

into for any purpose necessary to protect the credit of the United States Government.

Large gold exports continued, and the receipts of the Custom House, about the only source apart from the sale of bonds by which the Treasury could obtain gold, had so changed in complexion that whereas the proportion paid in gold or gold certificates had been not far from the entire receipts at one time, the payments were now entirely in legal-tenders. The public had been demanding before the inauguration that the first act of the new President should be to call Congress together and repeal the purchasing sections of the Sherman Silver Purchase Act, that being the only thing likely to restore credit, but the President seemed strongly averse to acting hastily. Later it was said, perhaps in grim satire, that the Administration wanted the politicians to have an object lesson first. Towards the close of April meetings were held between Secretary Carlisle and the New York bankers, and while an attempt to borrow \$50,000,000 for the Government in connection with a bond issue failed because of inability to agree as to terms, the result of the interviews was to steady matters, and it was thought that the dread of a suspension of gold payments was about at an end.

May opened with the collapse of the National Cordage Co. and a wild panic in industrial and railroad stocks, values falling in every direction, banks stopping discounting commercial paper, while the appalling news every day from Australia unnerved many London operators who might otherwise have come to the support of the New York stock market. The panic was now fully under way, gold shipments were still being made, and by the end of May the gold reserve had fallen to \$90,000,000.

During the latter part of the month demands upon New York banks for loans and re-discounts from the west and south became alarming in extent, and with the opening day of June bank failures in the west began. There had been fourteen failures of National banks from March to the end of May. During June and July about 100 National banks suspended, while of all kinds of banks about 200 failed. At the end of the year this had reached for financial institutions of all kinds, National, State