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# Business Depression and Legislation

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According to *Bradstreet's*, from January 1st to August 1st, 1893, moneyed institutions of various descriptions to the number of 428 suspended, and during the same period, of the entire number, only 58 resumed business.

During the months of January, February, March, and April there were no premonitions the average businessman could discover of the impending storm, and during the four months named, only 26 moneyed institutions suspended. During the month of May the cyclone struck 54 institutions; in June the wrecks numbered 118, and in July the number swelled to 231, and the panic swept along, creating almost unparalleled depression in all departments of business.

*Bradstreet's*, of August 12th, surveying the whole field of finance and industries, informs the country that up to August 1st the suspended banks had assets amounting to \$105 million, and liabilities amounting to \$102 million, and that of the 428 suspended institutions only 58 had resumed business. In commenting upon the industrial situation, the paper gives returns of 800 establishments of more or less prominence, which have suspended operations since June 1st, throwing out of employment 463,000 employees, and adds: "When it is realized that this report, complete as it may be, is quite incomplete so far as the country at large is concerned, ... it becomes plain to casual observers that there are in all probability no fewer than 800,000 or 900,000 idle employees of manufacturing, commercial, and other enterprises at this time who were nearly, if not all, actively employed three or four months ago." Since the tables of *Bradstreet's* were compiled, the work of depression has gone steadily forward, banks have continued to suspend and industrial enterprises have suspended operations and the army of idle men has received enormous accessions.

Under such circumstances men are inquiring and investigating to ascertain the cause of the depression, of the panic, that is producing widespread alarm, extending from ocean to ocean, and from the British possessions to the Gulf of Mexico. At this supreme juncture the President calls Congress in special session, and in his message says:

To the Congress of the United States:—

The existence of an alarming and extraordinary business situation, involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress, to the end that through a wise and patriotic exercise of their legislative duty present evils may be mitigated and dangers threatening the future may be averted. Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment and with satisfactory assurance to business enterprise, suddenly financial distrust and fear have sprung up on every side; numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors; surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find the securities they offer for loans, though heretofore satisfactory, are no longer accepted; values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business. I believe these things are principally chargeable to Congressional legislation touching the purchase and coinage of silver by the general government.

In reading the foregoing it is seen that the President attributes the business depression, the panic, the wreckage of banks, the closing of factories and mines, the entire bad business to "Congressional legislation." The arraignment of Congress by the President is of tremendous import. The indictment embodies the charge, by inference, at least, of incapacity, of inability to comprehend cause and effect, and blindly pursue a policy that fills the land with calamities and which portends still other trials and struggles, that the bravest of men cannot contemplate without experiencing thrills of horror.

Manifestly, if, as the President asserts, the misfortune the country is now experiencing is the result of vicious legislation by Congress, what hope is there that Congress is either capable or willing to apply the needed remedy? Indeed the question arises, is it within the power of Congress, however willing and capable, to apply any remedy that will restore the *statu quo* of business until the panic, like the plague, cholera, yellow fever, or smallpox, has run its course and prostrated everything not abnormally prepared for resistance?

In this connection it is prudent to inquire, who can resist the force of the panic? We answer, the rich. They can not only stand the storm, but grow richer in proportion to its violence. They are the wreckers on the storm-beaten coasts when the crafts go down or are driven upon the reefs and rocks. Thousands of the rich, we do not doubt, will suffer, but the term, in their case, has a limited meaning. There will be less luxury, but no decrease in the comforts of life. The real sufferers are the daily wage men — men without work and without pay; men around whose homes the gloom increases to the point of despair. These are the real victims of Congressional legislation, and of all vicious legislation. The charge is made upon the high authority of the President of the United States — not by agitators, not by anarchists, not by the depraved. Mr. Cleveland points out what the panic is doing in the way of disasters, and says, “I believe these things are principally chargeable to Congressional legislation.” What things? As *Bradstreet’s* says, forcing into idleness 800,000 or 900,000 workingmen, employees of various enterprises. *Bradstreet’s* admits that its report does not include the sum total of the idle. On July 31st Mayor Harrison,<sup>1</sup> of Chicago, said, “There are 200,000 idle men in Chicago;” and he utters the terrible warning that unless something is done by the government to brighten conditions there will be deeds of violence that will shake the country like an earthquake. Everywhere the newspapers are trying to lie conservative. They speak hesitatingly, they are afraid to tell the truth, the naked, hideous truth. The *Philadelphia Times*, a conservative paper, reports the canvassing of 57 trades and callings in the city of New York having a membership of 99,950, and snows of those 36,177 are idle. There are probably in the city of New York more than one hundred organizations representing wage earners. We know of a city with a population of 125,000 that

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<sup>1</sup> **Carter Henry Harrison** (1825-1893), a former two-term member of Congress, was elected to a non-consecutive fifth term as Mayor of Chicago in November 1892, only to be assassinated in October 1893.

has 83 organizations, hence the *Times*' statement must be regarded as giving a low estimate. And it is notable that while the *Times* refers to conditions in New York, it is silent regarding the effects of the panic in Philadelphia, immediately under its nose and within reach of its reportorial force. The fact is, the country is left to conjecture regarding the direful outlook.

In a general way the *Times* discusses the panic, and tells the truth. It refers to the "financial revulsion," saying it was "declared to be entirely a rich man's panic; that only speculators and gamblers were embarrassed by it," and proceeds to say,

Whatever may be the causes which produce financial disturbances, and however the rich may suffer, the one class that cannot escape the bitterest dregs of the cup of misfortune is the working class. All ills of commerce, finance and trade end in the homes of the poor, and they must bear the chief burden of business disturbance. The rich can live on greatly reduced resources; they can stop their mills or mines and be content with profits already accumulated, but the poor who earn their bread from day to day as they consume it, when forced into idleness must face starvation.

It is true that the present panic is a money panic; entirely a money panic in its origin, but it has permeated into every channel of commerce, industry and trade, and today it affects every mill, mine, field and forest where Industry has its home. The scarcity of money, no matter from what cause, has halted improvements, has reduced consumption, and the inexorable law of supply and demand enforces a reduction of supply. To attain that, labor must be dismissed from employment, and the laborer left without means to support himself and his family.

All panics of every kind and from any and every cause, end in fearful cost to labor, and it is lamentable to see how many of our industrial people are misled as to the remedy. Of all classes and conditions in this country they most need stable and just laws; they most of all need honest money, and yet from nearly every Industrial organization of the country we hear expressions of sympathy for those who are battling for cheap and dishonest money, the countless evils of which must in the end fall upon labor. Business that employs industry is disturbed today because our national money and our national credit have been impaired by insane concessions to cheap money advocates, and labor is today paying the fearful price of that folly.

It is true, deplorably true, that labor and only labor suffers by the panic — all else can wait until the storm has spent its force. The rich can close down their shells like a tortoise, pull in their heads and sleep. The notable thing about the *Times*' article is its closing paragraph, in which, like all champions of the plutocratic class, it seeks to throw the responsibility of the panic upon labor, intimating that it suffers because of its advocacy of a dishonest currency. When did labor control or influence the legislation of Congress, which Mr. Cleveland avers is responsible for the panic? Vicious damphoodism never went further than to intimate such a charge. Labor never had a voice in the financial legislation of Congress. Labor never voted for a dishonest dollar of any description. Labor accepts the government's currency and has had an abiding faith in its honesty. It has made no war upon standard coins or redeemable paper. Whether in one party or another, labor has been loyal to honest money, has had implicit confidence in the *fiat* of the nation, and is not responsible for Congressional legislation, which Mr. Cleveland says is "chargeable" with the present panic.

No sane man will challenge the propriety of greater activity in the ranks of labor to influence Congressional legislation in the future. The *Times* demonstrates the absolute necessity for labor to take action, since it must bear all the ills.

Congress is now in session. Will it give relief to labor, which is now paying the "fearful cost" to which the panic has subjected it? As labor is not represented in Congress, and since it is subjected to a fearful strain, it has begun holding public meetings. In Chicago, on August 15, three thousand idle men deliberated upon their condition and passed a series of resolutions. Speeches were made. A report outlines proceedings as follows:

Thomas J. Kidd, General Secretary of the Woodworkers' International Union of America, was greeted with cheers. A part of his remarks were:

"Send representative wage-earners to Washington instead of lawyers and millionaires. Let the masses and not the classes be represented. If you would do that, there would not be 200,000 idle men in Chicago, our poorhouses and prisons would not be crowded, and women would not be selling their purity for morsels of bread. Look at the Auditorium (and he moved his hand toward the structure); wage-workers cut and set the stone to build it, but they are the last ones welcomed there. Why? Because you shout for Cleveland and Harrison. Mrs. Vanderbilt gave \$150,000 for a

collar for her poodle dog, when ten thousand children were starving to death in New York.”

P.J. Grimes, of the Hardwood Finishers’ Union, spoke briefly, saying: “Thousands in this crowd want work. It cannot be had. It is not their fault they are idle. The capitalistic press says it is. This is untrue. Many here know not where their next meal will come from. It is only summer now. What will winter produce? They will die like slaves. An empty stomach has no conscience. Our people sit on a volcano. Let them beware of the explosion.”

The following resolutions were adopted:

“Resolved, That we demand of the present Congress to fix a true standard of values based upon the product of labor, and that the government issue the circulating medium to the people.

“Resolved, That the government employ the idle men on the roadways and on the public improvements of all kinds where the convicts are now employed, and that public work be done by the people and not by contract.

“Resolved, That the hours of toll be reduced to that point that all may be employed, so that machinery will be a boon to the toiling millions rather than a curse.

“Resolved, lastly, That the unemployed be warned through the press that Chicago has thousands of men willing to work, but unable to find it.”

The meeting is significant — others will follow. It is not required to so much as suggest how the fire will spread or the character of the scenes to be enacted. Whatever may transpire inimical to peace and order as the result of the panic, let it always be remembered, that President Cleveland says it is *chargeable to Congressional legislation*.

*Edited by Tim Davenport*

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