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SPEECH

OF

HON. GEORGE W. MORGAN,

DELIVERED AT

Canal Dover, Ohio, August 7, 1875.

[PUBLISHED BY ORDER OF DEM. STATE EX. COM.]

LADIES AND FELLOW-CITIZENS OF TUSCARAWAS COUNTY: I ask your indulgence in the opening of my remarks until my voice becomes accustomed to the place in which I am to speak. It is true, as you have been told, that Governor Allen is not with us in person, but his heart and thoughts and best wishes are with us, and he sincerely regrets that he is not here to greet you.

I am one of those, my fellow-citizens, who believe that the great body of the American people, irrespective of party, are honest, intelligent, brave and patriotic. In my youth and the ardor of early convictions I was, perhaps, not so tolerant in my views, but experience and observation have taught me a truer appreciation of American character, and I now understand how it may be that honesty and error may exist together. Had I not such a faith I would despair of the possibility of maintaining free institutions. Our country belongs to no party, but to the whole people, who hold it as a sacred trust for our children and our children's children after we have passed away. Parties are essential to the existence of free institutions, but it is always necessary that the party in power should have a party out of power to watch its administration of public affairs, and if that administration has been wise and honest it should be continued and upheld. On the other hand, if it becomes corrupt, there should be a change. We are assembled to-day, fellow-citizens, for the purpose of discussing a question of vital importance to us all—a question affecting not only the Democrats, but the Republicans as well—affecting, in fact, the welfare and prosperity of the whole people, and I shall endeavor to present facts for your consideration with as much gravity and decorum as if I were rising in the halls of Congress to address the legislators there assembled. Before proceeding, however, I wish to say a few words as to a false issue which Republican leaders seek to introduce into this canvass, in order to withdraw the attention of the people from the wrongs they have committed and the evils they have brought upon the country at large.

You all know that the Convention that made the Constitution of Ohio under which we live had a Democratic majority, and that William Medill, afterward a Democratic Governor, was its President, and that William H. Gill, its Secretary, was also a Democrat. You are aware that this Democratic Constitution was ratified by an overwhelming majority of the voters of Ohio, and that to-day it is the fundamental law of our State. The Republican leaders, through secret circulars, seek to create the impression that the Democratic party desired to divide the school fund, and give a part of it to one religious sect. I have just shown you that the Constitution was made by a Democratic Convention, was adopted when Ohio was a Democratic State, and is, in its provisions, a Democratic instrument, and we will see what it says on that subject. Article VI., Section 2, says:

"The General Assembly shall make such provision by taxation or otherwise as, with the income arising from the School Trust Fund, will secure a thorough and efficient system of common schools throughout the State; but no religious or other sect or sects shall ever have any exclusive right to, or control of, ANY PART of the school fund of this State."

Certainly it will not require argument to prove that if six hundred millions could be collected, as they were collected in the year following the war, that the same amount could have been raised with much greater ease before the country was exhausted by the drain of war—before a million of men had been withdrawn from production and converted into consumers. This fact not being open to dispute, I will proceed to demonstrate that if the natural system of finance had been adopted the expenditures of the war would have been fully paid without the creation of one dollar of interest-bearing debt, and that by the 30th of June, 1868, there would have been at least only a little over a thousand millions of currency, instead of the twenty hundred millions which was outstanding at the close of the war, and with a public debt of twenty-six hundred millions on the 30th day of June, 1868. (See Finance Report, page 436.)

Now, for the facts, and, once for all, I refer you to pages 490, 491, 492, 493 and 494 of the Finance Report for 1874. In the first year of the war the expenditures of the Federal Government were \$456,000,000, while the taxes collected amounted to only \$52,000,000, thus making a grand stride toward that marvelous blessing—a public debt. Had the Federal Government, in the first year of the war, issued \$500,000,000 of greenbacks, and collected \$500,000,000 of taxes, the greenbacks would have gone into circulation in the payment for supplies, and been returned to the Treasury in the payment of taxes; and at the close of the year there would have been a balance of \$44,000,000 greenbacks in the Treasury, and there would not have been one dollar of bonded debt.

During the second year of the war the expenditures amounted to \$694,000,000, while only \$112,000,000 of taxes were collected; and another big stride was then taken toward the creation of the public debt. Had \$150,000,000 of additional greenbacks been issued, and \$500,000,000 of taxes been collected, there would have been money enough, including the balance in the Treasury, to have paid every dollar of the expenditures, and created no bonded debt.

In consequence of the inflation induced by the system of reckless borrowing, in the third year of the war, the expenditures ran up to eight hundred and eleven millions, while only two hundred and sixty-three millions of taxes were collected, and a public debt of eighteen hundred millions had been built up. If during that year five hundred millions in taxes had been collected, and an additional two hundred millions of greenbacks been issued, there would have been a floating debt of only one hundred and eleven millions, and no bonded debt, while the entire currency would have amounted to only eight hundred and fifty millions.

By the continued process of borrowing and inflation, the expenditures of the Government in the fourth year of the war amounted to \$1,214,000,000, while only \$323,000,000 of revenue were collected, and "the blessing of a public debt" had swollen to the respectable sum of about \$2,700,000,000. If during the last year of the war \$500,000,000 of taxes had been collected, and \$200,000,000 of additional greenbacks been issued, and applied upon the floating debt of the preceding year, and on the expenditures of the last year of the war, as a result, at its close, there would have been a floating debt of only \$625,000,000, with \$1,050,000,000 of currency, and no bonded debt. But as the finances of the country were managed, at the close of the war there was \$2,000,000,000 of currency and a public debt of \$2,700,000,000. This brings us to the first year of peace.

Now, you will remember, citizens, that I have shown you that in the very first year of peace the revenues of the Federal Government actually did amount to \$620,000,000, or within \$5,000,000 of what the entire debt of the country might have been (not including the greenbacks) at the close of the war. Then, to ascertain what would have been our condition at the close of the first year of peace, had the taxation system been adopted, we must add the net expenditures of the Government for the first year of peace, which were \$385,000,000, to the sum of \$625,000,000, which would have been the amount of the floating debt, and there would have been to pay the amount of \$1,010,000,000. To meet this there was the actual net revenue of \$620,000,000 for that year; upon applying it toward the payment of the \$1,010,000,000 there would have been left at the close of that year a floating debt of \$390,000,000, and no more.

Now, the actual revenues for the second year of peace amounted to \$490,000,000; and if we add the net expenditures for that year, which actually amounted to \$206,000,000, to what ought to have been the floating debt of \$390,000,000, there would have been the sum of \$596,000,000 to have been paid. Applying upon that sum the \$490,000,000 actually in the Treasury, there would have been left at the close of the second year of peace a floating debt of only \$106,000,000 to be paid. This brings us to the third year of peace.

Had this taxation and greenback system been adopted at the outset of the war, the third year of peace (1867-68) would have opened with a floating debt of \$106,000,000, and ended with \$229,000,000 of net expenditures, which, added together, would give \$335,000,000 to have been paid that year out of the Treasury. But the actual net revenue collected that year was \$405,000,000, which would have paid off the entire indebtedness of the Government (greenbacks not included, as they would have formed the only currency), and left a balance of \$70,000,000 in the Treasury.

In conclusion, had \$500,000,000 of taxes been raised during each year of the war, and \$1,050,000,000 of greenbacks been issued during the same period, there would have been in circulation on the 30th of June, 1868, \$980,000,000 in greenbacks, with a balance of \$70,000,000 in the Treasury, and no bonded debt, and the country would now be in a prosperous condition instead of being threatened with general bankruptcy and ruin. But this would not have answered the demand of the banker and bondholder. The debt was needed as a basis for the two thousand banks which are fastened like leeches upon the body politic. This would not have answered, for the wealth of those who desired to invest in bonds would have been subject to taxation like the property of other citizens.

With these facts before us, fellow-citizens, the conclusion is irresistible that the finances of the country have not been managed in the interest of the country, but for the benefit of a handful of individuals who desired to become, and who have become, millionaires.

But notwithstanding the debt was created without necessity, it rests upon the whole people as a binding obligation, and by the whole people will be met. We will not follow the example of the bondholders, when they repudiated the contract in which they agreed to receive greenbacks in payment of the five-twenty bonds. No, the people are not repudiators, but they will hold the men in power to a strict accountability for betraying them into the hands of the bondholders. They will hold them guilty for the act which Sherman, and Stevenson, and Morton, and Butler all admitted would be an act of repudiation, and which has placed an additional burden of hundreds of millions on the shoulders of the tax-payers.

In the early history of our Government, Hamilton and his allies pointed to the grandeur and power of the British Government as a proof of the soundness of the wretched dogma that a public debt is a public blessing. But his followers either forgot, and forgot, the wide difference which exists between the principles of a monarchy and those of a republic, or they desired, and now desire, the overthrow of republican institutions.

Britain is powerful, but what is the condition of her people? With thirty millions of inhabitants, she has only thirty thousand land-owners, and one-eighth of her rural and one-third of her metropolitan population are paupers. Such are the blessings of a public debt, and the law of primogeniture. Such are the blessings which the men in power seek to bestow on American citizens. Such are the blessings which flow from a Legislature which protects an aristocracy and plunders the people. Such is the system which the men in power seek to fasten on America. Our aristocrats, our bondholders, have the absolute control of the Republican organization; for thirteen years they have had supreme control of Congress; and now, that the Republican organization is about to be repudiated by the people, these aristocrats seek to gain control of the Democratic party before it is placed in power. It matters but little in England whether the Whigs or the Tories are in power, for in either case the legislation is in the interest of the aristocracy and against the people. But in this the bondholders will fail. The Democracy are of the people and for the people, and in this contest of idle against active capital they will be found on the side of industry and enterprise.

THE PRETENSE OF RESUMING SPECIE PAYMENTS.

Just now, my friends, a vast deal is being said on the subject of resuming specie payments. The bondholders demand specie payments. The bankers demand specie payments. What do these men mean by a return to specie payments? Do they mean that at the option of the holder of a bank bill he shall obtain gold when he presents the bank note at the bank counter? No, they mean nothing of the kind. With banker and bondholder resumption of specie payments means a further contraction of the currency; it means less money; it means the still further shrinkage of all values, except gold and bank stock and bonds; it means to make one dollar buy two dollars' worth of property; it means to double the fortunes of the money owners by act of Congress.

No, fellow-citizens, these men, as I will prove to you, do not mean specie payments, and they know that such a thing is now impossible. In their avarice they have gone money-mad. Their bonds are worth twenty cents above par; their gold is worth from twelve to seventeen cents above par, and their bank stock is from twenty-five to thirty-three per cent. above par, and they are not yet satisfied.

On the 14th of January last they passed a law through Congress entitled "An act to provide for the resumption of specie payments"—a law which beats a lie on its face, for the law does not provide that the banks shall redeem their paper in specie: there is not the shadow of such a thing in its provisions. What, then, is this law? It provides that the Secretary of the Treasury shall, "as rapidly as practicable," have coined ten, twenty-five and fifty-cent pieces in silver, with which to redeem the fractional paper currency now in circulation. The amount is forty odd million dollars. How much have they redeemed? Not a dollar—not a dime. Who among you have seen any of this

silver currency in circulation? Not one living man. And yet more than six months have elapsed since that law was passed. But suppose they did issue this forty millions change of specie; how long would it be in circulation? Six weeks would dry up the last dime. Why? Because the men in power have by law depreciated the value of paper money; they have prohibited it from performing all the functions of money; they have provided that paper money shall not be received as money in the payment of two hundred millions paid at the custom-house as a tariff tax on imported goods; they have required you to pay the bondholder his interest in gold, and also require you to receive paper interest from the bondholder, should he owe you. In short, by force of law, paper money is made less valuable than specie, and were forty millions of specie put in circulation it would at once be gobbled up by the banks and bondholders on speculation, and the country would be left without small currency of any kind.

What next does this law provide? In a word, without going through the details of the bill, it provides for the issue of three hundred and eighty-two millions of new five per cent. bonds, to be sold at par for gold, in order to substitute that amount of gold, as they pretend, for the greenbacks in circulation. Where is the gold to come from? There is only one hundred millions in the United States, and that is mostly owned by the Government, and is used by the Government to pay gold interest to the bondholders, and the bondholder sells his gold to the merchant who imports goods at a premium of from 12 to 17 per cent. Where, then, is this three hundred and eighty-two millions of gold to come from? From Europe? No, for the European States are forced to buy gold, and have but little to spare. How, then, can the greenbacks be withdrawn from circulation? It can all be done by the use of one hundred millions of gold, and when three hundred and eighty-two millions of greenbacks are withdrawn from circulation, there will be left in their stead only one hundred millions of gold, and the volume of currency will be reduced over two hundred millions. We are now paying to the people in Europe fifty or sixty millions of gold interest in semi-annual payments. Before it would leave the country it would be invested and reinvested in the five per cent. bonds, and through the process of exchanges one hundred millions of gold would withdraw the entire three-hundred and eighty-two millions of greenbacks. And, do you doubt, my fellow-citizens, what would be the effect of this further reduction of the currency? Property would be sold at one-fourth its value. Rolling mills, furnaces and work-shops would be closed. Our merchants would be ruined and forced to make assignments. The owners of mines would be forced to stop work, and hundreds of thousands of men, depending upon their daily labor for their daily bread, would be thrown out of employment.

And, then, in the midst of this accumulated disaster, the bondholder and the banker, having control of all the money in the country, would buy up your property at twenty-five cents on the dollar, and, as in England, the bondholders and the land-owners would be the self-same men. And, then, in the midst of this moral death, when the cry of hunger and lamentation will be heard from every quarter, then the banker will take further advantage of this bill of iniquity, and claim to be a special providence by flooding the country with irredeemable millions of bank paper. For, fellow-citizens, although this bill pretends to provide for a return to specie payment, while it provides for the withdrawal of every dollar of greenbacks, it authorizes banks to issue bank notes without limit, and without requiring a single note to be redeemed in coin.

Here, then, in its deformity, is this hollow scheme of returning to specie payments. Senator Sherman says that the volume of the currency should be reduced until the paper dollar is on a par with the gold dollar, but he does not undertake to say what amount of reduction that would require. He does not fix the amount, because he knows full well that the paper money of the country can never be on a par with gold until paper money is allowed to perform all the functions of money. And I denounce this so called resumption bill as a wicked scheme of robbery and plunder.

OUR PLATFORM.

Now, citizens, that is their plan. For a moment let us glance at ours. We propose that the bank note circulation shall be withdrawn, and that greenbacks shall be substituted in their place. We propose that the bonds owned by the banks shall be paid off, and \$17,500,000 of interest be thus annually saved. The National banker is the only man on earth who draws interest on his debts, on what he owes, as well as on what is owed to him. He draws interest on his bonds, which is right, but he also draws interest on his printed promissory notes, which is wrong. If a banker holds your promissory note you are required to pay him interest, while if you hold his promissory note you have to pay him interest again. It is certainly a bad rule which won't work both ways.

Next, we are in favor of an increase of the volume of currency. We mean more money and a lower rate of interest. We mean that the business of the country shall be revived. We say that money is too scarce; that the high rate of interest proves it;

that the want of public confidence and the stagnation of trade, and that thousands of failures all prove it.

As to the amount of money, we say that should be regulated by the demands of business—that it can be regulated with exactness by the issue of interconvertible bonds bearing a low rate of interest, bonds convertible into greenbacks and greenbacks into bonds. These propositions are simple, and will be easily understood. The Republicans are for less, and the Democrats for more money. The Republicans want bank notes, and to pay the banks \$17,500,000 for the use of the notes, over and above the interest paid on loans. The Democrats want a greenback currency based on the faith of the Government, and are opposed to paying the bankers interest on their debts. In 1865, the currency of the country, including certificates of indebtedness, five per cent. legal-tender notes, seven-thirty notes, United States legal-tenders, or greenbacks, fractional currency, National and State bank notes, amounted to about \$2,000,000,000. The men in power, acting in the interest of the banks and the bondholders, and against the interest of the people, have reduced the volume of the currency more than \$1,200,000,000, and by so doing have prostrated the business of the country and ruined thousands of business men.

Money has become dear. At what rate can you borrow it here in Tuscarawas? In the county of Knox, where I live, it can not be had for less than ten per cent., and is difficult to procure. The order of things has been reversed. Money, which ought to be cheap, has become dear, while your products, your iron, and coal, and wheat, and wool, which ought to bring a good price, have become so cheap as to become almost unproductive. Bonds have gone up; bank stocks have gone up; gold has gone up; while wheat and wool and industries of all kinds have gone down. Without labor millionaires are created; the rich have been growing richer, while the poor have been growing poorer, until within the past year the spectacle, hitherto without example, has been presented of thousands of men, roaming abroad through the land asking for labor and bread, which before they had never failed of obtaining. There is no one who does not know that an article is cheap or dear because of its being plenty or scarce. The failure of a wheat crops makes the price of wheat go up, while if it is a bountiful one the price goes down. We want money plentiful and at a low rate of interest.

The men of Wall street tell us there is a plethora of money there. So there is. But how does it happen? Law and nature combine to make it so. The gold gambling created by the law is done there. The interest upon the public debt and the customs dues flow through that street, and a constant current of money daily runs from the West to the East. The railroad companies which earn their money in the West daily ship the profits to the East. And when one of your farmers pays the freight on your grain the money reaches New York before the grain has gone one-half the distance. So, too, with the insurance companies. We annually pay to Eastern insurance companies five millions more than they pay back to the people of the State. Hence it is, unless we have an abundant supply of currency, we will always be drained dry. We want a sufficient supply to revive industry, secure low interest and good prices. In short, we wish the weight which now depresses the business of the country to be removed. We believe that this land of ours belongs to the people, and not to a handful of over-fed bondholders and bankers.

Years ago, when money was plenty, business brisk and prices good, we did not feel this drain, because there was enough to send East, and enough left for the business of the West. Then the farmer got good prices for his crops, the merchant good prices for his goods and wares, the manufacturer good prices for his manufactures, and the working man good prices for his toil; and all of this has been changed to satisfy the hungry greed of the banker and bondholder. The Republican laborer, or farmer, merchant, or manufacturer, is just as much interested in a return to prosperity as are those of the Democratic faith. It is in effect a conflict between the Western producers and the Eastern bondholders, and if the people are not ready to lie down as serfs and permit the mailed heel of the oppressor to be planted on their breasts, they will rouse themselves to action on this great question. Go to New York to-day, and you will find the Democratic and Republican bondholders joined hand and hand in their common cause. And why should not the men of the West unite in defense of their common interests?

THE CORRUPTION AND EXTRAVAGANCE OF THE MEN IN POWER.

A disease, whether it be moral or physical, grows better or worse—the patient gets well or dies.

I have already referred to the fact that the last finance report published shows that the public debt at the close of that year was seventeen millions greater than at the close of the previous year, thus exposing the hollow pretense of reform which is now being made by the men in power. But, citizens, that you may judge for yourselves how your affairs are being managed, let me show you certain official figures in this

book, and I will leave you to say whether the patient is likely to be cured or killed by the doctors in charge. Let me call attention to certain expenditures during the four years of Mr. Lincoln's administration, and then compare them with the first four years of President Grant's administration.

The cost of the civil list, as it is called, was forty-nine millions greater under Grant than under Lincoln for the same length of time. The miscellaneous expenditures under four years of Grant were twelve millions greater than under four years of Lincoln. The Indian expenditures during four years of Grant were twenty-six million dollars, while under Lincoln they were only fourteen millions. Our foreign intercourse cost fourteen hundred thousand dollars more under four years of Grant than during the same period of time under Lincoln—making in these four items an excess of expenditure by Grant over Lincoln of seventy-four millions. These facts, citizens, speak for themselves, and their mere statement is worth more than an hour of argument, and I leave them with you for reflection.

THE WHOLE PEOPLE HAVE BEEN PLUNDERED,

But the Republicans have been both plundered and then betrayed. That the great body of our people, Republicans and Democrats alike, desire good government, no man doubts; but the Republican organization is beyond the control of Republican voters, who have no more to do with the administration of our public affairs than have the people of China. Let us test the truth of this proposition. The men in power have given to railroad and other corporations an amount of public lands equal to five times the area of the State of Ohio.

What Republican now in the sound of my voice, or in the good county of Tuscarawas, ay, or in the State of Ohio, was in favor of taking these lands from the people, to whom they belonged, and of giving them to the railroad companies? Not one. And yet this high-handed act was done while two-thirds of each house of Congress was composed of Republicans. What Republican in the sound of my voice, unless he be a banker or a bondholder, was in favor of increasing the taxes upon all the property of the people and then exempting the bondholders' wealth from taxation? No voice answers; but I do not believe that such a man can be found in Ohio. Yet it was done, and more. The bondholder was not only exempted from taxation, but his proportion of taxes were and are added to the taxes paid by the property and industries of the country, and this was done by a Congress with more than two-thirds of Republicans.

What Republican within the sound of my voice was in favor of paying the bondholder gold interest on his bonds, while the merchant, the manufacturer, the farmer and laborer are, by law, required to receive their interest in paper money, while the bondholder receives gold? In what school district, in what township, in what county, could such a proposition receive a Republican vote, unless that Republican be a banker or bondholder? There is not one. What Republican within the sound of my voice was in favor of giving the Pacific Steamship Company \$1,000,000 a year for carrying \$20,000 worth of mail? Not one; and yet Republicans are asked to keep these men in power.

Citizens, I have done. This election is to decide whether this country of ours belongs to the bankers and bondholders or to the people. It is to decide whether prosperity is to be restored to the land, or whether we are to continue in the downward course to bankruptcy and pauperism. These questions are with you as a people; for only by the people, and through the action of the people, can relief be obtained.



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