

the preparation of the designs and plates in every possible manner. I enclose a memorandum for your guidance in preparing the script, for the body of the bond. Respectfully yours,
(Signed) CHARLES FOSTER, Secretary.
"The Chief of the Bureau of Engraving and Printing."

Text of the bond.

"Washington, April 1, 1893.—This bond is issued in accordance with the provisions of section — of an act entitled "An act making appropriations for sundry civil expenses of the government for the fiscal year ending June 30, 1894, and for other purposes," approved March 3, 1893, and is redeemable at the pleasure of the United States after the 1st day of April, A. D., 1898, in coin of the standard value of the United States on said March 3, 1893, with interest in such coin from the day of the date hereof at the rate of 3 per cent per annum, payable semi-annually on the 1st days of October and April in each year. The principal and interest are exempt from the payment of all taxes, or duties of the United States, as well as from taxation in any form, by or under state, municipal, or local authority. Respectfully yours,
"L. J. GAGE, Secretary."

"Hon. JOHN W. GAINES,
"House of Representatives."

LESSONS OF THE ROOSEVELT PANIC OF 1907

The panic broke with full force on the whole country Monday, October 28, 1907. On Sunday bankers' conferences were held in every town in the United States. In order to prevent runs on banks the various financial institutions in different cities adopted the clearing house certificate plan, which plan was devised to keep business moving without requiring the banks to pay out all of their cash on hand. Cash payments were everywhere suspended, although checks were honored to the extent of a small per cent of the individual's deposit. The newspaper dispatches of the day told this story: "New York bankers have engaged about \$12,000,000 in gold in Europe. Bankers' Trust company of Kansas City closed because denied the privilege of issuing clearing house certificates. Has deposits of \$800,000. All the banks in Oklahoma and Indian Territory closed for a week by holiday proclamation of governor because unable to get cash from Kansas City and St. Louis banks. Duluth grain market suspended and elevators advised not to buy grain. Wheat broke four cents at Chicago and 4½ cents at New York and all grain weak. Runs continue on two trust companies and two small banks at New York. New York stock market opened at an advance."

In an editorial entitled "A Bank Situation Without Precedent," the Omaha World-Herald said:

"In the midst of great prosperity several thousand of the leading banks of the United States yesterday suspended cash payments. They had hundreds of millions of dollars in their vaults belonging to their depositors, but they refused to pay it out. This occurred all over the United States and it came with a suddenness which took everybody by surprise, including the bankers themselves. For such an occurrence there is no parallel in history and no warrant in law. Unquestionably the first effect of such a performance is a shock which will jar the business world from center to circumference. Every one will feel it and few will escape damage. There is, however, some satisfaction in the reflection that such a universal and such an acute attack can not last long. Whatever change occurs now will be for the better. Apparently we are now all in the same boat with New York and as her condition improves ours will mend. Two great factors have combined to force the troubles of New York on the rest of the country. One was the fact that the rest of the country had several hundred million dollars in New York banks which had united in refusing to pay it out. The other was that the crop-moving period having arrived western and southern banks, unable to get their money from New York, were getting it from the other reserve centers, Chicago being the chief. With thirty or forty million dollars tied up in New York, Chicago could not meet the strain and not only suspended, as New York had done, the making of cash payments, but advised and forced the other cities of the west to do the same. The effect will be to keep money in the banks, to expand the currency by the injection of certified checks, cashier's checks and clearing house certificates, and to give the country time to regain its financial equilibrium."

In the midst of this time of plenty everyone

is asking "How did it happen?" The World-Herald throws some light upon the situation in this way:

"The four great banking institutions in New York belong to what is known as the 'Standard Oil crowd.' They are the National City bank, with \$193,900,000 deposits; the National Bank of Commerce, with \$145,000,000 deposits; the First National, with \$107,000,000, and the Park National, with \$90,500,000. Then there are eight great trust companies which are banks that do a banking business, practically without reserves. They are the Farmers' Loan and Trust Company, with \$88,000,000 deposits; the Knickerbocker, with \$70,000,000; the Central, with \$67,000,000; the United States, with \$65,000,000; the Trust Company of America, with \$61,000,000; the Union Trust Company, with \$58,000,000; the New York Guarantee and Morton, with \$59,000,000 each. In these institutions was concentrated almost exactly \$1,000,000,000 and there was where the trouble began. The trust companies were competitors of these and other Standard banks. The panic began with a fight between them for business and the Standard Oil methods were used. It did not work as well as when a little independent oil company was to be crushed out. It worked something like the 'object lesson' of 1893, and the Standard Oil crowd found themselves in the same predicament as the bankers who tried that 'object lesson.' The concentration of a billion dollars in the hands of a small coterie of men, subjects to passions cultured in Wall street, has proved to be a very dangerous thing."

"PANIC COME HOME TO ROOST"

The following interesting editorial appeared in the New York Evening Post in October, 1907:

"People are beginning to write to the newspapers to ask if this is to be known as the 'Roosevelt panic.' That is comparatively unimportant. The certain and significant thing is that it will be known as a republican and high tariff panic. Protest as republicans may, they will be held responsible. And it will be not only poetic but political justice that they should be."

"Out of their own mouths, the republican party and the Dingleyites will stand condemned. They fixed in 1896 the standard by which they can not escape being judged. In the party platform of that year, they referred to the panic of 1893, and the hard times following, squarely to charge up the entire accountability to the party in control of the national government. Not one word did they utter about the hand of the Lord having been heavy upon the country in crop failures; not a syllable was admitted about the unwise fiscal measures, and the dishonest silver legislation, for which the republican party was directly responsible, and which all impartial students of the time agree had a great deal to do with the financial disturbances that came later. No; everything was charged up to the imbecile government. It was the democratic administration which the republicans fervently alleged in 1896, had 'precipitated panic' and 'halted enterprise.' And the political inference was stated with merciless logic. 'Every consideration of public safety and individual interest demands that the government be rescued from the hands of those who have shown themselves incapable of conducting it * * * and shall be restored to the party which for thirty years administered it with unequalled success and prosperity.'

"Now, what are the republicans going to do when the democrats hand them back their poisoned chalice? What, above all, are they going to say about the tariff as an infallible and magical creator of wealth and guarantor of prosperity? A great emergency has come, and the high tariff is seen to be of no avail whatever. It was to keep us all rich and prosperous. If any man talked about laying a rash revising hand upon it, he was to be denounced and squelched, as President Roosevelt was, lest even to question the supernatural virtues of St. Tarifa might cause her to withdraw her favor, when we should all be miserably ruined."

"It is, in fact, an extraordinary feature of this period of apprehension and panic that no mortal man has, to our knowledge, thought of the protective tariff as of any help whatever in the time of trouble. Yet if there is a word of truth in what has been said by republicans all these years, the tariff is the first thing everybody should have been turning to in the crisis. Is it not high customs duties which keep wages high and everybody employed, make the trade balance favorable, and stuff the banks with money? So we had fondly believed. At the

first alarm, however, the republicans dropped their tariff fetish. They had not even the consistency of the worshippers of Baal, who stood by their idol even when it did not even seem to be doing its work well. What we should have witnessed these past few weeks, if republicans have writ their prosperity annals true, was a loud demand for a higher tariff as our only salvation. As in 1896, the republicans should have initiated the prophets of Baal, cried aloud and cut themselves with knives and lancets and from morning until noon called out, 'Oh, Tariff, hear us.' One reason they did not, may possibly have been that they feared lest some freetrader Elijah might stand by and mock them: 'Cry aloud; for he is a god; either he is talking, or he is pursuing, or he is in a journey, or peradventure he sleepeth, and must be awakened.' But Baal was a respectable object of worship compared with the tariff."

"Of course, sensible republicans have never believed a thousandth part of the nonsense about the tariff as our sole hope and stay. They have thought of it as a clever political dodge to dilate on their party as the only one that can make the nation prosperous by means of protective taxes, and have only hoped that their good luck in avoiding panics would keep on. The panic of 1893 was really their panic, but they ran and left it on Cleveland's doorstep. For some time past, they have been praying that the good times might not fall till after the next presidential election. This shows how they have thought of the whole thing as political. But now their panic chickens have come home to roost. Here we are in an 'off' year; the little talk there is of tariff reform comes more from republicans than from democrats; no political bugaboo can be alleged to be interfering with the beneficent workings of the high tariff, yet it is visibly failing to do what its champions have vowed it always would do. The advance agent of prosperity has been replaced by the bill collector of adversity."

"Whatever other effects the panic may have, it has at least dealt a death-blow to the tariff superstition. Perhaps in no other way could we have got rid of it. Hereafter, any man who uses the argument that you must not demand the abolition of tariff outrages since, if you do, you will imperil prosperity will be laughed at. The way is at last open to attack the question of protective duties in statesmanlike fashion, without having to face the abuses and prejudice and idolatrous ignorance which have for years made it difficult to deal with the tariff like rational men."

NEW DEMOCRATIC CLUBS

New clubs reported to The Commoner since the last published list, up to and including Friday, October 4:

Wilson and Marshall Club, Edgewood, Ill.—J. A. Gladson, president; B. F. Wharton, secretary; Thomas Stiffler, treasurer.

Wilson and Marshall Progressive Democratic Club, Joplin, Mo.—Stephen H. Claycomb, president; F. E. Butcher, vice president; Byron Bourne, secretary; T. W. Cunningham, treasurer.

Woodrow Wilson Democratic Club of Des Moines County, Burlington, Ia.—Edward L. Hirsch, president; Samuel K. Tracy, vice president; Louis Law, secretary; Chas. J. Shepherd, treasurer.

Wilson and Marshall Club, Pottsville, Pa.—W. F. Sheperd, president; I. A. Reed, vice president; Micheal J. Goulden, secretary; Thomas O'Donnell, treasurer.

Wilson Progressive Democratic League, Hammond, Ind.—Dr. W. F. Howat, president; Nick Lauer, vice president; C. S. Herber, secretary; Carl Brueckner, treasurer.

Wilson Club, Beach, N. D.—J. M. Baer, secretary.

Young Men's Wilson Club, Grand Rapids, Mich.—L. P. Leonard, president; Frederick Stiles, vice president; Harry J. Kelly, treasurer; Edmund M. Cook, secretary.

Woodrow Wilson Club, Topeka, Kan.—W. O. Rigby, president; Otis S. Allen, secretary and treasurer.

Woodrow Wilson Club, Strawberry Point, Ia.—Dr. F. H. Howard, president; William F. Reinecke, secretary; L. W. Preston, treasurer.

The Kansas State Normal College Wilson for President Club, Emporia, Kan.—Andrew Murphy, president; Mr. Wate, secretary; I. D. Ross, treasurer.

Wilson-Marshall-Dunne Club, Kewanee, Ill.—Dr. G. H. Hoffman, president; J. P. Gross, vice president; A. J. Welsing, secretary; J. K. Blish, treasurer.