



THE PEOPLE'S BURDENS

The Real Situation and Prospect of Nebraska's Mortgage-Ridden People—Crops and Interest Compared.

Causes and Effects—What Becomes of Nebraska's Surplus—Remedies Proposed—"Stand Up for Nebraska."

In the foregoing discussion nothing has been treated save the mortgage statistics gathered under our state law for the year ending June 1st, 1892. The former table shows simply the mortgages filed, the mortgages released and the increase during that year. The chief object of that discussion was to show the tendency of things, and to prove that the producers of the state are becoming more and more deeply and hopelessly involved in debt, and not rapidly getting out of debt as some "prosperity shriekers" are shouting.

How well that has been proven the writer leaves to the judgment of all fair-minded men. The object of this article is to show the situation at the close of the present year as nearly as may be possible.

The fifty first congress passed a law requiring the census bureau to take a

CENSUS OF MORTGAGES

throughout the nation. This was done, and some of the results have been given to the public. So far those results have most signally vindicated the claims of the so-called "calamity howlers." They have also done much to startle the indifferent, and set people to thinking and reading.

Last May the national bureau published its census of Nebraska mortgages. No attention was paid to chattel mortgages, only mortgages on farms and city lots were considered.

The following is a summary of the GENERAL RESULTS.

shown by the national census of Nebraska mortgages:

The whole number of mortgages made during the ten years ending January 1st 1890, was 337,872; and the whole amount of debt secured by these was \$274,368,358. Of this debt nearly one-half \$132,902,322—remained in force Jan. 1st 1880. Of this amount \$90,506,968 was on farms, and \$42,395,354 was on town and

city lots, six-sevenths of which was in Douglas and Lancaster counties.

The number of acres mortgaged was over fourteen million, or more than 58 per cent of the whole number of taxed acres.

The average size of farm mortgages was \$844 and of city mortgages \$880.

The debt per capita for the state was \$126 or \$630 per family.

The average rate of interest was a little over 8 percent

The assessed valuation of all taxable property in the state was about \$180,000,000.

The total mortgage debt was 74 per cent of the assessed valuation of the state.

These startling figures collected and published to the world by a republican administration were received almost in silence by the old party press of the state. They were barely referred to and then dropped. Perhaps their effect on the editors was paralyzing.

Taking the table published by the national census bureau and table No. 1 made up from the state records as a basis, I have worked out and tabulated the figures found in table No. 2 published herewith. The following explanation will enable the reader to understand

WHAT TABLE NO. 2 CONTAINS.

The first column is taken from the national census bulletin, and shows the total real estate mortgages (both farm and city) in force Jan. 1st, 1890.

The second column shows the increase of mortgage debt from Jan. 1st, 1890 to the close of this year, Dec. 31, 1892, including chattel mortgages.

The numbers in this column were worked out by the following method: The increase in farm and city mortgages as shown in table No. 1 was taken as a basis. The increase for one year was multiplied by three to get the probable increase for three years. Where table No. 2 only shows the increase for 9, 10, or 11 months the probable increase for three years was found by multiplying the increase per month by 36. Decreases were treated in the same manner. This method presupposes that the increase during the three years has been at substantially the same rate, which is certainly a reasonable supposition. To the increase in real estate mortgages thus found was added the increase in chattels for one year as shown in table No. 1. This increase was not multiplied by 3 as in the case of real estate mortgages. That would hardly be fair. Chattel mortga-

ges run for so short a time, that the increase for one year may fairly be taken to represent the total amount in force. To illustrate the manner of working out these results take the case of Butler county for instance: The increase in farm mortgages as shown in table No. 1 is \$70,914; the increase in city mortgages is \$14,018; total increase for one year \$84,932. This multiplied by three gives \$254,796 estimated increase of real estate mortgages for the three years of '90 '91 and '92. Adding now the increase in chattels as shown in table No. 1 we have \$361,469 as the estimated increase of mortgage debt for three years.

The third column shows the total debt in force at the close of this year. The numbers were found by adding together the numbers found in the first two columns.

The fourth column shows the amount of interest accruing on these mortgage debts during the present year. The numbers were worked out as follows: The interest on the total real estate mortgage debts was calculated at eight which is a little below the average rate. To this was added the interest on the chattel mortgages in force at 20 per cent. This is equivalent to one and a half per cent a month compounded quarterly. This rate is probably below the average, for in many (probably one-half) the counties in the state, the customary rate on chattel loans is three per cent a month.

The fifth column contains the debt per capita. This was made up by allowing an increase of population since January 1, 1890, of about 12 per cent, and dividing the whole debt of each county by the whole number of people.

The sixth column shows the amount of interest per capita for the year.

The average debt and interest per family may be found by multiplying the per capita by 5.

In making these estimates the official figures have been taken as a basis in every case except that of Buffalo county. In that case a deduction of \$500,000 was made from the amount returned as "released" on account of the repeated release of blanket mortgages as explained elsewhere.

THE PRESENT SITUATION

as shown by table No. 2 is as follows:

Total debt Jan. 1, 1890, not including chattel mortgages, \$132,902,322.

Total increase from Jan. 1, 1890, to Dec. 31, 1892, including chattel mort-

gages.....	\$36,213,236
Grand total of mortgages in force	
December 31, 1892.....	\$169,115,558
Total interest for 1892.....	\$15,045,036
Mortgage debt per capita.....	\$143
Interest per capita for '92.....	\$12.71
Mortgage debt per family of five....	\$715
Interest per family of five.....	\$63.55

While in one sense this burden of debt and interest rests on all the people, and affects the prosperity of the whole commonwealth, it should be remembered that it rests directly on the shoulders of the debtors. It is impossible to state what is the burden per capita when calculated for the debtors alone, but of course it is vastly greater than the burden per capita for the whole people.

ALLOWANCES.

When the "prosperity shriekers" are forced to take notice of mortgage statistics, they always try to dissipate their real force, by making allowances for this or that; and explaining away the figures.

In this discussion I have made every reasonable allowance that could be made in order to make the argument and the conclusions absolutely unassailable:

The chattel mortgage increase for one year is taken for the total chattel mortgages in force.

The interest has been figured at a rate lower than is actually paid.

No deductions have been made for over 1900 releases by foreclosure on farms and lots, nor for the thousands of foreclosures on chattels, and the many cases of transfer of property to satisfy the mortgage without the formality of foreclosure.

It should also be remembered that these tables do not represent the whole indebtedness of the people. There is a vast amount of money loaned every year on personal security, and life insurance policies, and other valuable collateral. There are store-bills, doctor-bills, and bills of many other kinds that would aggregate many millions of dollars, none of which appear in these tables.

Then there are county, city, precinct and district bonds, state and county warrants unpaid and drawing interest, and bonds of private corporations all of which would amount to many millions more. If the truth of what is shown in these tables is appalling, what would the whole truth be?

INTEREST AND CROPS COMPARED.

It is impossible for the mind to grasp such vast sums, or to realize their mag-