

## Panics in England.

Two years ago the workingmen of the United States had reached the height of their suffering from the panic of 1873; food was dear, prices had not yet fallen, the cost of living was excessive, the demand for labor had nearly ceased. Want spread over all our vast fertile territory; even the industrious suffered and perished in the commercial distress produced by fluctuating currency, a period of speculation, political agitation, fear, distrust, hopelessness. In 1876 we were threatened with a discontented people, violent political movements, riots, rage; even the tramp became a political power, the wildest agitators the agents of a discontented party. That period has passed away, and peace and plenty have returned once more. While we were suffering, England still retained its prosperity, its commercial activity, its appearance of general ease. Its pauperism diminished, its revenue grew, its workingmen enjoyed a comparative freedom from the ills that had befallen Germany, France, America. But suddenly all this has changed. A panic, a period of distress, has fallen upon England more severe than any thing it has known for half a century. Trade has almost stopped, factories are closed, mines are valueless, great firms and institutions are bankrupt; but the saddest trait of this unlooked-for revolution is the intense suffering of the industrious poor. The account of their misery reads like some impossible fable. In the midst of the enormous wealth of England one would suppose that such scenes as are related in the English papers could never occur. Says the *Daily News*: "We drew attention the other day to the distress which has seized our manufacturing districts, and to the horrible detail with which the columns of the local newspapers are filled. There has been no such time of suffering since the cotton famine. The numbers on the books of the various agencies for relief, startling as they appear, are hitherto short of what they were at that time; but already stages of destitution have been reached for which it is difficult to find a parallel." It gives instances—one of a woman who, in her despair, stole cat's meat from a butcher's shop, and was found soon after with her family devouring it raw. She was well dressed, it is said. Honest men throw out of work, who have never begged, have sold all their furniture, even the vessels in which they cooked their food, the very grate, before they would ask for aid. The sufferers are numbered by hundreds of thousands, perhaps millions. The winter opens on them black with despair. Meantime the ruling party are wasting great sums on shameful wars, in military display; propose no measure of relief for their suffering countrymen; ask for a public grant of money to the famishing Turks at Rhodes. There is no American whose heart does not bleed for the suffering multitudes at Sheffield, Leeds, or Glasgow, who would not rejoice to pour the rich abundance of Kansas or Minnesota into the famished mouths of England's industrious poor.

But the panic, the period of commercial depression, is something with which England has long been familiar. The wealthiest of nations, it seems the victim of a regular recurrence of these disasters. So regularly do they come that an intelligent professor in a recent lecture endeavored to connect them with the sun spots. There was one in 1825-26, one in 1837-39, one in 1847, 1861, 1867, 1878. It is not necessary to go so far to find their causes as Professor Roscoe; they have usually been the results of events altogether mundane and plain to every eye. The panic of 1847 is described by Morier Evans. It came in the midst of a scene of general prosperity; speculation raged in all ranks of life; it was the period of the railway madness, when all England was covered by a network of real or imaginary lines of travel or traffic, that were sometimes paid but never built, and oftener built and never paid for. Hudson, the railway autocrat, held in his hand the capital of England; noblemen, women of rank and title, clergymen, merchants, laborers, rushed with eagerness to invest their money in wild speculation; \$3,000,000,000 was invested, it was estimated, in railways; every kind of mad venture grew popular; the wild revelry rose to an extraordinary pitch. But it fell almost in a moment. The railway projects failed, and ruined rich and poor; the famine in Ireland came to add to the general suffering; a bad harvest in England, food riots in Scotland, completed the destruction of public confidence. Then came failures of great houses so unlooked for as to seem incredible; the governor of the Bank of England failed; the bank trembled; 176 "leading firms," says Morier Evans, "were prostrated in three months." Mr. Disraeli, then in the fire of early ambition, described the national calamity in Oriental imagery. "The uprooting of commercial dynasties in England," he said, "were not less striking than the fall of those political houses of which we have lately heard so much." In 1848-49 kings and bill-brokers, emperors and railway autocrats, had fallen together; their disasters may be described, lamented over, but the calamities of the industrious poor in that season of depression are written only in the books of eternal justice.

The next severe panic in England, for we may pass over the memorable season of 1861-63, was that of 1867, one of the most peculiar, most startling, of all. It came without notice, it passed away swiftly, like some furious storm. But it left behind traces of desolation, broken fortunes, ruined reputations, a commercial terror that was almost unknown before. In 1866 English trade was prosperous, the country rich, the people employed profitably; mines, manufactures, commerce, flourishing; there seemed no omen of danger in the future. When suddenly a great institution—a discount company—failed; a strange terror arose, increased, it was said, by the malevolence of speculators; and next the famous house of Overend, Gurney & Co., one of the oldest in the city, was known to be in difficulty. It had applied to the Bank of England for aid, and was refused. Its deposits had amounted to \$60,000,000; its depositors claimed their money. The great house closed its doors, and was found to have wasted in mad speculation the resources of its customers. Its end was covered with fraud, wastefulness, improvidence; it brought with it a general disaster. Another bank soon failed, a fierce excitement arose in London, an immense crowd filled Lombard street, and all the neighborhood demanding from the different banking houses that are clustered on those scenes of traffic the money they had lent them in their hour of confidence. "At mid-day," (12th of May) says a contemporary writer, "the panic was at its height. Lombard street was actually blocked up by the crowds of respectable persons who thronged the doors of the banks and other establishments." "While depositors rushed to withdraw their money, a body of lookers-on gathered before each bank or financial establishment, expecting to see it close its doors." One after another the great banking houses were seen to fail; the Bank of London stopped; European Bank, the Consolidated Bank, and others

sank before the general terror; old mercantile firms of un doubted credit and countless lesser ones fell together. The Bank of England withheld its aid, fearful, perhaps, of its own solvency in case of a general demand for money; the immense number of depositors who suddenly called for payment made it impossible for the banks to satisfy them; ten times the amount of the currency of the country was represented by its deposits, and when the panic came there was not money enough to satisfy half the demand. Even the Bank of England, it was said, must have stopped had its depositors pressed for payment. Had the panic continued another day, every bank must have closed its doors. But it passed away, the great body of depositors recovered their confidence, the crowd in Lombard street disappeared; and it was a fortunate trait of this peculiar financial terror that it affected only slightly the industrial classes, that the factories remained open, the mines productive, and that soon a new period of prosperity dawned upon the busy people.

None of these commercial disasters seem to approach the present in severity or in probable duration. It is a decay in the resources of England, a decline in values that affects every interest of the nation. The rents of farms, it is said, have sunk one-third; the farmer complains that he can no longer compete at a high rent with the wheat-growers of Russia and America; the manufacturer closes his factory or reduces the wages; the iron trade of England seems almost dead. There is a general depreciation of property, land, even food, that will probably never be repaired. A recent English writer, when war with Russia was imminent, described with much enthusiasm the enormous wealth of his country, the amount it could waste in a mad and useless contest. The whole wealth of England was estimated at £8,500,000,000, or more than \$40,000,000,000; in 1815 it had been only about \$10,000,000,000. The income assessments since 1815 had increased fourfold; the "potential taxation," says Mr. Farrer, secretary of the Board of Trade, "might be indefinitely raised, except perhaps the tax on spirits and tobacco." A billion of dollars could easily be spared, he thought, to inflict upon Russia and the Russians all the penalties due to ambition and overbearing greed. Mr. Shaw Lefevre has recently repeated the flattering record. But a later writer, in less fanciful language, throws a shade of doubt on the brilliant picture. Already a few brief months of panic have diminished the fancied wealth; the vast hoard has been lessened by at least one-eighth, if not one-sixth. The bankruptcy of nations has cost England a billion; the shrinkage in the value of real property is great, and is estimated to have lost one-fourth or one-sixth its value of five years ago. The earnings of the working classes have diminished, it is asserted, "one hundred millions" annually. The value of "British industries" from five to seven hundred millions. The capital of the country is slowly wasting away, and amidst a starving people and fading resources England is once more plunged into the perils of war.

Between the two pictures there is no doubt a happy mean. England will recover itself; and every American farmer and trader is personally interested in the welfare of the industrious, untiring population that from London to Glasgow offers the best market for American productions. The prosperity of the English working classes means wealth to the farmer of Georgia and Wisconsin, of Texas and California. They consume the greater part of the wheat, food, cotton, we export; but for their industry and thrift the farms of Minnesota might long have remained idle, and the cotton fields of Georgia a useless waste. Every year nations are becoming more necessary to each other, more useful. England and America are indissolubly connected; the English working classes are our best customers, England our most natural market. Europe has already begun to lean upon America for its necessities of life; the people of all lands are already beginning to discover their mutual dependence. It is a slow process, but it will prove a sure one. Nature decrees that wars must cease at last. The time must come when even Russia and England shall discover that it is better to aid than to destroy each other. Panics, too, have their lesson; it is the old one of Joseph—to save in the years of plenty for the pinching times to come.

We extract from the *Congressional Record* portions of the speeches lately made by Messrs. McMahon of Ohio and Townshend of Illinois, so that our readers may gather some idea of the line of discussion on matters relating to pensions and the management of the Pension Office. We regret that we have not space to print the whole debate.

By all means let us have full debate on all these questions, that the best and wisest course may be taken in the management of these vast issues.

Mr. TOWNSHEND, of Illinois. I beg leave to offer the following amendment: That section 4717 of Revised Statutes be, and the same is hereby repealed.

The Clerk read the section.

Mr. SMITH, of Pennsylvania, made a point of order. Mr. TOWNSHEND, of Illinois. I am surprised that the gentleman from Pennsylvania, representing as he does the Republican party, the vaunted friend of the soldier, should raise a question of order upon that section of the Revised Statutes. It is that section which has flooded this House with relief for pension applicants who are deprived of their own claims by the section I desire repealed.

There were eighteen hundred such bills introduced in the last session, and the chairman of the Committee on Invalid Pensions informs me a very large majority of them have been brought here in consequence of that section.

I wish to say further that the Adjutant-General and the Commissioner of Pensions have recommended that that section be repealed. If repealed, we will avoid a considerable amount of special legislation as well as open the door for claimants to obtain settlements in the Pension Office of just claims.

I believe, sir, the amendment is germane to the bill. This question I know has been debated in past sessions, and I believe it has been decided both ways. I know there have been amendments of the same nature offered to other kind of bills which have been sustained over points of order similar to the one now made. I have introduced the amendment at this time mainly because, owing to the shortness of the session, it is hardly possible to pass an independent bill for this purpose through both

Houses. I know this bill will pass, and before the adjournment I desire to couple this amendment to it in order that its passage may be assured. I am sure a large majority of the members here have sufficient regard for disabled soldiers to favor the repeal of this law. Its repeal will allow an opportunity for doing justice to those entitled to pensions. Under the construction placed on that statute by the Adjutant-General's Office and the Commissioner of Pensions no soldier can obtain the removal of the bar it forms unless a record of his disability had been made at the War Department during his service in the Army.

After further discussion by Messrs. Townshend, Smith, Finley, Baker and Hewitt, of New York, McMahon, of Ohio, obtained the floor.

Mr. McMAHON. I offer an amendment which I can hardly say changes existing law, but it may change existing practice, a practice which I hope gentlemen on the other side will not insist on perpetuating by raising a point of order if the amendment be amendable to such a point. Let the amendment be read. I think it will speak for itself.

The Clerk read as follows:

"Sec. —. No pensioner's name shall be stricken from the rolls nor shall his pension be reduced without previous notice to the pensioner; and whenever the Commissioner of Pensions has reason to believe that a pension should be discontinued or reduced he shall first give a hearing to the pensioner and permit an examination of the testimony upon either side, and he shall receive and consider further testimony offered in rebuttal, subject to his power to suspend payment during such inquiry. And in all applications for pension or bounty the petitioner or his attorney shall have a right to inspect all testimony or reports concerning his claim that may be on file in the department.

Mr. SMITH, of Pennsylvania. It is incumbent on the gentleman to show that his amendment does not change existing law. The gentleman asks us to adopt a provision of law which will change a practice in the department.

Mr. McMAHON. It may change an existing practice; but suppose the law does not authorize the practice.

Mr. SMITH, of Pennsylvania. Practice makes law.

Mr. McMAHON. But you say that my amendment changes the law. I submit that when this Government has examined a man's case and allowed him a pension, thereby admitting that it owes him so much money per month under the law, there is no statute or legal provision which authorizes the Commissioner of Pensions to send out one of these pimps called "special agents" to go into the neighborhood of the pensioner and take testimony privately without notice to the pensioner, so that his first knowledge of the proceeding which deprives him of his pension is when he finds that his name has been stricken from the rolls. I repeat there is no existing law which authorizes such a proceeding. If there is, our friends on the other side ought to be ashamed to have made such a law. Such a proceeding takes from a man a right which the Government has conceded to him; a right of property so scrupulously guarded by the law that it cannot be taken from him for a debt; it cannot be assigned by the man himself. Yet this right thus carefully guarded is under the existing practice taken away by an *ex parte* proceeding on the part of the Commissioner of Pensions. I do not mean to say that this officer himself acts improperly, but he has improper agents. He is obliged to administer the law through defective instruments, and we know that office-holders do now and then get to be defective instruments—only occasionally of course with the gentlemen now in power. I know cases where men have thus been deprived improperly of their right, and I am laboring in this House to prevent such an abuse, or rather I am laboring with reference to the other House, where it is so much harder than it is here to get a measure of this kind through; not because it is a republican body, of course. I am laboring to get men restored to the pension-rolls who have been stricken from them without a particle of notice of any proceeding against them.

When the claim of a man against the Government of the United States for a pension has been allowed, by what authority does the Commissioner of Pensions send out and privately get letters or affidavits from individuals in the neighborhood of the pensioner and then act upon them, never permitting them to be inspected by the pensioner?

Mr. SMITH, of Pennsylvania. Certainly the gentleman is not addressing the Chair on the point of order.

Mr. McMAHON. Certainly, all this is pertinent to the point of order.

The CHAIRMAN. The Chair thinks that the gentleman from Ohio is using considerable latitude in discussing the point of order.

Mr. McMAHON. I am on the point of order, strictly. Mr. CONGER. No, the gentleman is on the point of disorder. [Laughter.]

Mr. SMITH, of Pennsylvania. The gentleman is talking of matter of practice which has nothing to do with this bill.

Mr. McMAHON. Of course it is the practice I am complaining of and not the law. I would not charge the gentleman with upholding such a law as this. The Commissioner sits up in the Pension Bureau and the gentleman talks to him and says, "It is not nice to do this business, because we will have to develop the names of parties." I say every pensioner is entitled, as well as every criminal in the land, to be confronted with the witnesses against him—if not with the names with their personal presence; and the idea that we shall deprive these poor men, for whom we on both sides of the House profess such unbounded love, of that right and apply to them a rule of law different from that in every other case is such that I appeal to gentlemen on the other side of the House not to insist on the point of order. I am sure if that distinguished gentleman from the State of Ohio [Mr. Foster] who aspires to be the next governor of the State of Ohio and probably the next President of all these United States [laughter]—I am sure if he were here he who has reserved all these points of order would himself withdraw it.

Here the time limited to the debate expired.

"Dunning."

Some falsely think that it comes from the French, where *donnez* signifies "give me," implying a demand for something due; others, from *dunan* (Saxon) "to thunder;" but the true origin of this expression owes its birth to one Joe Dunn, a famous bailiff of Lincoln, England, so extremely active, and so dexterous at the management of his rough business, that it became a proverb, when a man refused to pay his debts, to say, "Why don't you 'Dun' him?"—that is, "Why don't you send Dunn to arrest him?"