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NATIONAL FINANCES.

SENATOR DAVIS DISCUSSES THEM AT LENGTH IN A SPEECH AT GRAFTON.

A Trenchant Arraignment of the Extravagance and Corruption of the Republican Party —Declares for a Greenback Currency.

GRAFTON, September 24.

The campaign, though late, was auspiciously and successfully opened this evening by Senator Henry G. Davis, in one of his speeches full of facts and figures. The Grafton band was present, and enlivened the audience. Mayor Johnson presided, and Mr. J. T. McGraw introduced the speaker. The large audience of Democrats, Republicans and Greenbackers assembled in Brinkinau's Hall, paid strict attention to the speaker, and frequently interrupted his remarks by applause. The announcement by the Senator that he was in favor of taxing in a proper manner the bonds, and that he, though the President of a National bank, was in favor of abolishing them, was particularly well received. Many of the laboring men present were utterly astonished at the speaker's expose of the way in which millions of the people's money had been handled by the Republican administrations, and exclamations such as "Oh! my!" "Dear me!" and "What villainy!" were frequent. The speaker almost persuaded his audience that the Republican party had been as fatal to the best inter-

ests and the financial welfare of the nation as the yellow fever to the stricken South.

After the close of the speech a few hundred copies of the speeches of Hon. A. G. Thurman and Hon. J. C. S. Blackburn were distributed among the audience, who clamored for them as children for bread.

Senator Davis spoke substantially as follows:

The pending campaign and approaching election are of great importance to the whole country, and particularly to those who believe in the principles of the Democratic party.

After the 4th of March next the Senate will be Democratic by at least ten or twelve majority, and if we carry the next House, for the first time in eighteen years the Senate and House will be in political harmony; the good results that will flow from such an event can hardly be estimated.

The Democratic party though in possession of only one House, and that for the last Congress, inaugurated a system of economy in the public service and a reduction of expenditures that has shown

itself in every department of the Government, and greatly lessened the heavy burdens resting upon the people by reason of Republican rule.

Now in order to fully carry out and complete the good work begun by the Democratic party under the most unfavorable auspices, it seems essential that we should have success in the approaching election, and it should be the highest aim of every Democrat and patriot in the land to contribute by all honorable efforts and means to this result.

The principles, of the Democratic party and its acts and doings since it has had possession of the House of Representatives, it seems to me, ought to commend it to the favorable consideration of the country, for it cannot be denied that during that time, it has largely reduced the public expenditures, restored the legal tender quality of the silver dollar, put an end to the contraction of the currency and stopped the reckless giving away of the public lands to private corporations. So far as possible it has repressed rings, subdued corruption in the public service, and aided in restoring states held down under bayonet rule to their proper places under the constitution, as constituent parts of the Republic.

If all these wise measures have been inaugurated and good results accomplished, with the Democratic party in power only in the House of Representatives, and in the face of the active opposition of a Republican administration and Senate, what may we not expect when it gains complete control of both the House and Senate.

Then again the House of Representatives to be chosen in this election may elect the next President as was the case in the first election of Mr. Jefferson, and it is all important that the Democratic party should have a majority.

With the Senate and House Democratic, the county may be assured that in the event of the people electing a President as they did at the last election by a majority, he will take his seat and exercise the duties of his high office. Had the Senate been Democratic at the last Presidential election Mr. Tilden would to-day have been President, and the will of the people triumphant.

GENERAL POLITICAL INTEREST.

In the Legislation of Congress and the administration of the Government, the people have the deepest interest and concern. Their political interests are always the same. Whatever in legislation or ad-

ministration produces good or injury to a portion of the people, will ultimately bring good or injury to all. Therefore, it becomes the people to reflect, to consider and weigh well, which political party has in the past and most likely will in the future, best promote the public welfare.

The Government in all of its branches having been in the possession of the Republican party for nearly twenty years. It is responsible for the present condition of the country, for the financial distress and depression in business, and the general corruption that has pervaded the public service. It cannot evade or avoid this responsibility and must be held to it. It certainly has had a fair trial. During most of this time its majorities have been so large in both Houses of Congress that any measure the party agreed upon became a law. If with all these great opportunities it can only point as results to our present condition, then should it be further trusted to manage the Government and control the welfare of forty-five millions of people? In my opinion it should not, and the country is fast reaching this conclusion.

I have no personal warfare to wage against Republicans; many of them are pure men of high character, whom I greatly respect, though I think they are wrong politically.

I oppose and condemn the principles, methods and acts of the Republican party as such and don't think they are best calculated to foster, perpetuate and build up free Government and insure progress and prosperity to the people.

I believe, for the good of the people and the country, for their and its future welfare, the principles that govern the Democratic party should prevail on the administration of the Government.

PRESIDENT HAYES.

Many of the leaders of the Republican party, indeed I may say a majority of them, condemn and oppose the President and his policy, and why is this?

Has he not rewarded the Returning Boards and those who fraudulently aided in defeating the will of the people of the States of Louisiana and Florida as expressed in the last Presidential election and thereby put him in office?

Is he not to-day enjoying the fruits of their illegal acts and doings?

Has he not contributed to the present campaign fund for the Republican party?

Is he not going over the country making speeches on the financial and other

questions, and encouraging a majority of his cabinet to do likewise?

Did he not veto the silver bill? Is he not doing all in his power to further contract the currency and force resumption?

May not the true reason of this dissatisfaction be found to the fact that he does not come up to the standard and wishes of these leaders in keeping up bayonet rule in the South and protecting rings and corruption in high places.

In changing the Republican policy towards the South and adopting different methods from his immediate predecessors, and making campaign speeches, he is attempting to save his party, but it is too late. Even before the last election his party had lost the confidence of the people and were fairly beaten at the polls.

The people had become tired of wiping out State Governments by Federal troops, of credit mobiliers, whisky, Indian, Post office, Custom House and other rings, born and encouraged under Republican rule, and they set their seal of condemnation upon them at the last election by giving Mr. Tilden 250,000 majority of the popular vote, and electing a Democratic House of Representatives.

REPUBLICAN EXTRAVAGANCE.

Since the close of the war the public expenditures have increased enormously until partially checked by a Democratic House of Representatives since 1875.

In 1860, the last year of Democratic rule, the net ordinary expenditures of the Government were,.....\$60,056,000.
In 1874 they were,.....\$194,110,000.
And in 1877,.....\$144,209,000

In 1860 the public expenditures were per capita,.....\$1.92.
In 1874 they were,.....\$4.50.
and, in 1877,.....\$3.20.

During this time while population increased nearly forty per cent., expenditures reached 200 per cent.

But it may be said it is not fair to take a single year, we will then institute a comparison between seven years under each party.

July 1, 1833 to June 30, 1860, seven years—

ORDINARY EXPENSES, LESS PENSIONS,

| | |
|------------------------------------|---------------|
| Fiscal year ending June 30, '54... | \$ 50,734,864 |
| " " " " '55... | 54,838,585 |
| " " " " '56... | 65,376,298 |
| " " " " '57... | 84,730,763 |
| " " " " '58... | 71,110,679 |
| " " " " '59... | 65,138, 28 |
| " " " " '60... | 58,955,952 |

\$430,889,857

Average annual expenditure, \$1,554,409.
Expenditure, per capita, \$1.91.

July 1, 1868 to June 30, 1875, seven years—

| | |
|------------------------------------|----------------|
| Fiscal year ending June 30, '69... | \$ 162,017,733 |
| " " " " '70... | 136,081,306 |
| " " " " '71... | 123,139,933 |
| " " " " '72... | 124,668,454 |
| " " " " '73... | 151,129,210 |
| " " " " '74... | 165,080,671 |
| " " " " '75... | 142,073,633 |

\$1,004,192,838

Average annual expenditure, \$143,456,110.
Expenditures, per capita, \$3.45.

This shows that the net ordinary expenditures for seven years of Democratic rule was \$61,554,409,

And for seven years of Republican rule it was.....\$143,456,119.

The average expenditures under the Republican party being more than twice as great.

Since 1875 there has been a reduction in the public expenditures of about \$20,000,000 per annum, but this is due to the fact that in that year and since, the House of Representatives has been Democratic.

GIVING AWAY OF PUBLIC LANDS.

Since 1861 the Republican party has given away to its friends and corporations it has created from time to time, 159,000,000 acres of the public lands of the United States, instead of holding them in trust where they rightfully belonged, for the actual settler and future farmer. This land, if in one body, would cover 250,000 square miles of the earth's surface, its area would be larger than many kingdoms, twelve or fifteen times as large as some of our States, and twice as large as all New England. In addition to this grand munificence of the homes of the farmers, the Republican party not satisfied voted to some of these same corporations about \$70,000,000 in bonds on which the Government pays the interest regularly.

Such acts as these and others of this party, have sown the seeds of repudiation in the country, which unfortunately are growing too rapidly.

GOVERNMENT EXPENSES BEFORE AND SINCE 1860.

An official statement from the Treasury Department, dated August 10, 1876, shows that in 72 years, from 1789 to 1861, the receipts or revenue of the Government amounted to.....\$2,263,660,610, And in the 14 years from

1861 to 1875 it amounted to.....\$12,709,645,059.

Five or six times as much was collected from the people in the 14 years of Republican as in 72 years of Democratic rule, and during this 14 years there was paid only about.....\$500,000,000 on the public debt.

This same statement shows that the disbursements of the Government for the seventy-two years from 1789 to 1861 were.....\$2,230,947,173 21, And from 1861 to 1875,

14 years, they were...\$12,566,892,569 53 Showing a difference of \$10,335,945,596 23, or nearly six times as much in 14 years as in 72 years.

Now if we deduct from the sum expended in 14 years the expenditures during four years of war,

| | |
|---|--------------------|
| Which were..... | \$4,667,457,921 22 |
| Interest paid on public debt during the 14 years..... | 1,225,606,000 00 |
| Pensions..... | 263,047,000 00 |
| Public debt paid..... | 448,363,000 00 |
| | <hr/> |
| | \$3,608,867,921 22 |

We will have a balance of \$5,959,023,000 which is more than twice as much in ten years of peace under Republican rule as under the seventy-two years from 1789 to 1861, which includes the expenses of the wars of 1812, Mexican, Indian and Mormon.

This same official treasury statement also shows that from 1865 to 1871, being six years of Gen. Grant's administration there was

| | |
|---|--------------------|
| Expended..... | \$4,007,859,389 00 |
| And from 1789 to 1861, seven y- two years, there was ex- pended only..... | 2,230,947,173 00 |

Showing a difference of.....\$1,776,911,210 00

Now if from this amount is deducted the expenses growing out of the war, which were for these six years—

| | |
|--------------------------------|--------------------|
| Pensions..... | \$179,234,485 00 |
| Interest..... | 660,000,000 00 |
| Pub. debt paid 336,000,000 00— | \$1,175,234,485 00 |

It will leave.....\$600,676,731 00

In six years of Grant's administration more than has been expended in the whole 72 years referred to, and this after deducting amounts paid as principal and interest on the public debt and pensions during the six years.

CASH IN TREASURY.

Previous to 1860 the average cash in the treasury of the government was about \$10,000,000 per annum. But the Republican party has on hand now more than \$250,000,000. Here we have a loss of \$10,000,000 in the way of interest under Republican management when compared with Democratic management.

DEFALCATIONS.

According to the report of Mr. Boutwell in 1870, when Secretary of the Treasury, there were in the eight years from 1862 to 1870, in the internal revenue bureau alone, defalcations

| | |
|--|-----------------|
| To the amount of..... | \$20,700,985 33 |
| While in the seventy two years from 1789 to 1861, the total defalcations in all the departments of the government amounted to..... | 9,886,000 00 |

| | |
|-----------------|-----------------|
| Difference..... | \$10,814,985 33 |
|-----------------|-----------------|

OFFICE HOLDERS

Under the Republican party have increased until they exceed one hundred thousand, all paid out of the Treasury.

| | |
|--------------------------------|---------|
| Under Buchanan there were..... | 44,521 |
| “ Lincoln there were..... | 46,146 |
| “ Johnson there were..... | 56,113 |
| “ Grant there were..... | 102,350 |

UNEQUAL TAXATION.

According to the last official report of the Commissioner of Internal Revenue, West Virginia paid more internal revenue taxes to the general Government than the States of Maine, New Hampshire and Vermont together, and Virginia twice as much as all the New England States combined.

| | |
|--------------------------------|----------------------|
| In 187 West Virginia paid..... | \$ 461,030 50 |
| Maine..... | \$ 79 620 00 |
| New Hampshire..... | 234,998 00 |
| Vermont..... | 5,093 00— 364 711 00 |
| Virginia..... | 7,932,220 00 |
| New England..... | 3,928,021 00 |

PUBLIC DEBT INTEREST.

It is claimed that during last year the public debt, as also the rate of interest thereon, was largely reduced. According to the official statements of the Secretary of the Treasury—

| | |
|---|-----------------|
| The debt bearing interest in coin was, Sept. 1, 1873..... | \$1,818,670,570 |
| Sept. 1, 1877..... | 1,702,407,700 |

| | |
|-------------------------------|----------------|
| Increase during the year..... | \$ 116,062,800 |
|-------------------------------|----------------|

These same statements also show that there was paid as interest on the public debt—

| | |
|---------------------------|---------------|
| During the year 1878..... | \$102,500,874 |
| During the year 1877..... | 97,124,511 |

| | |
|---|--------------|
| Showing an increase in the interest during the year of..... | \$ 5,376,363 |
|---|--------------|

From an official statement issued by the Secretary of the Treasury, bearing date Sept. 13, 1878, it appears that the public debt is now more than \$80,000,000 larger than in 1873, as the following figures will show:

| | |
|--|--------------------|
| The public debt for 1878 is stated at..... | \$1,794,785,650 00 |
| For 1873 it is stated at..... | 1,714,483,950 00 |

| | |
|-----------------------------|------------------|
| Showing an increase of..... | \$ 84,251,700 00 |
|-----------------------------|------------------|

I know it is claimed by the Secretary of the Treasury that this increase of the public debt is due to the sale of bonds to aid resumption. No matter what excuse is made the fact still exists and cannot be contradicted that the interest bearing public debt is being increased.

CHANGES AND DISCREPANCIES IN THE TREASURY ACCOUNTS.

These matters being the subject of investigation by a committee of the Senate, a majority of which is Republican, and of which I am a member, I will not discuss them at length now, although much could and doubtless will be said on the subject in the future, which is of great importance to Congress and the country, as they involve more than a hundred million dollars. I believe it best to wait until the committee reports, but will say that all of the statements I have made on this subject are true, and will only cite a few examples to show the extent and character of the changes and alterations.

In the official Finance Report of 1862 the public debt for that year is stated to be.....\$14,211,371
While in the Finance Report of 1871 the public debt for the same year is stated to be..... 524,176,413

Showing an increase of..... \$9,965,042

In the official Finance Report of 1869 the public debt for that year is stated to be.....\$2,489,002,480
While in the official Finance Report of 1871 the debt for the year 1869 is stated to be..... 2,588,452,213

Showing an increase of..... \$99,449,783

These reports of 1869 and 1871 were made by the same Secretary of the Treasury.

The changes and alterations increase it in the public debt alone \$247,766,674.

PENSIONS.

In the official Finance Report of 1865 the pensions paid out for that year are stated to be \$ 9,291,610 41
While in the Finance Report for 1870 these figures are changed and the pensions for the year 1865 are stated and so claimed to-day at..... 16,347,621 34

Increase.....\$ 7,056,010 34

REVENUE COLLECTED.

In the Finance Report of 1866 the revenue collected in the year 1865 is stated at.....\$323,714,605
While in the Finance Report of 1870 the revenue collected in the same year is stated to be... 323,092,785

Showing a decrease.....\$ 10,621,819

REPUBLICAN PARTY RESPONSIBLE FOR THE FINANCIAL DISTRESSES,

Which, to a great extent, has been brought on by unwise legislation, generally passed in the interest of the monied and bondholding class, and without proper regard to the interests of the commercial, laboring and agricultural classes.

The bonded debt was paid for in greenbacks, and at an average of sixty cents in gold on the dollar, and in 1869 a Republican Congress passed a bill which increased the value of the bonds at least \$500,000,000.

And after they were thus made as valuable as they could well be by legislation, the Republican party compelled the government to begin buying gold at a high premium and pay off these same bonds.

"According to an official statement from the Treasury Department, the premiums paid on the National loans since 1865 amount to.....\$59,738,167 73

"In addition to this, this same statement shows that the expenses on the national loans have been.....\$32,458,462 37
And the refunding of the National debt has cost.....\$3,021,809 86

Probably there is no instance on record of such positive legislative action to aid bondholders, at the expense of the people, as this.

Nobody doubts but that previous to the act of 1863, by the law and letter of the bonds, they were payable in greenbacks, yet the Republican party by this act changed the contract and made them payable in coin, thereby adding to the burdens of the people nearly one-third or the enormous amount just stated.

It may be of interest to know what two distinguished leaders of the Republican party, one Chairman of the Senate Committee on Finance, and the other Chairman of the same Committee to the House of Representatives, then thought and said on this subject. Hon. John Sherman in a letter dated March 20th, 1868, uses the following language:

"Your idea is that we propose to repudiate or violate a promise when we offer to redeem the principal in legal tenders."

* * * "I hate repudiation, or anything like it, but we ought not to be deterred from doing what is right by fear of undeserved epithets.

"If the bondholder can legally demand only the kind of money he paid, then is he a repudiator and extortioner to demand money more valuable than he gave.

Hon. Thaddeus Stevens said in the House of Representatives, in a debate which will be found in the *Congressional Globe* of 1867-8, third session fortieth Congress part 5, page 4177-8.

"I would vote for no such swindle upon tax payers of this county. I would vote for no such speculations in favor of

"the large bond holders, the millionaires
"who took advantage of our folly in
"granting them coin payments of interest.
* * * * *

TAXATION OF BONDS.

In what I have to say on this subject I do not wish to be understood as favoring the taxation of any bonds, the taxation of which is prohibited by law.

In my opinion, however, the system of allowing any kind of property to be held without paying its just proportion of taxes, is unjust and vicious.

All classes of property should bear their burden of taxation, but in exempting bonds, the best, most certain and most secure property escapes. The bondholder, with a million dollars in bonds, enjoys the protection of the laws of the community in which he lives, the schools and every privilege which taxation contributes to maintain, without the cost of a dollar to him; while the farmer, laborer, mechanic and manufacturer are compelled to pay taxes on what they have, not only for the privileges they enjoy, but for those of the bondholder including the interest he receives on his bonds.

It was within the power of the Republican party to have taxed all bonds and particularly those issued since the war, and when the act of 1869 was passed making the bonds payable in coin it was competent then to have provided that all bonds made payable in coin by that act should be subject to taxation, and whenever there has been a re-issue of bonds since, a clause taxing them could have been inserted in the act.

DEMONETIZATION OF SILVER

was another instance of Republican legislation in favor of the monied interest, and was brought about by that party without the proper knowledge of Congress or the country.

Its remonetization, which is now conceded to be beneficial, was accomplished by the Democratic party against the continued and persistent opposition of the leading Republicans and the veto of the President.

NATIONAL BANK NOTES.

I agree with that distinguished statesman and able and pure leader of the Democratic party, Judge Thurman, who is worthy, and I hope will be our next President—that it gradually done, the substitution of greenbanks for National bank notes would save to the people in the way of interest from fifteen

to twenty million dollars, and work no injustice—besides giving the country a uniform currency, without paying interest to banks or bankers.

It will also release for the business wants of the country more than a hundred millions of dollars in greenbacks, held by the banks as required by law as a reserve, and about fifteen millions locked up in the Treasury as a redemption fund.

According to the last report of the comptroller of the currency, there was required by law October 1, 1877, to be held as reserve by National banks.....\$138,300,000. Although this was the amount the law required to be held, yet the banks actually held as reserve at that date...\$210,800,000. The redemption fund on that date locked up in the Treasury was.....\$14,500,000.

CURRENCY.

I am inclined to think that our financial distress and troubles proceed from unwise legislation and Republican mismanagement and cannot all be charged to the volume of paper currency being too small.

A comparison as to the amount of paper currency in the country in 1860 and 1878 shows the following:

In 1860 paper currency in circulation amounted to.....\$206,000,000

In 1878 there were in
Greenbacks.....\$348,000,000
Fractional currency.....16,000,000
National bank circulation.....323,000,000
Total.....\$685,000,000

In 1860 population was about 31,000,000, which would make paper currency, per capita.....\$ 7 00
In 1878 population about \$45,000,000, which would make paper currency, per capita.....15 00

While the increase in population has been about one-half, or 50 per cent., the increase in the currency has been two to one, or about 200 per cent.

I make no comparison as to specie, because it is about the same now as in 1878.

In 1860 the specie in the banks amounted to about.....\$ 80,000,000
In circulation about.....150,000,000

Total.....\$230,000,000
In 1878 specie in the banks estimated at.....\$ 60,000,000
Locked up in the Treasury, about.....236,000,000
Total.....\$296,000,000

Relief from our financial and other troubles must come through the Democratic party. The Republican party originated and will sustain the policy and

measures that produced them. I know some of our Democratic friends, and some good people have thought that the only hope and guarantee against a further continuance of the evils and burdens produced by Republican rule, is through the National or Greenback party—but this in my opinion is a mistake. The growth of this party is the only comforting assurance the Republican party has in the face of the certain defeat that awaits it, provided the Democratic party stands firm and united.

The Republican party knows and feels that it is doomed to condemnation by the people unless the Greenback movement becomes strong enough to establish a third party—this is their only hope now to escape defeat.

Now what is the duty of those who favor a third or Greenback party? It would be well for them to consider that if they wait until a new party is organized and gains possession of the Government, or of both Houses of Congress, they will have to wait a long time to find a remedy for all the wrongs that afflict the people.

After the 4th of March next, the Senate will be Democratic, but it has taken nearly twenty years to bring about this result.

And if the Greenback or any other party even with a majority of the people hopes to gain possession of the Senate, it will take at least eight years to do so—and are those who now favor the Greenback movement willing to wait this time or unite with the Democratic party, who sympathize with them more than the Republican party. If this new movement attempts to ignore the old Democratic party, it will in time be ignored,—but if its friends stand by the Democratic party it will stand by them, and give the early relief they deserve.

DEMOCRATIC PARTY FRIEND OF THE WORKINGMAN.

The Democratic party is, and always has been, the friend of labor, while it has not opposed capital. Labor and capital are not antagonistic, and they should not be; they are natural friends, and allies when properly understood and should go hand in hand in aiding to build up society, civilization and government, and if properly treated they will always seek their respective places and work in harmony, but if divorced and set at war one with another, the worst results always follow, both will suffer, but labor more. In our own

State we want and need capital to develop our vast mineral resources. We have invited it to come amongst us. Our legislature has wisely passed laws for its encouragement and proper protection, and we certainly have no reason now to wage an unjust war against it.

OUR CANDIDATES

are good men, good citizens and good Democrats, competent and deserving of the confidence of the people and the country, and we should, and I believe we will, elect them by handsome majorities.

The only three States that have recently held elections encourage the Democratic party by the results. In Vermont the Republican majority has been largely reduced. In Maine the Greenbackers and Democrats have captured the State, and in Oregon, the only State the Democrats had a right to expect anything, they have realized their best hopes by electing the Legislature, Governor and United States Senator.

DUTY OF DEMOCRATS.

The Democratic party is now on the eve of certain victory. It has fought the battles of the people for eighteen long years, and just as we are to have success let it not be snatched from us by division and strife in our own ranks.

The Democratic party is a great party—it controlled the country for nearly seventy years of its history, and always brought peace, progress and prosperity to the whole people, and made us proud of our country and proud to be called Americans.

Other parties under various names have risen, flourished for a season and passed away, but from the formation of the Government, through nearly a century of changes and vicissitudes, it has survived triumph amid prosperity, defeat and disaster, and kept the name of Democracy.

This fact should fill us with pride, encouragement and hope that its conduct and principles are right and will prevail. No other party can point to such a record and history.

It saw the end of the old Federal party.

It witnessed the rise and fall of the whig party, which for nearly fifty years was a great party led by great leaders. An honorable opponent, that compelled the respect of its adversaries and enjoyed the confidence of its friends, and for the most part had for its object and policy the general good of the country.

It was present at the birth and death of the American, Abolition, Maine Liquor Law, Knownothing, National Union, Granger, Workingmen, and other parties. And may we not confidently expect that it will redress all the substantial grievances of the Greenback party, and thereby render its further existence unnecessary.