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Agricultural Depression:
Its Causes--The Remedy

----L. L. Polk

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AGRICULTURAL DEPRESSION.

ITS CAUSES—THE REMEDY.

SPEECH

OF

L. L. POLK,

President of the National Farmers' Alliance
and Industrial Union,

BEFORE THE

SENATE COMMITTEE ON AGRICULTURE
AND FORESTRY.

APRIL 22, 1890.

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AGRICULTURAL DEPRESSION.

ITS CAUSES—THE REMEDY.

Speech by L. L. Polk, President of the National Farmers' Alliance and Industrial Union, before the Senate Committee on Agriculture and Forestry, April 22, 1890.

SENATE BILL 2806 ("SUB-TREASURY BILL.")

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: A convention of representative farmers was held in the city of St. Louis, December 3, 1889. That body, known as the National Farmers' Alliance and Industrial Union, represented twenty-three States and a constituency approximating, at that time, fifteen hundred thousand voters. Since the convention of our fathers, which gave us our national Constitution, no body of men has assembled in this country who were more profoundly impressed with the gravity of the situation, or were actuated with higher motive or more patriotic purpose. After a calm, dispassionate and earnest investigation of the conditions and causes which have led to the wide-spread and alarming depression that has paralyzed the great agricultural interests of the country, they outlined what they conceived to be a measure of relief. They appointed a committee on national legislation, which, under their instructions, has formulated and presented to both houses of

Congress, a bill embodying, as it believes, a safe, proper and just solution of the financial trouble which threatens the agricultural interests of the country with bankruptcy and ruin. I refer to Senate bill No. 2806, introduced into your body by Senator Vance, of North Carolina.

As faithful representatives, you must be satisfied as to whether the conditions and necessities of the country are such as to justify or require legislation in this direction. And whatever may be your conclusions as to the particular method here presented, of one thing I feel assured, the spectacle—unparalleled in all our history—of fifteen hundred thousand farmers—quiet, unobtrusive, law-loving, law-abiding, conservative farmers—standing at the doors of Congress demanding relief, must, at least, command your respectful, patriotic, earnest and profound consideration.

With kindly climatic conditions, with varieties of soil admirably adapted to the successful cultivation of all the staple products demanded by commerce, with transportation facilities equal to the productive power of the country, with the world as his customer, with all the natural facilities and conditions for making his home the happiest, the most prosperous, the proudest heritage which the God of nature ever vouchsafed to man, urgent and extraordinary indeed must be the exigencies which thus impel the farmer to break his long and wonted silence.

Never in our history have we witnessed such marvelous progress and development as has marked the two past decades. The flourishing growth of cities, towns, and villages, the rapid expansion of our railway system, the unparalleled prosperity of manufacturing enterprise in all its departments, the easy and ready accumulation of prodigious fortunes, all conspire to impress the superficial observer with the

happy belief that all departments of effort and all interests share in common this apparently unparalleled condition of prosperity. We are, therefore, not wholly unprepared for the argument presented by some, even in high official position, that our straitened financial condition as farmers is largely, if not entirely, due to the munificent and bounteous provisions of a merciful Providence. Nor, indeed, in the wild rush of this almost bewildering progress are we surprised to hear, in response to our earnest protestations of suffering and distress, a proposition to send a commission at heavy expense throughout the country to visit money centres and marts of trade, to investigate and report whether or not, after all, this universal cry for relief by the wealth producers all over the land, does not proceed from their total misconception of the situation.

In justification, therefore, of this most unusual proceeding on the part of the farmers in applying to the law-making power for relief, we must appeal to facts and truth—facts as substantiated by statistics, and to the truth of history—and I shall endeavor to present nothing which is not derived from and supported by official records. Testimony carrying with it the argument, rather than argument itself, is what is desired.

DECLINE IN AGRICULTURAL VALUES.

In 1850 the farmers of the United States owned 70 per cent. of the total wealth of the country. In 1860 they owned about one-half the wealth of the country. In 1880 they owned about one-third the wealth of the country. In 1889 they owned a fraction less than one-fourth of the wealth of the country.

DEPRECIATION IN THE VALUE AND ACREAGE OF FARMS.

In 1860 the value of farms.....	\$6,645,045,007
In 1850 the value of our farms.....	3,271,575,421
<hr/>	
Total increase of value in 10 years.....	\$3,373,469,586
Average yearly increase in value.....	337,346,958

Now take the 20 years following:

In 1880 the value of farms.....	\$10,197,096,776
In 1860 the value of farms.....	6,645,045,007
<hr/>	
Total increase of value in 20 years.....	\$3,352,051,769
Average yearly increase in value.....	177,602,588

That is, the average yearly increase in the value of our farms dropped from $10\frac{1}{2}$ per cent., as in the years 1850 to 1860, to $2\frac{1}{2}$ per cent., as in the years 1860 to 1880. And this fearful depreciation in the value of our farms, occurred during a period of unexampled prosperity and development in the commercial, financial and manufacturing enterprises of the country.

	<i>Acres.</i>
Again, increase of the acreage of farms from 1850 to 1860, was.....	113,640,000
Average yearly increase.....	11,364,000
Increase from 1860 to 1880, 20 years.....	128,881,835
Average yearly increase.....	6,444,090

That is, the increase in the farm acreage from 1850 to 1860, was 38 per cent., while, from 1860 to 1880, it dropped to 31 per cent. This heavy decrease took place during the same prosperous period to which I have referred and during which the population of the country had more than doubled:

	<i>Per cent.</i>
From 1850 to 1860, farm values increased.....	101
From 1860 to 1870, farm values increased.....	43
From 1870 to 1880, farm values increased.....	9

Yet, notwithstanding this alarming decline in farm values, the aggregate wealth of the country increased from 1870 to 1880, 45 per cent., and the agricultural population increased over 29 per cent.

AGRICULTURE AND MANUFACTURING.

It may not be uninteresting or unimportant to notice in this connection the comparative progress between agriculture and manufacturing.

From 1850 to 1860 agriculture led manufacturing in increased value of products 10 per cent. From 1870 to 1880 manufacturing led agriculture 27 per cent., showing a difference of 37 per cent in favor of the growth of manufacturing.

The exports of American labor products show equally disparaging and discouraging exhibits :

	<i>Agriculture.</i>	<i>Manufactures.</i>
In 1881.....	\$730,394,943	\$89,219,380
In 1888.....	500,840,086	130,300,087

An increase during these seven years in our exports of manufactures of 46 per cent., and a decrease in those years of agricultural products of 31 per cent.

VALUES OF STAPLE CROPS.

In 1866 the wheat, corn, rye, barley, buckwheat, hay, oats, potatoes, cotton, and tobacco sold for.....	\$2,007,462,231
The same crops for the year 1884, eighteen years later, sold for.....	2,043,500,481

Notwithstanding the cultivated acreage had nearly doubled, and farm hands had doubled, and agricultural implements and machinery had vastly improved, yet the crops named for the year 1884 sold for only thirty-six millions, or less than 2 per cent., more than they did for the year 1866.

The average price of our cereal crops in 1867 was very nearly one dollar per bushel, and in the year 1887 it was less than fifty cents per bushel. The loss on the crop of 1887, as compared with that of 1867, was over thirteen hundred million dollars.

For ten years from 1867, the average value of yield per acre of oats was \$12.10. For the past six years the average value has been less than eight dollars, and is lower to-day than ever before in our history. For the period named, the average value per acre in yield of wheat was \$14.39; for the past six years it has been less than \$9. For the period named the average value per acre in yield of corn was \$14.16; for the past six years it has averaged less than \$9 per acre. The average value per acre in yield of all our crops in 1867 was \$19; in 1887, twenty years later, it was about nine dollars.

To show that this depression in prices, this shrinkage in values, does not proceed from local conditions and is not confined to any section, or crop, or department of husbandry, let us examine the statistics of the four leading staple crops of the country:

WHEAT.

<i>Crop.</i>	<i>Bushels.</i>	<i>Price.</i>	<i>Value.</i>
1885.....	421,086,160	\$1.10	\$463,194,776
1889.....	490,560,000	.86 to-day	421,881,600

As will be seen, the crop of 1889 exceeded the crop of 1885 by 69,473, 840 bushels, yet the crop of 1885 would have brought, at point of export, \$41,313,186 more than that of 1889.

The wheat crop of 1880, although 41,090,595 bushels less than the crop of 1889, would have brought, at point of export, \$280,036,551 more money.

1860 to 1870, average price per bushel	\$1.99
1870 to 1880, average price per bushel	1.38
1880 to 1887, average price per bushel	107.
Price to-day 86 cents at point of export.	

So that the wheat farmer to-day pays of the products of his labor two and one-third times as much for a dollar as he did from 1860 to 1870.

CORN.

<i>Crop.</i>	<i>Bushels.</i>	<i>Value.</i>
1888.....	1,987,790,000	\$677,561,580
1889.....	2,112,892,000	597,918,820

So while the crop of 1889 exceeded that of 1888 by 125,102,000 bushels, yet it would have brought at point of export \$79,642,760 less money.

1860 to 1870, average price per bushel.....	96 cents.
1870 to 1880, average price per bushel.....	63 cents.
1880 to 1887, average price per bushel.....	46 cents.
Price to-day.....	37 cents.

So that the corn farmer to-day pays in the products of his labor over two and one-half times as much for a dollar as he did during the years of 1860 to 1870. Indeed, throughout the great corn belt of the North-west and West, it is claimed that he cannot sell it to-day at a price covering the cost of its production. The State Board of Agriculture of the great corn State of Illinois recently published officially that the farmers of that State lost on the corn crop of last year \$9,935,823; that is, it cost that much more to produce it than it is worth on the market.

The yield of the three great staple crops of corn, wheat and oats for 1889, exceeded the yield of 1888, by 242,355,840 bushels, and yet the crop of 1888 was worth \$144,599,178 more to the farmees.

COTTON

<i>Crops.</i>	<i>Bales.</i>	<i>Price.</i>	<i>Value.</i>
1871.....	4,352,317	20 cents	\$391,708,630
1887.....	6,513,623	10 cents	293,093,035

So that the crop of 1871 was 2,161,306 bales less than the crop of 1887, yet it brought the cotton farmer \$98,613,595 more money. The two crops of 1886 and 1887 aggregated 13,063,838 bales, three times as many bales as the crop of 1871, and yet these two crops brought our farmers only \$196,164,080, or about 50 per cent more than the crop of 1871.

In 1870 the value of agricultural lands in the ten cotton States was \$1,478,000,000. In 1880 they were \$1,019,000,000, a decrease of \$459,000,000, or 31 per cent.

	<i>Cents.</i>
1860 to 1870, average price per pound.....	48½
1870 to 1880, average price per pound.....	15 7-10
1880 to 1887, average price per pound.....	11
Price to-day, 11 cents.	

So that the cotton farmer pays in the products of his labor over four times as much for a dollar as he did in the years 1860 to 1870.

If a farmer had given a mortgage in 1870 for \$1,000 he could have paid it with 1,052 bushels of corn, but if he has paid one-half of it, the remaining \$500, without interest, would now require 1,351 bushels of corn to pay it. He could have paid the \$1,000 with 606 bushels of wheat in 1870, but if he owed \$500 of the debt to-day it would require 593 bushels to pay it. He could have paid the \$1,000 in 1870 with 10 bales, or 5,000 pounds of cotton, but if he owed \$500 of it to-day it takes 10 bales, or 5,000 pounds of cotton. In other words, the farmer must pay his debts with the products of his labor, and he must work twice as hard, and give twice as much cotton, corn, or wheat to-day as was required in 1870 to pay the same debt. But we are told by those high in position that the law of supply and demand controls prices. That may have been true

before the operations of this ancient law of trade were practically supplanted by the more imperious law of greed, as now enforced under the mandates of monopolistic combinations for the pillage of honest labor.

In 1881 we produced 498,549,867 bushels of wheat or $9\frac{1}{2}$ bushels per capita, and its price was \$1.15 per bushel. In 1889 we produced 490,560,000 or $7\frac{1}{2}$ per capita, and its price is 79 cents per bushel. We should not forget that the financial history of all countries and of all ages shows that the law of supply and demand, as applied to money, is inexorable and never-failing in its operations. Scarcity of money has never failed to enhance its price; a plentiful supply means cheap money. A contraction of the circulating medium always raises the price of the dollar, and, as a natural result, it always depreciates the price of labor products. Nothing can so surely control or annul the law of supply and demand in labor products, as a reduction of the volume of currency below the legitimate requirements of business and trade.

But granting that the law of supply and demand is in full force and effect, there are two ways in which prices change under this law. Either a change in demand, supply remaining the same, or a change in supply, demand remaining the same. But I assert, and statistics will sustain the assertion, that there has been no change in the great staple products relatively to demand or to population to justify this great depreciation in prices; unquestionably the demand has not diminished. Where then has been the change? Has the weight of the dollar been increased? Has the area of our acre of land been curtailed that it should have fallen in value from 33 to 50 per cent.? Does not a pound of beef weigh now 16 ounces? Do we not now

measure our wheat or corn by the same measure? Does not the cotton farmer give now the same number of ounces to every pound? Has the change been made in the quantity or quality of the commodity, or has it been made in money, the measure of its value? This is the great question that the farmers of the country desire and expect this Congress to explain.

But I apprehend that the most zealous advocate of the theory that the law of supply and demand controls the prices of products, would not attempt to claim that it is applicable to all farm values. Farm lands all over the country have shared the general depreciation or shrinkage in values, and in this, perhaps, is to be found the clearest and most undeniable proof of the alarming depression which prevails among the agriculturists of the country. Let us look briefly at the condition of the farmers in some of the representative States of the different sections of the country.

In Massachusetts the value of the farm lands in 1875 was \$116,629,849. In 1885 it was \$110,700,707 a loss in ten years of \$5,929,142. In 1865 that State produced 70,000,000 pounds of beef, and in 1885, twenty years later, it produced only 10,000,000 pounds. In 1845 it produced 1,015,000 pounds of wool; in 1865, 609,000 pounds, and in 1885, 255,000 pounds.

The farm lands of the New England States:

	<i>Value.</i>
1850.....	\$372,348,543
1860.....	476,303,837
1870.....	585,167,473
1880.....	580,579,418

Showing a yearly increase for twenty years—1850 to 1870—\$10,690,946, and the yearly decrease from 1870 to 1880, was \$458,850.

Take Georgia, one of the most progressive and enterprising States of the South. In 1860 the value of agricultural lands returned for taxation was \$157,000,000. In 1866 it was \$105,000,000, a loss of 33 per cent. In 1886 the farmers of Georgia owned 72 per cent. of the wealth of the State; in 1888 they owned only 24 per cent.; yet during that time the population increased 60 per cent. In a recent address made by Hon. L. F. Livingston, of that State, he said that during the past ten years the property in the towns and cities of that State had increased in value \$60,000,000, while in the agricultural districts it had decreased \$50,000,000.

From this State, great in resources and enterprise, let us turn to its peer in the North-west.

IN ILLINOIS.

All mortgages and totals of indebtedness, principal and interest :

1880—Lands.....	\$112,367,054
Lots.....	79,346,851
Chattels.....	12,747,429
Total.....	<u>\$204,461,334</u>
1887—Lands.....	\$147,320,054
Lots.....	246,704,827
Chattels.....	22,354,187
Total.....	<u>\$416,379,068</u>

An increase of this class of indebtedness in seven years of \$211,917,734, or 103 per cent.

On land alone the increase of indebtedness in seven years was \$44,953,000, or 40 per cent.

According to the report of Hon. J. R. Dodge, the surplus of the corn and wheat crop over home consumption for the last year was—

	<i>Bushels.</i>	<i>Value.</i>
Corn.....	64,781,250	\$14,899,687
Wheat.....	20,907,700	14,635,390
Total value of surplus corn and wheat.....		\$29,535,077

If every bushel of surplus corn and wheat of last year's crop were applied to the mortgage indebtedness in 1887, on the farm lands of the State, there would still remain \$117,784,977 to be paid out of other crops of earnings. Or, after applying every bushel of the surplus to the mortgage indebtedness of 1887 on lands, lots, and chattels, there would still remain \$386,843,901 unpaid. Or, applying every bushel of the surplus wheat and corn to the interest for one year, at 8 per cent., on the mortgage indebtedness, there would still remain unpaid of interest \$3,875,250. Of this mortgage indebtedness, non-residents and building and loan associations hold claims to the amount of \$69,355,639, or over double the amount of the surplus corn and wheat.

The increase of mortgage indebtedness on lands for loans from 1870 to 1880 was 21 per cent., and from 1880 to 1887 it was 23 per cent.

The great State of Pennsylvania is not exempt from the general depression which has been indicated by the cases before cited. In Lancaster county, the largest in agricultural products of any county in the United States, the farmers are feeling most keenly the pressure. From one of the leading attorneys of Lancaster I obtained the following statement: "The assessed valuation of all the real estate of Lancaster county, including city, town, and farm property, is about \$82,000,000. The amount of indebtedness on this property is about \$25,000,000. The depreciation in farm values in the past ten years in Lancaster county is fully forty per cent, and still decreasing.

Recently one of the assessors for the State of New York reported to the New York *Tribune* that he had visited fourteen counties in one of the finest agricultural districts, and that while city property is advancing farm property is growing less and less valuable.

Why multiply proofs? The depression is widespread and universal.

In a somewhat elaborate presentation of "Agricultural Depression and its Causes" in his March report, Hon. J. R. Dodge, agricultural statistician, says: "Diversification is essential to agricultural salvation." That is, to secure reasonable reward for labor and investment, the farmer should cultivate a greater variety of crops. To arrest a downward tendency in the market values of crops and to restore the values of lands, a greater effort should be made to meet all the demands for all kinds of food products. Has this system been tried, and has it failed? Let us see? Take the energetic and enterprising State of Michigan, than which no State in the Union, perhaps, has a broader system of diversified farming. Its whole surface is dotted with thriving villages, towns, and cities, and the farmers have easy access to large outside markets. The State Labor Bureau of Statistics reports that the farms of that State are mortgaged to the amount of \$130,000,000 or 47 per cent of them, and at an average interest of 7 per cent. The wheat crop of that State for 1889 was 23,709,000 bushels, required for home consumption, 9,246,510 bushels; leaving net amount for sale, 14,462,490 bushels. To pay the interest on farm mortgages for one year at 7 per cent would require 455,544 bushels more than the entire net crop.

The Commissioner says in his report: "The indications are that mortgage indebtedness is rapidly

increasing and that farmers are not getting out of debt." From his investigation he deduces the following facts :

"1. That one-half of the farms in Michigan are mortgaged and are paying a double tax.

"2. That by reason of this mortgage indebtedness and double taxation business of all kinds is seriously affected.

"3. That men who loan money do not bear their just proportion of public expenses in return for the protection given them, while the majority escape taxation."

In the year of 1887, there were 1,667 mortgages foreclosed, and of that number only 131 were redeemed. In one of the leading agricultural counties of the State (St. Joseph), I am reliably informed there were in the year 1888 366 foreclosures of farm mortgages, one for each day in the year. Less than four weeks ago, according to a Michigan paper, one of the finest properties in South Michigan, located in the town of Three Rivers, thirty-four acres of land and buildings that cost \$56,000 cash was sold for only about \$8,000. This, briefly stated, is the condition of a people who possess peculiarly favorable facilities for the prosecution of diversified farming. But it may be said that it is a Western State, one of the youngest in the great family of States, and is, therefore, not a criterion. We might grant the exception, but it applies as well to the great States of Kansas and Nebraska. I quote from the *Alliance Motor*, published at Broken Bow, Nebraska, and dated April 17, 1890 :

The denial that the State is not heavily covered with mortgages, is met with the following table, compiled from the official record of Saline County, one of the wealthiest counties in the State.

Real Estate Mortgages unsatisfied on record :

Lands.....	\$1,816,388 23
Town lots.....	370,963 23
<hr/>	
Total amount real estate mortgages.....	\$2,187,351 46
Bonded debt, cities and schools.....	97,739 15
Bank loans and discounts.....	1,418,954 41
Chattel mortgages held by private parties (banks not included) unreleased, filed since January 1, 1889..	332,584 44
<hr/>	
Total.....	\$4,036,646 96

The assessor's value of property against this indebtedness is, viz :

Lands.....	\$1,234,958 00
Lots.....	425,773 00
Personalty.....	808,266 00
<hr/>	
Total.....	\$2,468,997 00

So that in this single county the assessed value of the property is \$1,567,649.96 less than the recorded indebtedness of that county.

Let us come then to a State possessing pre-eminently advantages superior to any State in the Union for the successful and profitable prosecution of that "diversification" which is "essential to our agricultural salvation." I refer to that beautiful garden-spot in the broad field of American agriculture, the State of New Jersey. Diversified farming, I presume, no one will deny should be most profitable where it has easy access to ready markets or to great centers of population. Not only have the farmers of New Jersey advanced to the front rank in all the appliances and most improved system of agriculture, but the whole State is, or should be, the kitchen garden of a population in towns and cities within and immediately on its borders, of not less than four and three-quarter millions of people. The County of Salem has splendid facilities for reaching markets. It is adapted to truck growing. The Board

of Agriculture of that county made an official report to the Governor of the State only a few weeks since, in response to inquiries propounded by him to the various boards, in which it was stated that the lands of that county had decreased in value 40 per cent.

I quote from Mr. T. E. Wilson, an able statistician and editor of the *Weekly World*. He says: "The wealth of the State of New Jersey more than doubled in ten years. The individual wealth very nearly doubled. Between 1850 and 1860 the total value of the farms increased \$60,012,827, or 50 per cent. The individual value of each farm increased \$1,420 or 28 per cent. Over 35 per cent. of the increase in wealth was divided among the farmers and went into their pockets for the increased value of the land alone. Between 1860 and 1880 the total increase in the value of the farms was only \$10,645,495, or 5 per cent. each, or one-quarter of 1 per cent., yearly, which is not the natural rate of 'unearned increment.' The value of each farm declined during these years from \$6,519 to \$5,561. Only 3 per cent. of the increase in wealth went into the pockets of the farmers."

From a reliable business man in the town of Flemington, the county seat of Hunterdon, I have obtained some significant statements. Be it remembered that Hunterdon is the best agricultural county in the State, and is within a two hours' ride of either of the cities of Jersey, New York, Brooklyn, or Philadelphia, and is traversed in all directions by important lines of railway. I quote from his statement of the sale of six farms, all of which, except one, are located within five miles of the town of Flemington, and all sold at public sale:

1.	A farm of 120 acres sold in 1876 for.....	\$10,800
	The same farm sold in 1889 for.....	5,280
2.	Twenty-five acres sold in 1870 for.....	5,000

	The same sold in 1886 for.....	3,600
	The same sold in 1889 for.....	2,600
3.	Two hundred and eighteen acres sold in 1880 for.....	17,876
	The same sold in 1890 for.....	8,000
4.	One hundred and ten acres sold in 1881 for.....	7,150
	The same sold in 1888 for.....	4,510
5.	Two hundred acres sold in 1872 for.....	21,000
	The same sold in 1881 for.....	16,400
	The same sold in 1889 for.....	8,200
6.	Ninety-eight acres sold in 1877 for.....	8,882
	The same sold in 1890 for.....	4,132

He says these are all strictly good farms, and are kept in good condition, and adds, "The above is about a fair average of depreciation in farm lands throughout the county."

Go to the States of Vermont and new Hampshire, whose every farm almost is within the sound of the bells or whistles of villages, towns, cities, workshops, mills or factories—the land where the farmer is peculiarly blessed with what is popularly known as "home markets." Where is the picturesque beauty and charming loveliness that once crowned those hills in the glories of "diversified farming?" The doleful answer comes back from fields abandoned to briar and brush, and from thousands of once happy homes, now given over to the spider and the bat. I hold in my hand a pamphlet of 104 pages, descriptive of some of these abandoned farms in New Hampshire, and issued by the Commissioner of Agriculture and Immigration for that State. On page 9 he tells us: "There have been reported to us by the selectmen of the various towns (townships) 1,442 vacant farms, with tenantable buildings." The reasons given for the abandonment of these farms, whose "large and comfortable buildings, substantial fences, and permanent improvements make them in every way desirable," is, in some instances, by death of the former occupant, but chiefly the occupant has gone into other business. He distinctly states that

it is for "reasons traceable to other sources than inferiority of soil." I open this pamphlet at random and read:

* * * * *

I hold in my hand a circular from the "Commissioner of the Agricultural and Manufacturing Interests" of the State of Vermont, "prepared," as he says, "in answer to the many letters of inquiry relative to the unoccupied lands of Vermont," and it is but a repetition of the same sad, sad story.

The same appalling story may be told of the farms tributary to the Baltimore market.

The Philadelphia *Times* of last week asserted that the farm lands in the vicinity of that city had depreciated in value 33 to 50 per cent. within the last decade.

Within the sweep of vision from the dome of this Capitol, with its 300,000 mouths in this city to feed, hundreds and thousands of acres of as fine farm land as may be found on the Atlantic slope, have depreciated in value from 33 to 50 per cent. What do these startling facts and figures demonstrate? They do not disprove that under ordinarily favorable conditions, a judicious diversification in farm husbandry is most conducive to comfort, prosperity, and success, but they do conclusively demonstrate that, with our present environments and surroundings, to adopt it as a factor "essential to our agricultural salvation" would be to follow a fatal delusion.

But, Mr. Chairman, there are other and still more serious and important phases of this subject to be considered.

From 1870 to 1880 the number of farms in the United States under three acres decreased 38 per cent., while those of one hundred to five hundred acres increased 300 per cent. The number of farms of three to ten acres decreased 21 per cent., while

those from five hundred to one thousand acres increased 478 per cent.

The number of 10 to 20 acres decreased 13 per cent., while those of 1,000 or more acres increased 770 per cent. In 1880 we had 145,553 less farms under 50 acres than we had in 1870, and yet our agricultural population had increased during that decade 29 per cent.

To my mind no more serious aspect of the situation or of the downward tendency of the times can be found than is presented in these figures. They stand as a strong witness to the fearful and deplorable truth that through the rapid congestion of wealth, enriching the few at the expense of the many, our population is being rapidly resolved into two classes—the extremely rich and the extremely poor—classes which in all ages have proven themselves to be the weakest defenders of civil liberty. To the student of history and to those who have given thought to the theory of our Government and the genius of our free institutions, this rapid absorption of the small farms and this rapid expansion of large landed estates portends the sure approach of the crucial era of our republican form of Government. And when that day shall come, upon whom will devolve the responsibility and task of preserving and perpetuating the blessings of free government and of civil liberty, but the great conservative, patriotic middle class of our population? Will that people be prepared to meet it? In seeking a true answer we cannot turn a deaf ear to the ominous declaration proclaimed in the following figures, which point unerringly the road which is strewn with the ruins of wrecked republics:

WEALTH OF THE UNITED STATES.

1850.

Total value of taxed and untaxed property-----	\$13,500,000,000
Assessed value of property-----	5,275,000,000
Of which the farmers were assessed-----	4,500,000,000

1860.

Total value of taxed and untaxed property-----	\$31,000,000,000
Assessed value of property-----	12,000,000,000
Of which the farmers were assessed-----	10,500,000,000

1870.

Total value of taxed and untaxed property-----	\$30,000,000,000
Assessed value of property-----	15,350,000,000
Of which the farmers were assessed-----	12,500,000,000

1880.

Total value of taxed and untaxed property-----	\$43,000,500,000
Assessed value of property-----	17,000,000,000
Of which the farmers were assessed-----	14,000,000,000

In 1850 the farmers of the United States owned 70 per cent. of the total wealth of the country and paid 85 per cent. of its taxes. In 1860 they owned half the wealth of the country and paid 87 per cent. of its taxes. In 1880 they owned only one-fourth of the wealth of the country. The increase in their farm values during the 20 years, from 1860 to 1880, had dropped from 101 per cent. to only 9 per cent., and yet in this desperately reduced and weakened condition they paid 80 per cent. of the taxes of the country.

Mr. Chairman, is the agricultural interest of the country depressed? And is it due to a want of energy, of industry and of economy on the part of the farmer? All over the country he has been told for years by a certain school of polit-

ical economists that indolence, inattention to business and extravagance were the prime causes of his increasing poverty. But when he comes to the capitol of the nation venerable Senators and prominent Government officials inform him that his financial ruin has been wrought through his industry and the merciful providence of nature's God; that he is absolutely bowed to the earth under a crushing load of overproduction. Are either of his advisers correct? [In answer to the first, I assert without hesitation, that no class of citizens in our country work so hard, live so hard and receive so little reward for his labor as the average American farmer. In answer to the second I ask, overproduction in what? Is it in breadstuffs? We produced $9\frac{1}{2}$ bushels of wheat per capita in 1888, which was worth \$1.15 per bushel. We produced in 1889 only $7\frac{1}{2}$ bushels per capita, and it was worth only 79 cents per bushel.] Our exports of food products, under proper and just conditions, should be the true measure of our production. But is it so? The normal ration of flour, as established by our Government, and which has been kindly furnished me by the Secretary of War, is 1 1-8 pounds per day, or 410 pounds per year. Assuming that our population numbers 65,000,000, to give each a normal ration would require 26,650,000,000 pounds, whereas we produced last year (deducing 56,000,000 bushels for seed) only 17,282,400,000 pounds, a deficit of 7,267,600,001 pounds. But if our population had consumed 2 1-3 ounces per day per capita more than they did consume, nothing would have remained for export. Will any sane man doubt, with our millions of people in our crowded cities, in our towns, in our mines, and all over the land, in their hovels of poverty, who are existing in a state of semi-starvation, that we could have consumed this additional

pittance? And if the ruinous decline in prices be due to overproduction, why should it not be confined to those commodities for which a surplus is claimed? Why should all departments of labor share this universal depression in prices? No, Mr. Chairman, it is not overproduction, but under-consumption. There can be no overproduction in a land where the cry for bread is heard.

But we are told that we should be content and happy that "a dollar will buy more to-day than ever before." Mr. Chairman, the American farmer stands a faithful and sorrowing witness of the truth of that declaration. No man living knows better than he the purchasing power of a dollar. He knows that its power has been so augmented that it now demands double the amount of his labor, and the surrender of his profits to meet its unjust and cruel exactions. Indeed, so arbitrary and domineering has its power become, that it has forced upon the public mind the grave question, whether the citizen or the dollar is to be the sovereign in this country. But with all its power will it pay for the farmer more interest? Will it pay more on his mortgage? Will it pay more debt? Will it pay more taxes? Will it pay more physicians' and lawyers' fees? From all sections of this magnificent country comes the universal wail of hard times and distress. The farmer sows in faith, he toils in hope, but reaps in disappointment and despair. He sees a 4 per cent. U. S. bond due in 1907, selling at a premium of 28 per cent., a bond that would be valueless but for the sturdy blows of his strong arm, and yet he knows that there are few farms in all this country that could be mortgaged for one-third their value at 7 per cent. for the same length of time, which mortgage would sell for its face value. He sees centralized capital allied to irresponsible

corporate power, overriding individual rights, controlling conventions, corrupting the ballot-box, subsidizing the press, invading our temples of justice, intimidating official authority, fostering official corruption, robbing the many to enrich the few, destroying legitimate competition, dictating legislation, defying the Constitution and annulling the law of supply and demand. In vain do the people plead for relief. In vain have they suffered and endured—patiently, submissively, uncomplainingly. Over one thousand years ago the old Sheik Ilderim of Medina said to certain Romans: "Do you dream that because the prophet of Allah dwells now beyond the bridge of Al Sirat, that, therefore, he is deaf and dumb and blind? I tell you by the splendor of God, that a tempest is brooding on his brow; there is lightning gathering in his soul for you." Do men dream that because the sovereign, oppressed people have thus suffered, thus endured, that therefore they have become deaf and dumb and blind? But we are told that these forms of oppression are not prohibited by law. There are no people on earth who have greater reverence for law than the farmers of these United States, but they know that no tyranny is so degrading as legalized tyranny; that no injustice is so oppressive as that which stands entrenched behind the forms of law, and worthy descendants as they are of a grand old revolutionary ancestry, they may not forget that the tyrannical mandates of George the Third were accompanied by the boastful declaration that he too was the rightful occupant of the British throne under the forms of the law.

Mr. Chairman, retrogression in American agriculture means national decline, national decay, and ultimate and inevitable ruin. The glory of our civilization cannot survive the neglect of our agricul-

ture ; the power and grandeur of this great country cannot survive the degradation of the American farmer.

Struggle, toil and suffer as he may, each recurring year has brought to him smaller reward for his labor, until to-day, surrounded by the most wonderful progress and development the world has ever witnessed, he is confronted and appalled with impending bankruptcy and ruin. Crops may fail, disaster may come and sweep away his earnings as by a breath, prices may go below the cost of production, but the inevitable tax-collector never fails to call upon him with increased demands. Is it any wonder that these struggling and oppressed millions are organizing for relief and protection ?

THE CAUSES.

We protest, with all reverence, that it is not God's fault. We protest that it is not the farmers' fault. We believe, and so charge, solemnly and deliberately, that it is the fault of the financial system of the Government — a system that has placed on agriculture an undue, unjust, and intolerable proportion of the burthens of taxation, while it makes that great interest the helpless victim of the rapacious greed and tyrannical power of gold. A system through which, despite the admonitions of history and the experience of all countries in all ages ; despite the teachings and warnings of the ablest men in the science of political economy in this and in all countries, our currency has been contracted to a volume totally inadequate to the necessities of the people and the demands of trade, and with the natural and inevitable result — high-priced money and low-priced products.

THE REMEDY.

1. Restore to silver its dignity and place as a money metal, with all the rights of coinage and all the qualities of legal tender which gold possesses.

2. Issue sufficient amounts of currency direct to the people, at a low rate of interest, to meet the legitimate demands of the business of the country, and which shall be legal tender for all debts, public and private.

3. Secure to such issue equal dignity with the money metals by basing it on real, tangible, substantial values.

These were the central ideas which prompted the action of the St. Louis convention when that body asked for the free and unrestricted coinage of silver, and for an increased volume of currency to meet the increasing demands of the country, and presented through Senator Vance to the Senate the bill now under consideration.

As I am to be followed by 'Dr. C. W. Macune, chairman of the National Committee on Legislation, who will address himself more particularly to the merits and details of the system as outlined in the bill, I will beg the kind indulgence of the committee for a remark as to only two points.

It is charged that to adopt this bill, which provides for the issuing of money by the Government to the farmers at 1 per cent. on the security therein provided for, would be to establish paternalism in our Government. Is it paternalism for the Government to issue to the farmers of the country money on short time at 1 per cent. on evidences of wealth, when for a quarter of a century it has been issuing money to the banks at 1 per cent. on evidences of indebtedness? Is it paternalism to issue money to the farmers on those products which the world needs and must have, and which are stored in warehouses,

when the Government has for these long years been storing whiskey in warehouses, and whose certificates of deposit on the same are negotiable in all the banks of the land? Is it paternalism or criminal for the Government to accept the voluntary tender of a valid and substantial security in the property of the citizen for an issue of money, when that Government, for all time, has based its faith and credit for the issue of money on its power to tax that same property?

It is urged that the products we offer as security are perishable. True; but are they more perishable in carefully constructed warehouses, after having been carefully inspected and classified, than they are when stored in the barns of the farmer? What proportion of that class of the proposed crops, which only would be admitted to the warehouse under an efficient system of inspection, is lost to the farmers annually, even under the rude and careless system in which they are now largely stored? The world buys these products from the barns and uses them. Would it not do so as well from the Government warehouses? The demands for annual consumption would preclude the possibility of an accumulation or retention of these products beyond their natural period of self-preserving power. Indeed, this system of warehouse storage, with certificates of deposit freely negotiable on the values stored, has been in successful practical operation in this country for several years, and is constantly enlarging. Its convenience, its utility, and its safety commend it to the trust companies and bankers as among the very best forms of security for large advances, and they are eagerly sought. I refer particularly to the system of cold-storage warehouses now operated in the city of New York and established several years ago. Goods to the amount of thousands and

millions, especially of high-class imported goods, are stored for their better preservation, and advances are freely made to the extent of 80 to 90 per cent. of their value at 6 per cent., unless arrangement is made for lower interest. There has never been a case of loss in the business, and there is great competition among the banks and trust companies to make these advances. If this class of goods, whose extremely delicate texture and finish render them highly susceptible to damage, stored in warehouses which are not claimed to be fire-proof, is regarded and sought by the capitalists and banks as safe and desirable security for liberal loans, why could not cotton, wheat, corn and oats be rendered equally safe and desirable as security, especially as, from the very nature of things, no considerable amount of these crops would remain in storage for a longer time, most probably, than six months?

Again, the wheat farmers of California have built their own warehouses for the storage of their wheat, which are in charge of agents of their own choosing. These agents grade or classify the grain and issue to the farmers certificates of deposit. The Grangers' Bank of San Francisco, which was incorporated April, 1874, with an authorized capital of \$1,000,000, which has a paid-up capital and reserve fund of \$800,000, which has paid dividends to stockholders of \$627,500, freely makes advances on these certificates of deposit held by the farmers. I am reliably informed that it loaned to the wheat farmers of that State \$3,000,000 during the year 1889 on these certificates.

But if it be true, as has been asserted by the best authority on the subject, that the world is only eighteen months in advance of starvation, does not the preservation of food products become a question of incalculable and universal importance to humanity? At a time when universal famine

threatened the nations, the genius of Joseph gave to the world a system of storage from which it was fed for seven years. It was successfully practiced by the ancient Egyptians and Romans, and in the exploration of science the grain then stored—thousands of years ago—is found to possess its powers of germination as perfectly and as vigorously as though it were harvested one year ago. The most thorough scientific investigation has established beyond question that the whole process, which has long been the wonder of mankind, consisted only and simply in excluding the air from the storage vaults. The construction of these vaults, with their facilities and rude appliances, it is true, were of immense cost, but the great end was accomplished. And the secret which has been buried in these dark storage rooms for centuries has been brought to light by the hand of science, and the world was as much amazed at its simplicity as it had been confounded by its hidden mystery. And the inventive genius and acute perception of the enterprising, aggressive American, has discovered opportunity and methods for utilizing this knowledge at infinitely superior advantage to that of the ancients.

It is found that homogeneous steel is impervious to air. Upon estimates made by leading civil engineers—men of world-wide reputation—receptacles of carrying capacity for the storage of grain and other products, may be constructed of this material at a less cost than it is possible to construct them of stone or brick or wood. This steel may be had in unlimited quantities and at a cost not to exceed two cents per pound, and it is claimed and asserted that these steel storage rooms may be built at a cost not to exceed four cents per bushel. Steel storage warerooms for cotton can be constructed,

fire-proof, water-proof and weather-proof, of a capacity of one thousand bales and upward, at a cost not to exceed one dollar and thirty cents per bale.

If upon investigation it be demonstrated that such are the facts, it solves a problem of transcendent importance to the whole world. It removes all objections as to the cost of storage room for products proposed in this bill. It would silence all objection as to the perishable character of the security we offer. It would give us a storage absolutely fire-proof, water-proof and weather-proof, and thus enable us to place with the Government the safest, most reliable, and most desirable security the world could afford. The saving in insurance alone, it is claimed, would cancel the cost of construction in the short period of five years. Fraught with possibilities for good to mankind almost inconceivable, and supplying as it would to our Government a basis of values superior to even silver and gold for its currency, I beg respectfully to submit the suggestion that it is at least worthy the attention and investigation of the leading representative body of the most progressive people of the world.

We submit this bill, Mr. Chairman, with due deference to the intelligence, judgment and wisdom of your body. We do not claim that it is the best, or the only measure through which relief may be brought to our oppressed, suffering and distressed people, but we submit it as the best we have been able to devise. We would be only too happy to receive at your hands a wiser and a better measure. But, Mr. Chairman, these suffering millions must have relief. They ask for bread and will not be content with a stone. They are not asking for charity, but they are demanding justice. They are not asking for special legislation, through which

their interest may be promoted at the expense of any other interest of the country, but they demand that the heavy hand of oppressive discrimination be lifted from them, and that they be allowed an open field and an equal chance with the other great industries of the country.

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