

COMMERCIAL PANICS.

SOME New York authorities of no mean standing in the commercial world contend that a possible panic in the United States is one of the incidents that may at an early day be witnessed. We are not without the same dismally prophetic class here, but whether its members are fairly to be regarded as wise warners or mere croakers it must be left to time alone to determine. In the meanwhile, Professor ATWATER has turned his attention to the subject. This distinguished authority considers that the fatal element in a panic is that it impels people to turn their bank credit into lawful money, so as to be sure of being prepared to meet their legal obligations when worst comes to worst. This quickly throws the bank into temporary bankruptcy, by depriving them of those reserves of lawful money or currency which, aside of such a panic, are ample to sustain, and, in normal conditions, do sustain, many times their amounts in deposits. Checks can be drawn against these, which, in ordinary times, pay twenty times the amount of debts paid by currency. The effect is to render such checks unavailable. The attempt to turn all these credit substitutes for money at once into a currency which exists to only one-tenth or less of their amount, is like trying to make a man or an animal perform in a day the work of twenty days. It is only less monstrous than attempting to turn the whole property of society immediately into cash. It is like subjecting the financial machinery, and with it the circulating life blood of society, to the grip of ten thousand anacondas. It is simply intolerable, and must, somehow, be brought to an end; because destructive, not merely to the unsound and imprudent, whom it is best to put in form, where they are in fact, *i.e.*, into bankruptcy; but to more solvent parties, who lie under matured or maturing obligations. In proportion to the danger of this is the anxiety of the strongest houses to secure loans in advance, in order to fortify themselves against impending perils. This increases the strain and feeds the panic. When, beyond reasonable doubt, such a panic is developing, the sooner banks and bankers give up attempting to save themselves, by refusing usual accommodations to solvent houses, the better. The more fully these are sustained, the more likely is the crash to be averted, or, if not wholly averted, to be mitigated. The more such are cramped, the more certain and imminent is the explosion which will bring down both banks and their customers together. If it cannot be prevented by keeping up solvent customers, much less can it be brought down. At best, this can only aggravate the common disaster. When the panic becomes fairly initiated, the sooner banks stop paying out their reserve to no purpose to parties whose only use for them is to lock them up, while they at the same time extemporize some temporary substitute of a little lower grade to fill the vacuum of currency, the sooner

will the panic cease. The sooner will regular currency creep out of its seclusion into the natural channels of circulation, and thus, as far as needed, to the bank vaults. The factitious temporary substitute will simultaneously vanish away. Historically, the dissolution of panics has been effected by the application of this principle in some form. In Great Britain, an order in council suspending the restrictions upon issues of notes incorporated in the charter of the Bank of England, has more than once arrested panics, sometimes even without actual resort to such extra-legal issues. This ceased to be wanted as soon as it was known it could be had if wanted. The temporary suspension of specie payments in this country in 1837 and 1857, thus furnishing a temporary irredeemable currency, effected the same result and prepared the way for the restoration of the specie standard. The substitution of secured certificates for ordinary currency by the banks in 1873, speedily brought about similar results. When a disease so desperate comes, the sooner the needed remedy, even though in some sense desperate, should be applied. We trust it will be long before the necessity arises to test the soundness of Mr. ATWATER'S views as expressed above, though we know none whose opinion is entitled to be listened to with more respect. But better than to study how best to act in a panic is for the community generally to conduct business on such safe and prudent principles as to make impossible the recurrence of anything like one of the old-fashioned, wide-spread, desolating panics of the past.

SUBMARINE TELEGRAPHY.

THE extent of the entire ocean cable systems of the world is but little known. Some idea of it may, however, be conceived that of a portion of it in which Mr. JOHN PENDER, M.P., is a director, that gentleman is enabled thus to speak:—"We have outside of the eight Atlantic cables a through system direct to India, touching at the following points: It proceeds from Porthcurno, in Cornwall, to Vigo, Lisbon, Gibraltar, Malta, Alexandria, Suez, Aden, Bombay. A duplicate cable system starts from Marseilles across to Algiers, and thence to Malta and Alexandria. A further system connects the whole of the Greek Islands with the Levant, Constantinople, Cyprus, and Odessa. Another line starts from Madras, goes to Rangoon in one direction, and thence to Penang. A duplicate line also starts from Madras, goes to Penang, Malacca, and Singapore. From Singapore one of the main systems proceeds to Saigon, Cochin China, and Hong Kong, connecting the latter place with a system in connection with Shanghai and Japan. There is also a cable from Hong Kong to Manila. The second main system proceeds from Singapore to Australia, touching at Java on the way, and connects Australia with New Zealand. Another system proceeds from Aden to the Cape of Good Hope, touching *en route* at

Zanzibar, Mozambique, Delagoa Bay, Durban and the Cape. Our system in the Brazils connects that country with Europe. These cables are submerged in depths varying from a few fathoms to nearly three miles. On one occasion a message was sent from London to San Francisco in less than two minutes." Other lines are projected from the western coast of America under the Pacific, and of these much of the necessary capital is already subscribed. It seems not improbable, too, that our great inland freshwater seas may soon be able to count a noticeable addition to the total length of the grand system of sunken telegraphic communication.

THE GRAND TRUNK.

Herapath's Railway Journal of the 2nd inst. says in reference to traffic returns on the consolidated lines in the first week of their united existence:—"Those who have embarked in the Grand Trunk must be quite startled by the announcement on the traffic return of this week. All the lines owned by the Grand Trunk are now thrown together, including not only the Great Western but the Chicago and Grand Trunk and the Detroit and Milwaukee. The aggregate mileage is thus 2,811½ miles against 2,736½ miles in the corresponding week last year, including the same lines as far as then open. But the additional mileage, it will be observed, is not much in reference to so large an undertaking as the Grand Trunk now is. The week's traffic is £83,082 against £73,659, or £9,423 increase. This large increase of £9,423 in one week has been obtained notwithstanding the Detroit line shows a decrease in the week of £1,500. The week's increase on the Grand Trunk (including the Great Western) is as much as £8,666, and on the Chicago line £2,257, together between £10,000 and £11,000, which would have been the increase if the Detroit had only kept up. As it is, however, an increase of £9,423 upon £73,659, without any material increase in the length of the line, is a great advance, and gives rise to strong hopes that the Grand Trunk is now going to move up.

HARVESTS OF THE WORLD.—In summarizing the result of M. ESTIENNE'S annual review of the harvests of the world, issued at Marseilles, the *London Times* says:—"Never, during the time since these reports were collected, has the harvest in the northern hemisphere been so good all round. We usually had to report a deficiency, either in Europe or America. This year there is absolutely none. The world has over an average harvest, and with such a harvest, the year is likely to be one of cheap abundance."

NEW YORK ASSESSMENT.—The assessed valuation of real and personal property in the city of New York in 1882 is \$1,233,476,000, an increase of \$47,528,000 compared with last year. The rate of tax levy is \$2.25 against \$2.62 last year. Is it not about time for a new "ring" *a la* "boss" Tweed?