

# Some Facts About The So-Called Panic of 1893

Secretary of the Treasury Shaw devoted considerable attention to the tariff question in an address delivered at St. Louis. Mr. Shaw reminded his hearers of the hard times of 1893-4, and he sought to impress upon their minds the idea that tariff legislation by a democratic congress—the Wilson bill—was responsible for the hard times of that period.

It will be just as well to keep history straight. The truth is that every panic since the civil war originated under republican rule and developed under republican legislation.

The great panic which gave "Black Friday" to history occurred during the month of September, 1869, when the republican party was in power.

The great panic marked by the failure of Jay Cooke & Co., occurred in September, 1873. Then the republican party was in power and eleven months prior to the beginning of that panic that party had been re-elected to power.

The hard times to which Secretary Shaw refers did not begin in 1894; they began long prior to that year and, indeed, long prior to the presidential election of 1892; and it is a fact, although republican orators and republican organs try to forget it, that the so-called panic of 1893 began and played its greatest havoc under that famous tariff law known as the McKinley bill.

It may be well for Commoner readers to keep readily at hand some of the facts and figures relating to this question.

The republican party was restored to power March 4, 1889.

The McKinley tariff bill became a law October 6, 1890, and remained in effect until August 27, 1894.

The Wilson tariff law, enacted by a democratic congress went into effect August 27, 1894.

If any one will take the trouble to examine the republican campaign text-book for 1904, pages 125, 126, and 127 he will find considerable space devoted to a statement of business disasters from July 18, 1893, until November 13, 1894. The republican managers expected their readers to remember that the Cleveland administration was inaugurated March 4, 1893, and that all these

disasters occurred under democratic administration; but they expected their readers to forget that the republican tariff law was in force up to August 27, 1894, or covering more than twelve months of the sixteen months period of business disasters as described by the republican text book.

In their references to the panic of 1893 republican orators and organs habitually overlook the date when the McKinley law ceased and the Wilson law went into effect. But when in their tariff discussions they are required to face the fact that that panic played its greatest havoc during the life of the republican tariff law they answer that it was the anticipation of tariff legislation growing out of democratic victory in 1892 which brought on these business disasters. For this reason in their list of business disasters they place July 18, 1893 as marking the beginning of that great panic.

Let it be remembered that the McKinley tariff bill became a law October 6, 1890, and that the first indications of the so called panic of 1893-4 were given November 11, 1890, A LITTLE MORE THAN THIRTY DAYS AFTER THE MCKINLEY TARIFF BILL BECAME A LAW. From that date the panic raged.

The Harrison administration was inaugurated March 4, 1889, and when the first indications of this panic were given President Harrison had not exhausted the half of the term for which he was elected. It is admitted by everyone familiar with the facts that President Harrison's administration had plates prepared for the bonds and Mr. Harrison's secretary of the treasury made a visit to New York for the purpose of negotiating the bond deal. He was wired by Mr. Harrison to return to Washington. Mr. Harrison said that he had concluded not to have any bond issues under his administration and in order to avoid the stigma the Harrison administration warded off the bond issue and unloaded it on the incoming Cleveland administration.

It may not be out of place to point out that when the democratic administration surrendered the reins of government, March 4, 1889, there was in the federal treasury the largest surplus in history. When the republican party went out

of power, March 4, 1893, there was a large deficit and the incoming administration was finally persuaded to make the bond issues which its republican predecessor had at one time thought to be necessary, but had skillfully avoided.

The claim that the business disasters of the period referred to were due to the popular fear of tariff legislation to be enacted by democrats is, as has been said, met by the fact that this panic began two years prior to the presidential election day of 1892. The following will serve as reminders on this point:

November 11, 1890, the reports showed financial distress in New York. The New York clearing house association voted its certificates to banks in need of assistance.

The Boston clearing house association did the same thing November 17, Barker Bros. & Co., big bankers in Philadelphia, suspended at that time, with liabilities placed at \$5,000,000.

November 19, 1890, there was a run on the Citizens' Savings bank of New York, and a receiver was appointed for the North River bank.

November 22, 1890, the United Rolling Stock company of Chicago assigned, with liabilities at \$6,851,000.

November 28, 1890, B. K. Jamieson & Co., the Philadelphia bankers, failed, with liabilities at \$2,000,000.

December 6, 1890, the Oliver iron and steel mills of Pittsburg shut down, discharging 2,000 employes. On the same date the cotton firm of Myer & Co. of New Orleans failed, with liabilities at \$2,000,000.

January 3, 1891, the Scottdale rolling mills and pike works and the Charlotte furnace and coke works in Pennsylvania closed, throwing 10,000 employes out of work.

January 18, 1891, the American National bank at Kansas City suspended, with liabilities at \$2,250,000.

May 8, 1891, the Spring Garden National bank at Philadelphia closed its doors, and the Pennsylvania Safe Deposit and Trust company made an assignment.

The Homestead strike and other strikes during 1892, and prior to election day, are well remembered by the people.

## PROSECUTE THE ROCKEFELLERS

Commissioner of Corporations Garfield has finally discovered that the Standard Oil Trust is violating the law. He has so reported to the president, and the president has transmitted the report to congress. In his message to congress Mr. Roosevelt says: "The department of justice will take up the question of instituting prosecutions in at least certain of these cases."

It is to be hoped that these proceedings will be commenced as soon as possible and vigorously pushed. The men in charge of the Standard Oil Company are afraid of prison bars. They would speedily go to their knees in the presence of a determined effort to place in jail every one of them who is responsible for the wrong-doing.

It has all along been a mystery why John D. Rockefeller was spared when witnesses were called in the recent inquiry set on foot by the attorney general for Missouri. To be sure, Mr. Rockefeller went into hiding, but the very fact that he was so anxious to avoid the witness chair should have prompted Missouri's attorney general to keep proceedings open until Rockefeller's testimony had been secured.

If there is to be any serious prosecution of the Standard Oil company, John D. Rockefeller should not be spared. Every one of the money-maddened men whose genius has been employed in the construction of the greatest and most vicious trust in the world should be called before the bar of justice.

Not long ago we were told that Mr. Garfield had given the Standard Oil officials the same "immunity bath" to which he treated the beef trust magnates. If that be true, these men may escape upon the same technicality that was advanced in behalf of the packers. It will, however, be well if a determined effort be made to vindicate the majesty of the law in the presence of the intolerable crimes committed by the Standard Oil "captains of industry."

## CAN IT BE?

A dispatch to the Omaha World-Herald, under date of Des Moines, Iowa, April 26, follows: "The unanimous refusal of Des Moines hotel men to entertain negro ministers who may come to the Presbyterian general assembly here has caused

considerable consternation among the members of the local entertainment committee. The situation was discussed seriously at a meeting of the reception committee today and it may be necessary to ask members of the local Presbyterian churches to take the eminent colored divines into their own homes. Some of the most prominent negro workers of the country are coming."

And this in the state of Iowa, which prides itself upon its "overwhelming republican majority." Can it be possible that race prejudice is not confined to the southern states? Can it be possible that aside from his devotion on election day the Iowa republican is no more partial to the negro than is the Texas democrat?

## SPINNING?

The St. Louis Globe-Democrat says: "Senator Tillman inadvertently stepped into the path of Senator Hopkins, and is still spinning." The Congressional Record does not indicate that Mr. Tillman stepped into Mr. Hopkins' path "inadvertently." It is plain that the South Carolina senator went after the Illinois senator deliberately, and it is equally plain that Mr. Tillman gave Mr. Hopkins the unpleasantest hour he has spent in recent years.

## UNBECOMING

The attorney general for the state of Texas has commenced proceedings against the Armour and Swift packing interests, for the purpose of securing penalties for violation of anti-trust laws. Representatives of the packers say that these proceedings will result in their withdrawal from the Lone Star state. The time has gone by when such threats can be effective. The people will not long be deterred from enforcement of the law on the theory that business establishments necessary to the life of the people depend for their existence upon lawless men. There is sufficient profit in the meat packing business, conducted along legitimate lines, to make the packers rich. It is not at all likely that these packers will voluntarily withdraw from Texas; but even so it would be better for the people of the Lone Star state to have these haughty magnates withdraw from that commonwealth rather than to permit them to defy the law. Soon the people in every

state will be so thoroughly aroused that it would be necessary for these packers to threaten to withdraw from other states. Then where will they go? These trust magnates may thank their lucky stars that they are not serving time behind the bars. Under the circumstances threats from that source are, to say the least, unbecoming.

## PILING IT ON

In his St. Louis speech Secretary of the Treasury Shaw said: "A tariff law, to be successful, must be coherent. It must protect, if you please, as does the Dingley tariff law, the man who grows barley, and it must then protect with a higher duty the one who makes malt from barley, and with a yet higher duty him who makes beer from malt, with another increase of duty when bottled."

In other words, Mr. Shaw would build this tariff wall as high as the tower of Babel; and the erection of such a wall would be just as foolish as the erection of the tower of Babel was.

The extraordinary high rates in the Dingley tariff law were not created in accordance with the principle as described by Mr. Shaw unless distinguished republican witnesses are in error. We have it on the testimony of Senator Dolliver that Mr. Dingley said that the rates in the Dingley bill were placed high with the view of reducing them, and as a basis for bringing about reciprocity with other countries. But once the extraordinary high rates were established the tariff barons, true to their characteristics, refused to surrender their great advantage. And the republican party, true to its historic attitude, has rushed to the defense of the absurd position taken by these barons; it seeks to justify as a great principle that which on Senator Dolliver's testimony alone is shown to be robbery.

## DEPEW AND SMOOT

The things of which Senator Depew has been guilty have been sufficient to drive him from many of the business concerns and educational institutions with which his name has been associated, but he yet retains his seat in the American "house of lords." It is announced that Senator Depew will vote for the expulsion of Senator Smoot of Utah. And will he then insist upon retaining his own seat?