

and deflation the panics. The last eleven most important panics in this country are those of 1857, 1864, 1873, 1884, 1890-91, 1893-94, 1897, 1903, 1907, 1913 and our late panic of 1921-23, which is still with us.

Panics are quite regular in recurrence under our system. The profiteers can and do create them as a profit scheme for themselves. Good or poor crops seem to have little bearing on panics except as the profiteers make use of them.

Before the Federal Reserve Act became law, the panics were not scientifically created. They were brought about in a bungling way, just forced by a combination of circumstances that the profiteers managed.

XI

PANICS NOW SCIENTIFICALLY CREATED

Under the Federal Reserve Act panics are scientifically created. The present panic is the first scientifically created one, worked out as we would figure a mathematical problem.

After a panic—rather at the tail end of a panic—everything has gone to the bottom in price except money. Money is at the very top price. A panic, in all other things and commodities, becomes a boom for money. Money is the one thing in demand by everybody, and nearly everybody throws everything else overboard to get money. Money becomes scarce to most people, for they do not get much for what they sell; besides, most have debts dragging behind them and what they get goes to pay the debts. It is after a panic has driven every commodity to the bottom and has got farmers, wage workers, the smaller business interests and small speculators all down in the dumps, dis-