5	.97
1877	1.17	11.8	1.20	1888	.85	9.8	.93
1878	1.34	11.1	1.15	1889	.90	9.9	.93
1879	1.07	9.9	1.12	1890	.83	10.1	1.04
1880	1.25	11.5	1.14	1891	.85	10.0	.90
1881	1.11	11.4	1.13	1892	.80	8.7	.86
1882	1.19	11.4	1.13	1893	.60	7.2	.75

These statements show that the world's production of wheat was 45,000,000 bushels less in 1888 than in 1887, yet the price was 85 cents, a decline of 4 cents per bushel.

In 1889 the world's product was 190,000,000 bushels less than in 1887, and 18,000,000 bushels less than the crop of 1885, and the price was 90 cents per bushel as compared with 89 cents in 1887, a rise of but 1 cent per bushel.

The crop of 1890 was 94,000,000 less than the crop of 1887, and the price fell to 83 cents per bushel, or a decline of 6 cents per bushel.

The crop of 1891 was 61,000,000 bushels less than the crop of 1887, and the price was 85 cents per bushel, or a decline of 4 cents per bushel as compared with the price in 1887. The price of this crop was maintained above what it would have been by the passage of the Sherman law in 1890, and the consequent rise in the price of silver.

The crop of 1892 was 49,000,000 bushels less than the crop of 1887, and the price fell to 80 cents per bushel, a loss of 9 cents.

The crop of 1893 was 81,000,000 bushels less than the crop of 1887, and what fell with silver to 60 cents per bushel. Since 1887 the population of the countries which use wheat have increased over forty millions of people, while the production of wheat in the world has steadily declined, and the price per bushel has decreased 29 cents.

Certainly the statement that overproduction has caused the decline in the price of wheat is overcome by these figures.

What, then, is the cause of this great decline? We contend that it is the appreciation of gold and the bounty resulting to the people of India by the decline in the value of silver bullion, as shown by the statement from the Treasury Department, which I will not read but wish to have inserted as part of my remarks:

Statement showing the exports and average export price of cotton, raw, and wheat from British India during the years ending March 31, 1870 to 1891, and eleven months, ending February, 1892, inclusive.

[From official sources.]

Year ending March 31—	Cotton, raw.			Wheat.		
	Pounds.	Value.	Price per pound.	Bushels.	Value.	Price per bushel.
			<i>Cents.</i>			
1870	524,834,448	\$91,579,862	16.51	145,988	\$158,035	\$1.10
1871	577,600,800	93,412,315	16.18	463,908	498,338	1.07
1872	809,246,032	102,107,664	12.62	1,189,252	1,131,096	1.96
1873	494,214,448	67,309,718	13.62	735,480	804,912	1.09
1874	503,966,176	63,418,757	14.59	3,277,781	3,972,509	1.21
1875	627,209,632	73,235,242	11.68	2,004,156	2,358,965	1.18
1876	561,207,920	63,748,603	11.36	4,698,767	4,350,399	.93
1877	510,486,368	56,381,683	10.86	10,428,528	9,396,072	1.90
1878	387,583,616	45,059,299	11.69	11,896,563	13,713,552	1.15
1879	332,256,728	37,987,637	11.44	1,972,546	2,496,662	1.27
1880	442,229,312	53,498,174	12.09	4,109,495	5,396,482	1.31
1881	508,653,376	63,590,371	12.50	13,896,167	15,734,122	1.14
1882	630,508,928	71,718,830	11.37	37,148,543	42,573,898	1.15
1883	691,059,376	77,067,638	11.15	26,495,624	29,226,307	1.10
1884	670,575,136	69,123,130	10.31	39,202,635	42,699,893	1.09
1885	567,807,856	63,816,593	11.25	29,421,645	30,316,886	1.02
1886	493,459,648	51,753,701	11.94	39,328,658	38,425,589	.98
1887	608,816,544	64,684,618	10.62	41,558,765	41,404,733	1.00
1888	601,983,872	69,186,011	11.49	25,271,249	26,699,390	1.05
1889	597,137,072	73,219,216	12.09	32,874,628	36,111,744	1.10
1890	707,878,304	89,608,340	12.66	25,764,124	27,804,552	1.08
1891	662,359,376	79,213,321	11.95	26,731,592	49,003,645	1.09
1892, 11 months	418,538,512	44,018,186	10.52	53,371,983	64,843,522	1.21

NOTE.—At the request of Mr. George O. Jones the rupee has been reduced to United States money at the rate of 48 cents per rupee.

S. G. BROCK, *Chief of Bureau.*

TREASURY DEPARTMENT,

*Bureau of Statistics, April 16, 1892.*

These tables show that while India did not increase her production of wheat, the amount that was exported enormously increased and the people of that country substituted something else for food, probably millet.

The export price of wheat from India has increased rather than decreased, so that while wheat brought but \$1.10 per bushel in 1870, it was worth \$1.21 for the eleven months ending February, 1892.

During the month of February, 1892, India exported 2,737,000 bushels of wheat, valued at \$3,601,000, at the average export price of \$1.32 per bushel.

As silver continues to decline India will continue to receive an increased price per bushel for her wheat, and the quantity she exports will also increase. All authorities agree that there has been no decline in the purchasing power of the rupee in India, but that it will purchase as much of labor and of everything else in India to-day as it ever would, although its bullion value is but 23 cents.

In this connection I insert the following extract from the speech of the Senator from Nevada [Mr. JONES]:

Let us endeavor to reach an approximate estimate of the losses sustained, by our agricultural population since 1885, when President Cleveland first ad-

vised Congress to repeal the silver-purchase act of 1878 and to stop the coinage of silver dollars:

## WHEAT.

Average export price per bushel—	
1875 to 1885 .....	\$1.17
1893 .....	.73
Difference .....	.44

According to the report of the Agricultural Department for December, 1892, the wheat crop of this country for the year then closed amounted to 516,000,000 bushels. On this quantity a loss of 44 cents per bushel, caused by the decline in the price of silver bullion, amounts to an annual sum of \$226,600,000 of debt and tax-paying power, which amount apportioned among the principal wheat-producing States shows the loss of each of such States to be as follows (I give the figures in round numbers):

Wheat crop of 1892 in—	Bushels.	Loss.
Indiana .....	40,000,000	\$17,600,000
Minnesota .....	41,000,000	18,040,000
California .....	39,000,000	17,160,000
Kansas .....	70,000,000	30,800,000
South Dakota .....	32,000,000	14,080,000
North Dakota .....	35,000,000	15,400,000
Ohio .....	38,000,000	16,720,000
Missouri .....	25,000,000	11,000,000
Illinois .....	28,000,000	12,320,000
Michigan .....	24,000,000	10,560,000
Pennsylvania .....	19,000,000	8,360,000
Nebraska .....	16,000,000	7,040,000
Kentucky .....	12,000,000	5,280,000
Oregon .....	10,000,000	4,400,000
Washington .....	10,000,000	4,400,000

There may be added to these figures five to ten million bushels each for the States of New York, Maryland, Virginia, North Carolina, Texas, Tennessee, West Virginia, Wisconsin, and Iowa. The loss on wheat, therefore, suffered by the farmers of this country must be estimated at \$200,000,000 annually.

## COTTON.

Average price per pound in New York—	Cents.
1879 to 1885 .....	11½
1879 to 1893 .....	8
Difference .....	3½

Taking the crop year 1888-'89 as an average year, and, for convenience of calculation, computing the loss at 3 cents per pound, we find that the total annual loss of the planters of the United States amounts to over \$100,000,000, distributed among the States as follows:

Cotton raised in—	Pounds.	Loss per year.
North Carolina .....	230,000,000	\$6,900,000
South Carolina .....	275,000,000	8,250,000
Georgia .....	480,000,000	14,400,000
Florida .....	32,000,000	960,000
Alabama .....	422,000,000	12,675,000
Mississippi .....	532,000,000	15,960,000
Louisiana .....	240,000,000	7,200,000
Texas .....	719,000,000	21,570,000
Arkansas .....	350,000,000	10,500,000
Tennessee .....	162,000,000	4,860,000
Total .....	3,422,000,000	102,660,000

This makes a total loss to the agriculturists of this country, in wheat and cotton, by reason of the demonetization of silver, of over \$325,000,000 a year.

These figures are startling, and certainly warrant an earnest effort to restore silver to its old place and price.

It is no longer a question of the silver barons, for their loss is as nothing compared with the loss of the tiller of the soil.

This decline in the price of silver and its effect was predicted in 1886 by one of England's shrewdest men.

At a meeting of the British and Colonial Chambers of Commerce, held in London in 1886, Sir Robert N. Fowler, a member of Parliament, a banker, and ex-mayor of London, said that "the effect of the depreciation of silver must finally be the ruin of the wheat and cotton industries of America and be the development of India as the chief wheat and cotton exporter of the world."

I will also insert the following from the New York Journal of Commerce, of February 9, 1894. This extract shows that even New York, with its Jewish instincts and European sentiments, is awakening to the truth.

[New York Journal of Commerce, February 9, 1894.]

#### WHY WHEAT CAN NOT ADVANCE.

A careful student of the wheat problem gives the following explanation of the present unprecedented depression in this trade:

"A great many commercial writers in the Eastern cities are trying to explain the low prices our farmers are compelled to take for their grain, especially wheat, of which a large proportion is surplus, therefore more governed by foreign prices. These writers try to explain it by every conceivable theory except the more than apparent fact that our farmers' surplus has to be sold in competition in gold countries (which alone are importers, their farmers being driven out of business gradually for the last twenty-three years, or since England and Germany demonetized silver). We say in competition in these markets with the surplus of the great agricultural countries outside of our own, and they all silver-currency countries, viz, Russia, India, and Argentina; for instance, the prices of the wheat of three countries in London are to-day practically as follows:

"India Club, 72½ cents; Russian spring, 71½ cents; Argentina best, 68½ cents. The India rupee is worth about 44 cents to the farmer and about 28 cents in London; therefore he is getting about \$1.10 per bushel for his wheat in the money that pays for everything he wants, and certainly can not be at prices higher than our own, for all authorities agree how cheap they all can live. The Russian peasant gets about the same, and the exchange on London which the Argentine gets for his wheat the last quotation I saw being 156; so the returns in his own money are about \$1.07 per bushel; while our wheat is bringing 73½ cents in London, the result to our farmer is only that price in our money. With these figures before us it seems there is but one recourse for the American farmer's present relief, viz: he has to sell his surplus (and that makes the price for all) on a gold basis in gold markets when his competitors are all selling on a silver basis. No hope has he for anything better but a famine in silver countries or gauge his crops only to home requirements: letting one-third of his farm lie idle, which will bring him more money than using the whole, and at much less expense."

One of our oldest exporters confirms the above diagnosis of the case.

The bimetallicists contend that the remedy is to at once enact a law opening our mints to the free and unlimited coinage of silver, and to make an international bimetallic agreement with those nations that will join us.

I believe that if this were accomplished it would have the same affect upon the prosperity of the world as the discovery of great deposits of gold amounting to thousands of millions of dollars. It would cause a rise in the price of everything that is the product of human effort. It would lift the burden from enterprise everywhere and furnish employment for everyone who chose to work.

Our opponents admit the appreciation of gold and its consequent affect upon the industries of the world. This far they have gone, although they have taken this position but recently. But they say that the remedy we offer is not the proper remedy. That we must wait until England is willing to make a bimetallic agreement and adopt the use of silver as money. Mr. President, I doubt the honesty of these people. I do not believe their position is taken in good faith.

For twenty years they have proposed a bimetallic agreement with Great Britain whenever there was any prospect that the demand for the free coinage of silver in this country would become too urgent. I believe they have done it in bad faith. I believe they have known all the time that no such agreement could be made and that England would never adopt the bimetallic standard.

I impeach the honesty and integrity of the members of this Senate who for twenty years have maintained this position, and I do not believe they are making the proposition now in good faith or with any hope that England will accept it.

Gladstone in his speech in the House of Commons one year ago used the following language:

Mr. Gladstone said:

I suppose there is not a year which passes over our heads which does not largely add to the mass of British investments abroad. I am almost afraid to estimate the total amount of the property which the United Kingdom holds beyond the limits of the United Kingdom, but of this I am well convinced, that it is not to be counted by tens or hundreds of millions. One thousand millions (\$5,000,000,000) probably would be an extremely low and inadequate estimate. Two thousand millions (\$10,000,000,000), or something even more than that, is very likely to be nearer the mark. ["Hear!" "Hear!"] I think under these circumstances it is rather a serious matter to ask this country to consider whether we are going to perform this supreme act of self-sacrifice. I have a profound admiration for cosmopolitan principles. I can go a great length in moderation [laughter], in recommending their recognition and establishment, but if there are these two thousand millions (\$10,000,000,000) or fifteen hundred millions (\$7,500,000,000) of money which we have got abroad, it is a very serious matter as between this country and other countries.

We have nothing to pay them; we are not debtors at all: we should get no comfort, no consolation out of the substitution of an inferior material, of a cheaper money, which we could obtain for less and part with for more. We should get no consolation, but the consolation throughout the world would be great. [Loud laughter.] This splendid spirit of philanthropy, which we can not too highly praise—because I have no doubt all this is foreseen—would result in our making a present of fifty or a hundred millions (\$500,000,000) to the world. It would be thankfully accepted, but I think the gratitude for your benevolence would be mixed with very grave misgivings as to your wisdom. I have shown why we should pause and consider for ourselves once, twice, and thrice before departing from the solid ground on which you have within the last half century erected a commercial fabric unknown in the whole history of the world—before departing from the solid ground you should well consult and well consider and take no step except such as you can well justify to your own understanding, to your fellow-countrymen, and to those who come after us. [Cheers.]—*The Times*, London, March 1, 1893.

England's position and the conditions which exist there to-day are the same as they were then. It is true that a few spinners of cotton are in distress owing to India competition, but they have no voice in the Government of England.

In the Brussels conference Rothschild, representing England, used the following language:

Advocates of bimetallicism maintain that the fall in the price of silver has brought about a corresponding fall in the prices of various commodities.

This may not be the case; but, supposing the former hypothesis to be correct, I am not prepared to say that it would be a misfortune for England or the world in general; nor do I share the opinion of certain distinguished exponents of that theory who deplore the fact of the Indian exporter being able to send wheat remuneratively to England, thus interfering seriously with the interests of the British farmer; but I hold that wheat at 30s. a quarter instead of 45s., is rather a blessing than otherwise.

Therefore, I say it is folly to expect England will join us in any bimetallic agreement; but the opportunity is offered us now to make an international agreement with the silver-using countries of the world and thereby transfer to this country the financial center for most of the people of the earth, and gain financial and commercial supremacy over an unscrupulous, grasping, and dishonest rival. The means are all within our own grasp to deal England a blow from which she can never recover.

This great nation is able to shape a financial policy for itself; is able to go forward in the future furnishing every facility for the employment of her people without waiting for the consent of England, or any other nation.

No nation in ancient times was ever presented with such an opportunity to destroy her rival as is presented by the dishonesty of England to us, and it is our duty to take advantage of and, while we punish her, bless mankind. Our agreement should be with the silver-using countries alone, as they are the only countries in the world which produce the things we can not produce, and are therefore the nations with whom we should trade. We build a tariff wall against the gold-using countries to shut out their products. Why should we desire financial unity while we carry on industrial war with these nations?

Mr. President, I can not but express my contempt for the statesmanship of the men now in this body who have been its leaders for the past twenty years. They demonetized silver and then sat here with folded hands and saw our industries perish; saw panics come and go, and as a result the property of the producers absorbed by the creditors; saw the price of our wheat and cotton and other farm products decline as a result of their acts until the loss to the farmers of this country was more than the cost of the war; saw England reaping a harvest in the ever-increasing amount of farm products it took to pay the interest we owe her on two thousand millions of borrowed money, and when remedy was offered said we are powerless; we can do nothing until England is ready; we must wait until she is satiated with plunder and is tired of taking our products at a low and lower price, and is ready to consent; we will then make an international agreement. Do you wonder that the people no longer trust these men?

The proposition made by them is humiliating to our pride and is unpatriotic, is unworthy of an American citizen and unworthy of American statesmen, and the terrible consequences brought about by their acts in this connection as members of this body must earn in the future for them the contempt of the citizens of the Republic, and as time rolls around no monument will ever be built to their memory.