~~from Lough Dan it can be done without the construction of a large embankment, and water conveyed to the Vartry filter-beds possibly at a less cost than the £100,000 mentioned.~~

~~The author is in error in stating that the most of the land in the Vartry valley above the present reservoir is already in possession of the Corporation, the contrary being the fact.~~

V.—*The Financial Crisis in the United States*, 1893-4. By T. S. F. Battersby, M.A., Barrister-at-Law.

[Read Tuesday, 26th June, 1894.]

In these days of rapid transit and intercommunication between the most distant nations, the fluctuations of trade and finance in one country react immediately and sympathetically upon all others with whom it has financial or commercial relationship. Trade is, in the broadest sense, international, and it is essential that statesmen, economists, and traders, who desire to forecast the trend of business operations in the future should study the conditions of foreign trade in the present. The world-wide ramifications of British commerce impose on those engaged upon it a correspondingly large and difficult task, and one that demands the highest qualities of mind. The conditions affecting our trade with the United States of America render its financial position and trade legislation of especial interest to this country, and some lessons may be learned from a review of the financial crisis of 1893-4, presenting as it does phenomenal aspects, to which, perhaps, sufficient attention has not hitherto been drawn, and affording, in addition, a vast object lesson on some of the burning questions of political economy.

The year 1893 in America stands unique in that it presents an unrivalled record of failures of solvent banks, corporations, firms, and individuals in a country having unsurpassed facilities for production and distribution, and a people who are intellectually and physically equal, if not superior, to those of any other country. At the close of the year 1892 there were no rocks in sight. The relative prosperity of the United States had for two years, since the Baring panic in London, been an object of admiration or envy to the old world. Never were the American people prouder of their progress, never so self-confident, never so laudatory of their country, their government, their laws, their people, and their prosperity. In six short months all this was changed to depression, fear, weakness in trade, and complete collapse in credit.

In the autumn of 1893 I was in the United States, at the time when the financial depression had reached a crisis. On the day I reached New York the banks there had refused to cash cheques drawn on the banks of Washington, Philadelphia, Richmond, Boston, and elsewhere, and the commercial firms of New York were obliged to send members of their houses to those cities for the purpose of having drafts drawn on the local banks cashed there.

Some banks refused to pay more than fifty dollars or less to any one customer. A few weeks later almost all banks refused to pay even the cheques of their own customers with balances to their credit. Simultaneously, a panic set in on the Stock Exchange, resulting in an unparalleled fall in prices of all securities. Brokers practically ceased operations, and Wall Street and the Corn Exchange, Chicago, were idle; business generally came to a standstill. The gold reserve in the national treasury reached a substantial deficit and labour troubles rapidly developed to a dangerous magnitude.

Such is a brief outline of the commercial and financial conditions in the United States in the month of September, 1893, and I propose now to consider the causes which led to this cyclone.

European authorities have almost unanimously ascribed the crisis to the silver question, as if it were the sole factor in the problem, and that solution has been adopted and loudly reiterated in America because it suited the policy of one great political party; but having had some opportunities of considering the problem on the spot, I formed an opinion that the silver question was not merely not the sole, but was not even the chief factor in producing the panic which has so shaken American confidence, and the effects of which cannot yet be fully estimated.

It would be idle to ignore the disastrous effects of the suspension of the free coinage of silver in India, or the failures of the Australian banks; such effects were world-wide, and were felt as much in Great Britain as across the Atlantic. The industries of Lancashire especially suffered from the action of the Indian government, and the Australian failures injuriously affected credit and shook the stability of English concerns; but on the other hand France, which has an estimated circulation of £140,000,000 of silver, as against £20,000,000 in the United Kingdom and £150,000,000 in the United States, did not receive a proportionate blow, and has felt the crisis less acutely, while England herself—though from her intimate connection with India and Australia, more nearly touched by their difficulties and undoubtedly affected thereby to a large and appreciable extent—was able to avoid the financial disaster which fell upon the United States. Some causes, therefore, must have been operating in America which did not apply elsewhere, and there is abundant evidence as to their existence.

In the beginning of 1893 there were few signs of the approaching storm. Business in the Eastern States was in a satisfactory condition, but in the West loomed a cloud no bigger than a man's hand. The crops of 1892 had been poor and fetched £80,000,000 less than the prices of the preceding year, while cotton likewise fell. Early in the year the silver question began to be discussed, the Reading Railroad failed, and immediately rumours of other similar failures became current. Shortly afterwards, owing to the low-priced cotton crop of 1892, several of the Southern banks collapsed, which event, coming at the same time as the Australian bank failures, aroused a feeling of uneasiness. A political attack was at once made upon the banking system, followed by runs on banks in the Western States, and a withdrawal of deposits by county banks. Europe, partly owing to credit contraction, partly owing to waning confidence in things American, began to sell American securities, and gold was drained out of the country. By the Sherman Silver Act the United States' treasury was compelled to buy silver, and pay a premium for it, thus adding 2,000,000 dollars monthly to the currency of the nation and so driving gold out, stimulating production, raising the general scale of prices, and checking exports. By this means the western silver-producing States were supported at the loss of the nation at large, and this was forcibly brought home to the minds of the people when the Treasury announced a deficit in the gold reserve. Alarm now took the place of uneasiness, confidence was replaced by doubt. The absolute unswerving faith of Americans in themselves, their country, and their dollar, received a rude awakening, and when the dollar proved to be no longer "almighty," fear seized them as to the stability of the remainder of their beliefs and sacred convictions. But the trade of the country had something even more serious to consider. The M'Kinley Tariff Bill, carrying on the traditions of the past hundred years, was aimed at the encouragement of American industries at the expense of European manufacturers. It attained that object. Mills and factories sprang up like mushrooms all over America as its direct result. European houses reduced their exports or gave up the fight; others went to America and built factories there to employ American labour. Employment was given to vastly greater numbers than before; immigrants stayed in the manufacturing centres in preference to going out west. The already fictitious value of labour* was still further increased by the withdrawal from competition of the goods of the lower-waged European artizan. Towns expanded, cities rose on every hand. Building booms reached extravagant proportions—gambling in building lots and the extravagant and incomprehensible jealousy of American towns of each other, being two of the chief causes. Such were the booms of St. Paul, Omaha, and Kansas city, Wisconsin, Sioux city, Iowa, and Chicago. Immigration from Europe increased, yet all were provided for, and general contentment and prosperity seemed to prevail. But prices rose not gradually, but by leaps and bounds, and high prices led to general dissatisfaction,† and an outcry was raised against the manufacturers.

The Democrats now saw their opportunity, and added to their platform the plank of tariff reform. This cry caught the popular fancy, and the Democrats were borne into power. It must be remembered that silver reform or repeal of the Sherman Act was not a democratic measure, and was carried by President Cleveland in the teeth of a democratic senate and with the help of the republicans, whom he had beaten at the polls, and had not the silver question been forced on the President by the almost unanimous demand of the country, tariff reform would have been the government measure

* Mr. Catchings, Senator for Mississippi, remarked in the silver debate:—"Wages of labour have steadily risen in this country until they have reached a point unexampled in the history of the world."

† An advance in prices may mean an advance in costs, especially when prices are put up on a tariff, and indeed but for the marked appreciation of gold this tendency would doubtless have assumed an aggravated form.

for 1893, as it now is for 1894. No wonder then that the manufacturers took the alarm. A vast increase in production had taken place under the M'Kinley Act, an enormous amount of capital had been sunk in building new factories, mills, warehouses and stores, in purchasing machinery and plant. Any alteration in the tariff would necessarily affect capitalists. If, they argued, the reformation of the tariff were in the hands even of its friends—of those in favour of protection in place of those who denounced it—the stability of business would receive a check, but when the reformers were a hostile majority the danger was great and immediate. If the goods they manufactured were to be once more in competition with the manufactures of Europe, where cost of production is on a lower basis and labour is differently rewarded, no American manufacturer could venture to manufacture goods until he knew the basis upon which he was to pay for his labour and receive his profits. Nor would his wholesale customers purchase in advance goods which might subsequently be sold at a loss if compulsorily reduced in price owing to foreign competition. We in this country have experienced the adverse effect that political fear, even when but indirectly connected with tariff questions, can exert upon trade, and we can therefore estimate the force of these arguments and the influence they exerted upon the manufacturers and traders of America. Mr. Tom Reed, in his remarkable speech in the silver debate, struck the true note when he said :—

> "I can characterise in a single phrase the cause of the present condition of affairs. It is the undiscoverable uncertainty of the future of the questions of protection and revenue tariff and that of the currency."

The threatened meddling with the tariff was the first and most potent factor in the commercial crisis. It is not necessary in asserting this to call in question the doctrine of Free Trade, or to take up the cudgels on behalf of protection. In the long run it may turn out to be the very best thing for America that the protective tariff should be swept away, though we must not forget that she is still a young country, how young and how undeveloped but few realize; and that, as Mill pointed out, the one exception to the economical law against protection is when the duty is imposed temporarily in the hope of naturalising a foreign industry in itself perfectly suitable to the circumstances of the country, since the superiority of one country over another in a branch of production often arises only from its having begun sooner. But whether the M'Kinley Act did as was asserted, and as is most probable, promote improvements in various branches of production, and was so far justified in its results, or whether it was, on the contrary, retrograde and injurious in its tendency, the proposed interference with it was, as far as the present time and the immediate future are concerned, wholly disastrous. Industry and commerce are like the sensitive plant—a breath of compulsion, an interfering touch, however gentle, contracts them and withdraws confidence and capital.

Nothing can be more detrimental to the industry of a country than any tinkering with the conditions under which the industry exists.

But if through any cause those conditions necessitate a remodelling of the system, there is but one way in which it should be done. The proposed change should be certain and prompt. The evils of uncertainty are the bane of trade, and, without doubt, uncertainty as to taxation and as to the cost of production, together with the dread of competition, has dealt a blow at American trade more deadly by far than that aimed at Europe by the McKinley Act If the Democrats had at once declared their policy, if they had shown how far their repeal would go, trade could have made its calculations, and would, at any rate, have known where it stood. But with the threat of repeal in general terms, and the denunciation of capital and banks, it was impossible to form any judgment as to what lengths legislation might proceed. Purchasers accordingly restricted their orders to the immediate future, taking only the most saleable goods, mills either closed or reduced their staff, manufacturers diminished their output, traders found it impossible to get renewals of their bills, money ceased to flow into the banks, they in turn called in their outstanding loans, mortgages were foreclosed, credit ceased, and with the universal tightening the weaker went to the wall. The failures from January to April were for 39,424,144 dollars; from April to July, 131,436,078 dollars; and from July to October, 133,227,546 dollars; or a total of 324,087,768 dollars, for nine months, as against a total of 76,971,771 dollars for the corresponding period of 1892. Symptoms of panic appeared after each group of heavy failures, the number of which ran up from an average, in normal times, of from twenty-five to thirty daily to from seventy-five to eighty daily. The country was in fact in a general state of liquidation. Another element of dissatisfaction and doubt which pressed itself upon the people was the fact of a continuous and unaccountable drain of gold nearly equalling the amount of the issue under the Sherman Law, a coincidence which seemed conclusive that that law was the cause, though, as I have suggested, the drain may be traced to the adverse influences at work in Europe.* But, be that as it may, the feeling of doubt existed, and the general liquidation and credit contraction was followed by universal distrust. The possibility of a fall from a gold to a silver standard presented itself to the minds of the people and aroused the desire to hoard, first gold, and then all kinds of money; for they "not only began to doubt the Government of the United States and its policy, but also to doubt the future solvency of all the institutions of the country." When suspicion and doubt of that kind once enter the minds of sixty-five millions of people, there is no knowing where it will end. That it took serious possession of them is shown by the simple fact that out of the United States banking houses alone 190,000,000 dollars of deposits were drawn by depositors from all parts of the country, not to count the

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*Senator Sherman himself though voting for the repeal of his own Act, declared that it was in no sense responsible for the panic, the drain of gold being the result of Europeon investors, in their need of money, selling great masses of securities in America because there alone could gold be obtained.

unknown amounts withdrawn from the state banks, trust companies, and saving banks. The New York Bank, in June, 1893, held deposits of only 431,411,200 dollars as against 542,061,000 dollars in the previous year, and soon began to issue six per cent. clearing house certificates receivable as money. This practice was imitated by Philadelphia, Boston, Richmond, New Orleans, and other cities, and amounted to a suspension of specie payment, banks refusing to pay currency, so that the New York exchange was actually at one time at three per cent. discount in Chicago, because it paid in clearing house certificates and not in cash.* Indeed almost the only financial centre where cash payments were strictly maintained was Chicago, where the World's Fair disbursements set free a fair amount of currency.

We know that usually when a disaster, industrial or financial, befalls a community it temporarily diminishes the productive power of the community as a whole. The immediate effect is felt in the restriction of consumption of articles least essential, but the movement extends until the producers of essential necessaries feel the blow, just as the concentric waves caused by the fall of a stone in a lake extend in every direction until they reach, however gently the distant shore. Prices rapidly fall possibly as much below the cost of production as they were previously above it. It is interesting to observe that none of these results followed the disaster of 1893. Forewarned is forearmed, and American manufacturers by prompt and early reduction of their output stopped the tendency to lower prices, and in this way, contrary to the experience of every previous occasion, the same prices now rule in America as before the commencement of the panic. As the principal exports from America consist of the necessaries of life such as wheat, cotton, flour, and cattle, high prices injuriously affect the bulk of the population, and at this moment in no country in the world is the cost of living so heavy. To those persons with fixed incomes, or to the artizams still in full time employment this is a serious matter, but to those who have been thrown out of employment, or remain on half time, it means want and destitution. So early as September last 5,000 persons were stated to have been in receipt of public relief in the streets of Philadelphia. In New York a public subscription was raised for the thousands thrown out of work in that city, and one of the leading daily papers started a bread fund which enabled them to distribute 10,000 loaves daily to the idle workmen. When the Chicago World's Fair closed its gates many thousands of artizans, labourers, servants, and others, who had obtained remunerative employment through the enormous influx of visitors—on one day 750,000 persons passed the turnstiles—found themselves cast adrift with no chance of obtaining further employment, and while the World's Fair had closed with a profit of 1,500,000 dollars, the municipal finances of the city of Chicago became bankrupt, and the first labour riots of the year disgraced its streets. But the labour trouble had been growing in volume in the Pacific States, and with

*D. M. Frideriksen, of Chicago, *Bankers' Magazine*, January, 1894.

the repeal of the Sherman Act in October, the silver mines of the Western States began to close, and hosts of men were thrown idle. During the protracted debate in the Senate upon the Silver Bill—protracted by the deliberate tactics of the Democratic representatives of those Western States—portion of the American press had urged the desirability of an organised demonstration by drilled representatives from the states to overawe the Senate and compel them to pass the repeal. This idea of a physical force demonstration now took hold of the minds of the opposite party—the silver men—and was encouraged by the western states, who saw in it a ready means of getting rid of the incubus of hordes of unemployed, and compelling the Eastern States to support them, by this one stroke relieving themselves of the burden and retaliating upon the Eastern States who had passed the repeal. This plan culminated in the concentration upon Washington of armies of unemployed from Montana, in the north-west, to Arizona and Texas, in the south-west, the recent events of which eccentricity must be fresh in the memory of all as the strange fiasco known by the euphonious name of the Coxeyite Campaign. But though nothing practical was attained by these men, there can be little doubt that the labour problem has been accentuated by their migration. The surplus population of the West has been emptied, in greater or less volume, into many of the Eastern States, which already had their own share of unemployed, and the additional influx cannot but have the effect of retarding an early settlement of the question. But a settlement there must be, for it does not seem possible that the old state of things can continue, and until the labour question is settled confidence cannot return, capital will still be hoarded, and recovery will be uncertain. Though the United States has a wonderful recuperative power, not second to that displayed by France after the desolating war of 1870, and the tremendous tribute tax she paid, still even the United States has not always exhibited that buoyancy. The panic of 1837 arose through the misapplication of capital and the wide extension of credit. A rapid revival was checked and the country thrown back again by the crisis of 1839, and fear and distrust kept back the mining industry down to the year 1843. But in 1857 the panic had scarcely caused industry to sink to its minimum when the enterprise and courage of merchants and manufacturers again expanded, and in a few mouths the effects of the panic were obliterated. This elasticity, as pointed out by Professor Walker, of Yale College, was due to there being nothing to withstand the revival of trade, and to the fact that the country was generally in a sound condition, both as to capital and credit, when the blow fell.* Such, unfortunately, are not the present conditions. When the blow fell in 1893 the country was not in a sound condition, either as to capital or credit. In 1857 a fictitious value had not been placed on native productions, there was no fictitious encouragement of industry, there was no forcing of unsuited manufactures by the hot house system. There was no fear of a storm

* *Money*, J. F. A. Walker

which would sweep the hot house away. The relations between capital and labour were good. Now all this is altered. There is the danger of losing capital sunk in mills and machinery, there is danger of increased foreign competition, there is the labour problem. In 1857 half of the United States was unpeopled. On the 16th September, 1893, the last of the public lands—the Cherokee strip—was opened to the settlement of 90,000 citizens, who had gathered at its outskirts and registered their application for a claim, and now there is not one acre of all the great reservations remaining to be opened. The farms in the Eastern States, indeed, are many of them vacant. The system of working them out, migrating west, and repeating the operation, has resulted in rendering the Atlantic lands of no great value, and unable to compete with the, as yet, virgin soils across the Mississippi, but gradually all the land is being run out, and the process will continue until the entire continent is reduced to the same state. It is, therefore, doubtful whether there can in the future be the same outlet for labour that there has been in the past, yet, though employment cannot be found for great part of the labour in America, immigration still continues. There must then be a revision of the labour question. The people cannot afford to pay present prices, and if they are lowered manufacturers will be unable to pay the present rate of wages. But the vast addition to the supply of labour should, if the economic law be allowed to act, result in a substantial reduction of the cost of labour, and enable manufacturers to lower prices and look with somewhat of equanimity on European competition. An alteration of the tariff must come sooner or later. The people will not consent to pay twice, thrice, or four times the value of the imported article, often one that could not be produced in America, and not, therefore, in competition with a home grown product. Take flax for example. Various attempts have been made to introduce flax, but they have all been failures. Yet on Irish linen there is duty of from 35 to 45 per cent. First-class wool, again, cannot be raised in America. The best sheep have been imported with the object of encouraging the woollen industry, but has been found that after a while the wool deteriorates, and the attempt was given up. Yet in this case the duty is 50 per cent., and as all Americans, who can afford to do so, wear European cloth, they are taxed 100 per cent. for their clothes, not to encourage a home trade in first-class cloth, but to compel them to wear inferior articles and protecting an industry which could not live but for that very protection. When the tariff is reduced prices must fall and wages along with them. The immediate result should be a great gain to Europe, but ultimately things will re-adjust themselves to the altered conditions, and after the first convulsion the United States will go steadily on until the next panic. When the improvement will take place it would be hazardous to predict; it is not doing so yet, which is the best proof that the Sherman law was not responsible for the collapse. Probably confidence will not be fully restored until after the repeal of the M'Kinley Act, if such an event ever takes place. Since 1879 the tariff in the United States has been altered no fewer than forty-one times, and the tendency is to make the fiscal system more protective in its character. The duties were at first $8\frac{1}{2}$ per cent., they now amount to 50, 60, and in some cases 125 per cent. But one thing is certain—that production cannot expand while there remains a continual apprehension of hostile and meddlesome legislation. Finality is essential to the renewal of confidence. Though the Sherman Act has been repealed, the first great cause of the depression remains, namely, that nobody knows what will happen to the business interests of the country. From one end of it to the other there is only ignorance of the future and distrust.

Two questions naturally arise. First, are things improving or not in America? and secondly, in what way will Europe be affected by the American position? As my aim is merely to state facts, I shall leave to others the task of replying to the second question, but to the first I can give a partial answer. Trade in the United States is, if not still retrograde, at least stationary, and the finances are in the same plight. As an acute American writer in the *Nineteenth Century* for this month (June), says:—

> "The business of the country cannot re-adjust itself to unknown conditions, and the paralysis of the majority of our great manufacturing industries has continued far beyond the time when a settled policy—settled either way—would have relieved it, and set looms and hammers once more in motion."*

The gold reserve in the treasury which last year, to the consternation of the country, fell below 100,000,000 dollars, is to-day less than $69,000,000 and that as against an issue of $834,000,000 of outstanding greenbacks and treasury notes payable in gold. Nor is there any sign of a halt in the withdrawal of bullion. The banks are not taking it from their vaults, where they hold 85,000,000 dollars, but are drawing all from the treasury in exchange for United States notes. Again, the income of the government for last month (May) fell 6,000,000 dollars short of their expenditure, making a deficit for the year of over 71,000,000 dollars—the monthly excess of expenditure over income averaging 5,000,000 dollars.

But this is not all. In addition to the reserve—diminished as it is by nearly 50 per cent—there are but 17,500,000 dollars available coin and currency, though heretofore 25,000,000 dollars has been regarded as about as small a working balance as the Treasury could do business on. Yet by the 1st August this 17,500,000 dollars will, in all probability, be gone, as the interest on Government bonds—7,500,000 dollars will be due on July 1st, in addition to which two monthly deficits of 5,000,000 dollars will exhaust the entire amount, and the Treasury will have nothing but the present 69,000,000 as against 100,000,000 dollars reserve, and 25,000,000 dollars currency, until last year never trenched upon. But if, as is possible, the efflux of gold to Europe continues, a scare may at any time occur which would result in the instantaneous hoarding of gold by the people,

* "Checks on Democracy in America," G. W. Smalley, *Nineteenth Century*, June, 1894.

and the redoubling of the drafts now being made in Europe upon the stock of the precious metal. It is therefore considered that an issue of bonds by the Government, in the very near future, is inevitable.

So serious is the situation felt to be by the Democrats, who for this purpose may be said to represent the people against the capitalists, that the much vaunted bill for the repeal of the M'Kinley Act, is becoming little better than a sham. Under that law the people were taxed annually 198,000,000 dollars, under the proposed Senate Bill they would be taxed 175,000,000 dollars, and under the House Bill 125,000,000 dollars, the republican senate thus only reducing the tariff 11 per cent., and the democratic house of representatives 37 per cent., while with the object of supplying the sinews of war and replenishing the treasury chest, which even the McKinley Act cannot fill, a rider has been tacked on to the bill which has driven capitalists, financial institutions, and the monied classes perfectly frantic. The proposal is neither more nor less than the establishment of an income tax. Beside this ineffable design M'Kinley, Sherman, and the rest sink into insignificance. Mass meetings are being held daily to protest against the iniquity, and a feeling is aroused which threatens the existence of the government. Merchants and business men meet and declare that the proposed income tax is an "infamy," "indefensible," "socialistic," "inquisitorial," and "offensive." It is a "monarchial imposition," "a crime against the country," "an outrage." While the classes storm and rage, the labour riots are on the increase and assume dangerous proportions, and the merchants raise in the columns of the press a cry of "Free Ships,"—a new term bearing the same relation to free trade that reciprocity does to protection.

The truth is that the psychological phrases of commercial crises bear strong resemblance to one another, and all those who are connected with foreign trade are passing through the same mental changes as they exhibited after the depression of 1875. The results of that depression lasted until 1878 in which year numerous proposals were made for a reduction in the tariff. Protection, it was seen, could neither ward off disaster nor mend it, and, as at present, they began to think it was "better to ride the ass that carries you than the horse that throws you." Prosperity, however, returned before any tariff reduction had taken place, and again their views altered. The late Proff. Fawcett, in his *Free Trade and Protection* written twelve years ago, ventured to predict that no more such proposals would be heard until the recurrence of another period of depression. The result has proved him a true prophet, and that the cry for "Free Ships" is waxing so loud, points to the continuance of depression, and the growing disbelief in the value of protection. All taxation they say tends to reduce trade, and high tariffs are the worst enemies to commerce, crippling and diminishing trade.

All classes of securities are still low; there are threatenings of a coal famine, and viewed from any standpoint it is clear that distrust, unrest, and consequent depression are still the prevailing features of American finance and commerce.

Since writing the foregoing, I have read what purports to be a report of an interview, held two or three weeks ago, between a correspondent of the *Fortnightly Review* and Mr. Tom Reed. From the report it would appear that Mr. Reed has changed his views on the silver question, through having observed that since the cessation of purchases of silver under the Sherman Act, Asiatic exports have received an effective stimulus by the cheapening of silver. He is therefore forced to "consider silver and the tariff not as two issues but as one." "This is," he adds, "evidently no time to lower our tariffs, when the currency of 700,000,000 of orientals is depreciating, and their exporting powers to gold-using nations is thereby increasing." He recognises that the augmenting burden of American gold obligations payable abroad, and the encouragement of Asiatic competitors with America in wheat, cotton, and other staples, will seriously effect the U.S.,* and he then proposes a startling remedy, and one of serious import, in view of the probability of his election to the Presidential Chair at the next vacancy. Commenting on the importance for debtor nations, of which America stands first, to raise the price of silver, and thereby reduce the bounty on exports, which, he contends, Asia now enjoys, he says:—

> "This can best be done by a monetary agreement with other nations favourable to silver, and by such a scale of high tariffs against those nations which reject monetary agreement, as will go far to ensure us a favourable balance of trade. A high tariff, and we can keep gold at home, or at least, if it leaves us, it will quickly come back again."†

That is, to inflict on the citizens of the U.S., in the words of Proff. Bonamy Price, "a gratuitous tax, one of mere passion and temper," under the erroneous impression that the punishment will alone fall on monometallists, though, as pointed out by Proff. Bastable, customs duties financially considered are but one form of the taxation of commodities, and therefore the foundation of a customs union is *pro tanto* the substitution of excise for customs,‡ the taxation being imposed, not upon the foreigner but upon the consumer on whose charity the protected industries live. The proposal to build the tariff wall yet higher, on the ground that money will thereby be caused to flow back on the protected shores, can only arise from the failure to perceive that the want of money is but the want of exchangeable or saleable commodities, or the want of credit. "The man," says Gallatin, "who says he wants money could at all times obtain it if he had either credit or saleable commodities." A discussion of this question is of course outside the limits of the present paper, but I make no apology for having drawn your attention to it, as it is one well worthy of consideration by our economists and commercial men, and is not merely speculative—else had I not mentioned it—but one within the range of practical politics, one which

* See article by Proff. Shield Nicholson: "The Indian Currency Experiment," *Contemporary Review*, September, 1893.

† Silver and the Tariff at Washington—*Fortnightly Review*, June, 1894.

‡ *Public Finance*, Proff. Bastable.

will sooner or later be forced upon our attention, in addition to which as I premised my remarks by saying—so closely interwoven are the threads of international commerce that what affects one affects all, and, therefore, facts, however inadequately collected or stated, which bear on that commerce cannot be deprived of a certain interest and value. If, then, I have in any way contributed to a clearer understanding of the facts of the American Crisis of 1893-4, the object of this paper has been attained.

VI.—*Proceedings of the Statistical and Social Inquiry Society of Ireland.*

FORTY-SEVENTH SESSION.

FIRST MEETING.

[Tuesday, 28th November, 1893.]

The Society met at the Leinster Lecture Hall, 35 Molesworth-street, the President in the chair.

Mr. John H. Edge read a paper entitled, "Compulsory Purchase as a Substitute for the Revision of Judicial Rents."

Mr. M. J. Gill was elected a member of the Society.

SECOND MEETING.

[Tuesday, 30th January, 1894.]

The Society met at the Leinster Lecture Hall, 35 Molesworth-street, Mr. H. Dix Hutton, Vice-President, in the chair.

Mr. William F. Bailey read a paper entitled, "The Ulster Tenant-right Custom, its Origin, Characteristics and Position under the Land Acts."

THIRD MEETING.

[Tuesday, 13th March, 1894.]

The Society met at the Leinster Lecture Hall, 35 Molesworth-street, the President in the chair.

Mr. J. A. Walker read a paper entitled, "Our Present and Future Water Supply."

Mr. Spencer Harty read a paper on the same subject in reply to Mr. Walker's paper.