

A FRENCH VIEW OF THE ENGLISH CRISIS.

(From the London Economist.)

THE last number of the *Revue des Deux Mondes* contains an elaborate article on the late monetary crisis in Lombard street. There is always something interesting in hearing what our neighbours think of us, and in this case France has been so untroubled that an observer there of our troubles here enjoys the advantage of serenity as well as of nearness. The piece from which the article comes, therefore, gives it a claim on our attention, and the writer is M. Wolowski, the well-known economist whose name is of itself enough to require our attention.

M. Wolowski begins by a narrative of the panic which, under the circumstances, has a European value. The nature of the crisis under which we have been labouring has been wholly misunderstood abroad. It has been said that the convertibility of the Bank note was in danger here, and any English protestations to the contrary are liable to a certain suspicion. The borrower who says his credit is admirable and his solvency certain, is not the best kind of borrower. The best is one whom the lender does not doubt, even in thought, who has no occasion to say anything. But if a French economist of eminence confirms what we English say of the crisis it has a chance at least of being believed abroad. And M. Wolowski is quite of our opinion. Almost his whole essay is a panegyric on the Act of 1844 for having preserved the convertibility of the Bank note. His whole argument presumes not only that the convertibility in fact exists, but that everybody close at hand knows that it exists, that there is no real doubt about it. The *Revue des Deux Mondes* has at this moment a very peculiar influence. Being French it is read wherever on the Continent cosmopolitan civilization spreads, and the suppression of free newspapers has made it a sort of isolated organ of free thought. Every one who wants to know the best French opinion looks to the *Revue*, and it is therefore of much advantage that so clear, so accurate, and so readable a narrative of the late English crisis should have appeared in its pages. Now, at least, foreigners may see what it was, and how wrong for the most part we were in our fancies as to it.

As to the causes of the panic M. Wolowski has also given us an elaborate essay, and in this part, though we agree with much of what he says, there is something from which we differ, and something also which we would wish added.

M. Wolowski is more Peelite than Sir R. Peel. We make no doubt that Sir R. Peel would have quite admitted that the limit prescribed by the Act of 1844 does on such days as "Overend's Friday" aggravate fear into frenzy. The lesson of that day—the comparison of the mental state of Lombard street on Friday when the Act was not relaxed, and on Saturday after it was relaxed—is too conclusive to any one near at hand. Whatever people ought to have felt, what they did feel was quite certain, and that is the only point to which a practical statesman like Sir R. Peel would for one instant have given his attention. M. Wolowski does not indeed go so far as to say that the authority given to break the Act was undesirable; on the contrary he applauds the letter of Lord Russell and Mr. Gladstone; but we cannot say that he thoroughly studies us as to the effect of the signature of the Act at the moment of the panic's approach. We say it translated the pain into delirium; we are not sure what he would say upon the matter.

We are, however, most happy to be able to agree with M. Wolowski as to the main character of the late panic. He says as we say, that it was a credit panic, by which we mean not simply to say that it was a disturbance of credit, for all panics must be such disturbances, but that it was a disturbance of credit arising not from a deficiency in producible cash, or from an excess in capital outlay, but from causes incident to credit itself. A banker may have an excellent available reserve, he may have lent most of his money well and prudently, but he may fall or be in danger of falling nevertheless. He may have laid out some big sum of money in a folly, which every one sees and which all his customers know. Such, according to us, as we have before explained, was the state of England in the last crisis. We had quite enough cash; we had indeed made large expenditures of capital on railways and other things, but not more than we could after all afford, than we could manage with an effort. But the failure of Overend, Gurney & Co. (Limited), the suspension of Peto & Co., and other lesser events, had advertised certain particular blunders. It gave rise to an *ad fortiori* sort of argument. "If" said many people, "those we have always thought best of have committed such a blunder, such marvellous errors, what have those we have thought worse of committed?" If the select "have so acted and so suffered, where will the "unselect and common people appear?" The collapse of the most assured English credit inevitably and naturally caused a collapse of the less assured.

In some places, indeed, M. Wolowski rather implies that he considers that England has overstrained her resources, and that in consequence the crisis was engendered by an absolute dearth of capital; but, on the whole, and upon a comparison of passages, we understand M. Wolowski to accede to the more qualified doctrine which we maintain, viz. that England had been very largely spending her capital, and so made her credit delicate when certain disastrous errors of most trusted persons were exposed, which for a moment impaired that credit. The capital outlay was a weakening preparative malady, not the actual critical disease.

We had something to except also to M. Wolowski's remarks on the limited liability companies, but perhaps it is unnecessary. We prefer to thank him for the most useful account he has given of the real events of the last crisis, and the very clear and impartial exposition which he has set forth of its causes.

THE FUTURE OF MEXICO.

THE Paris correspondent of the *Times*, writing on the 30th ultimo says:—

"Public attention, long fixed almost exclusively upon the affairs of Germany and Italy, has been for a moment diverted to those of Mexico, by the unexpected arrival of the Empress Charlotte. The next best thing to avoiding mistakes is to escape honours, and address from their unpleasant consequences, and that is what the French Government has now to do, so far as it is possible, in the matter of the Mexican empire. In a big and visible article the *Opinion Nationale* examines this difficult question, starting from the now general belief that the failure of the Empress's mission will soon be followed by her husband's abdication. The diminished strength of the French army in Mexico, the increased daring and success of the *Juaristas*, who no longer content with plundering expeditions and guerrilla warfare, begin to attack and capture cities, point plainly enough to the approaching abandonment of a well-meant but ill-considered project, and to the relapse of that unfortunate country into its previous state of anarchy and misrule. From the very commencement few persons have argued well of an enterprise which it now is evident must prove a total failure. But when the Austrian Archduke, and the foreign troops who established and maintained him on a seductive but tottering throne, shall have returned to Europe it is interesting and important to enquire what will be the fate of French and other foreign residents in Mexico, exposed, as they must be, to the fury of reaction and of a party which has even shown itself unparrying and unscrupulous in power. When once the European sovereign withdraws, and European interference is desisted from, will it be possible to guarantee the safety and property of foreigners, or must they take part in the imperial and military exodus? To France, as the *Opinion Nationale* justly observes, it is of very small importance whether the form of Government in Mexico be monarchical or republican, the really important object now is to establish such relations between the new Government and the principal European Governments as may be efficacious to protect the subjects of these latter. Such protection can hardly be afforded by force of arms; the attempt would be at heavy cost of money and mortification; *le jeu ne vaudrait pas la chandelle*. The proper course to be pursued by France, the Power chiefly interested, will be, the *Opinion Nationale* thinks, to treat with the Republican party if, as all things now lead us to suppose, it succeeds in resuming the government of the country. It will not be wise to attach an exaggerated importance to promised indemnities and to risk further complications by tenaciously refusing to make sacrifices. To recover a comparatively small sum due to French subjects, many millions have been expended in the end it may be the wisest plan to accept the loss, and so to avoid future complications. To leave garrisons in the seaports to collect, for the benefit of France, the Custom House duties, would be to sacrifice numerous valuable lives by yellow fever, and to keep up a permanent feeling of irritation and hostility on the part of the *Juaristas*, who certainly will not accept engagements entered into by the outgoing Emperor. Commercially speaking, the firm of Napoleon, Maximilian & Co., the sleeping partners need not be named, have embarked in a disastrous speculation, and the wisest thing they can now do is to pass the money expended to profit and loss account, and forget the whole affair as soon as possible. No prophetic eye is needed to foresee the state of anarchy and misery into which Mexico will soon again fall, and whence escape is hardly to be hoped until, at some future day, the United States shall extend their sway southwards, and put an end to a spectacle long a scandal to civilization."

The *Patrie* says:—"It has just been decided that the command-in-chief of the army in course of formation in Mexico will be given to a French General. Several officers, perfectly acquainted with the country, have offered their services to the Emperor Maximilian, under the sanction of their Government, but the selection has not yet been finally decided on."

THE VOLUME OF PAPER MONEY IN THE U. S.

As there appears to be a conflict of opinion as to whether the volume of paper money about in the United States is increasing or not, we give the comparative figures from the latest authentic data:—

	June 1, 1865.	Sept 1, 1865.
Legal Tenders	\$64,140,468	\$5,515,732
National Bank Notes . . .	27,965,675	29,939,829
Fractional Currency	27,331,975	26,483,978
Total	\$119,438,118	\$81,939,539

It will be seen from these figures, that while the legal tender currency has been reduced \$59,622,726, and the fractional currency \$59,957, during the last three months, there has been an increase of \$11,000,544 in National Bank notes. The amount of National Bank notes to be issued, before the \$300,000,000 prescribed by law shall be reached, is now about \$1,064,000, after which we shall witness a gradual reduction in the volume of paper money, a consummation devoutly to be wished, as the decrease in volume will be accompanied by a corresponding increase in value of the circulating medium. The reduction in legal tenders since June 1st has been mainly in the compound interest notes which three months ago stood at \$162,012,140, and are now down to \$175,512,140. The plain greenback circulation on June 1, was \$402,123,318, and Sept 1, \$399,631,592. Fully one-sixth of the entire legal tender circulation lies to the vaults of the banks of this city, which at present hold the heaviest reserve in this legal tender form, ever before controlled by the

local banks. A year ago the legal tender circulation of the Treasury was up to \$641,135,559. It has since been reduced nearly \$135,000,000, or at the rate of close on eleven millions a month. The National Bank note circulation has been increased, during the year ending on the 1st of September, from \$177,387,229 to \$299,915,829, or absolutely, \$122,528,600, which increase is at the rate of less than one and a half millions a month, showing conclusively that, during the past year, the legal tender circulation has been diminished far more rapidly than the volume of National Bank notes has been augmented. A very considerable portion of the issue of National Bank currency through the year has superseded the circulation of State Banks, converted into National Banks or wound up altogether, so that it is safe to assume that the volume of paper money of all kinds in circulation has been materially lessened since Sept. 1, 1865. The compound interest legal tender notes have ceased to circulate from hand to hand as money, and have now no other function to perform in our financial system except that they act as a reserve by the National Banks. On the whole, we think we have reached the maximum amount of paper money circulation.

FROM HAVANA.

THE following is from the commercial correspondent of the *New York Journal of Commerce*:

HAVANA, Sept. 16

The sugar market opened dull this week. Most of the sellers have withdrawn their samples until the receipt of news from Spain, which is expected to report the abolition of the present export duty. Prices for whites, through, at \$5 to \$5 1/2 per 100 lbs; yellows, Nos 13 to 20, at \$3 1/2 to \$4 do, browns, Nos 11 to 12, at \$3 1/2 to \$4; currunchos, Nos 5 to 10 at \$3 to \$3 1/2 do, muscovadoes sales fair to good refining at \$3 1/2 to \$4 do. Shipped under the 1st licence and from Matanzas, 37,757 bags and 855 hhds, of which, for New York, 5,141 bags, 622 hhds; Boston, 1,543 boxes, 217 hhds; Philadelphia, 622 boxes, Charleston, 49 hhds; New Orleans, 643 boxes. Stock on hand, 23,411 boxes, 5,652 hhds. Miscellaneous, few sales elayed at 5 1/2 rials per keg.

What sales since arrivals—1st, Eagle, New York, 100 tics lard at p. t.; 7th, Stars and Stripes Philadelphia, 76 blis potatoes at \$7; each, 30 boxes tobacco (brevay) at \$28, 25 blis corn beef at \$18; 10 boxes U. S. cheese at \$14; 76 blis onions at p. t.; 250 blis beans at \$24 per 100 lbs; 10th, Stars and Stripes 500 cans lard at p. t., Columbia, New York, 26 blis lard at p. t., 30 boxes tobacco (brevay) do, 10 tics lard at \$27; 30 do do at p. t.; 10 kegs butter (inferior) at \$27; 100 blis potatoes at p. t., 31 cans lard at \$25; 6 kegs butter at p. t., 29 kegs do at \$31, 25 casks clear pork at \$23; 11 tics lard at p. t., 15 tics lard at \$20; 25 blis lard at \$24; 11th, 100 tics lard at p. t., 100 tics lard do, 12th, John Crystal, New York, 500 sacks corn at p. t., 100 bales hay do; 14th, John Crystal, 15 boxes clear pork at \$18, Margaret, New York, 100 kegs lard p. t., Hendrick Hudson, Philadelphia, 1,000 blis potatoes p. t.

Freights—Moderate business for Europe, but no demand for United States Northern ports; the only charter we hear of is that of schooner Haristain, 3,200 boxes sugar at \$1 per box for New York.

Exchange—London to days sight, 17 to 18 premium; Paris do do 5 1/2 to 6 do, U. S., 22 to 23 discount; American gold at 6 premium.

STATEMENT OF IMPORTS AT LIVERPOOL

FROM 1st October, 1865, to the 3rd September, 1866, compared with the previous season.—

	WHEAT.	FLOUR.	IND CORN.
qrs.	bls.	cks.	qrs.
1865-66	120,431	87,302	583,107
Same time last season	109,143	132,898	268,681
	111,291	44,908	284,518
			264,329

The receipts of butter from 1st Oct., 1865, to 8th Sept., 1866, were 35 5/8 bbls against 180 6/8 bbls in the same period the previous season.

The receipts of cheese in the same time were 312,325 boxes against 489,551 boxes in the same period the previous season. And of lard 5,944 tons against 4,697 tons.

Quick Railway Travelling.

A feat of almost unrivalled travelling was recently accomplished on the Great Northern Railway. On the occasion of the late fire at Newcastle, when the safety of the high-level bridge was endangered, a telegram was sent to London, requiring the attendance of Mr. Harrison, the engineer of the North Eastern Railway Company, and that gentleman was conveyed by an engine belonging to the Great Northern Company from King's Cross to York a distance of 191 miles, in 3 hours 45 minutes, including a stoppage of 8 minutes at Newark for water and lubricating the engine. *Mechanics' Magazine*.

New York Wool Market.

The business for the last few days has fallen off somewhat, though with diminished receipts we notice no change in prices. The stock is large, and the inquiry has been mostly for the coarser wools. The manufacturers are inclined to wait for a decline in prices, of which there is very little prospect to the market at present. We notice sales of 245,000 lbs Sinto and Western fleece for the week, part at 85c for unwashed, 60c to 60c for low to fine grades, and 60c to 70c for X's Ohio and Pennsylvania; and 3-0,000 lbs Texas at 18c for damaged, and 22c to 23c for low to good grades.