
HARPER'S WEEKLY.

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THE PANIC IN WALL STREET.

WITHIN the past fortnight a panic has prevailed in Wall Street, and stocks of all descriptions have declined from 10 to 15 per cent. Such an event, occurring simultaneously with the most bountiful crops and the most remarkable development of material wealth this country has ever known, has naturally puzzled the public, and given rise to much surprise and conjecture.

On one side we hear that the panic was fictitious; that it was created by Democratic politicians, aided by influential Democratic presses, in the hope of preventing the State of New York from voting for Lincoln. In support of this view it is alleged that Mr. Cobb, the Secretary of the Treasury, Mr. Schell, the Collector of this port, and other leading politicians, appeared in Wall Street, and gave their personal assurance to the brokers that the Union could not survive Lincoln's election; that combinations were effected between politicians and stock-jobbers by which stocks were borrowed and sold for cash in unusual quantities, in order to depress prices; and that the "moral" of the panic, as deduced by its chief exponent, was that nothing but the success of the Fusion ticket could save the Union. This is one theory.

On another hand, it is stated that the panic really grew out of the fears aroused by the ferment in the Southern States. Though at New Orleans all is quiet, and every body seeks peace, throughout the States of Alabama, Mississippi, South Carolina, and Georgia, great excitement prevails; and if any reliance can be placed upon the assertions of the politicians and the newspapers of those States, the election of Lincoln will not be tolerated without a struggle. What form that struggle may take remains to be seen. We know that, immediately after the election of Lincoln, popular conventions will be summoned by the Governors of Alabama, Mississippi, and South Carolina, to consider whether the crisis requires action on the part of those States; and we have every reason to believe that very decided ground will be taken by South Carolina, at all events. What will be the upshot of the whole no one can tell. We are led to believe that the feeling in South Carolina—as in Georgia and Alabama—is growing less favorable to separate action, and that, in all probability, each State will wait for the others. But in the mean time there can be no question but, pending the discussion, uneasiness will pervade the country, and all the markets will be feverish.

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A number of minor sources of anxiety are already contributing to produce this result. It is impossible to reflect upon the new attitude of Governor Wise, of Virginia, without alarm. His well-known energy, his want of prudence, his popularity, and the popularity of his scheme for making Virginia the manufacturing centre of a Southern Confederacy, all impart great significance to his present hostility to submission, and to his antagonism with Governor Letcher. Again, the cotton receipts are falling off ominously. It is quite likely that this is due in part to accident and the usual causes. The receipts last year, with which those of the present time are compared, were unusually heavy; but still there is the fact; and coupled with the rumored determination of the planters to withhold their cotton in order to create trouble at the North, it must be admitted that it is disquieting. The action of the Southern banks, though strictly legitimate, has not been calculated to strengthen confidence. Business of a profitable character, growing out of the movements in cotton, has so pressed upon them that they have been declining long paper, or, in the words of the political journals, refusing all paper maturing after the election. This creates trouble at the South, and vague uneasiness at the North.

The theory of many persons is that these causes of distrust have been the sole source of the recent panic in Wall Street.

It is probable that there is some truth in both theories. The politicians could not have frightened people had there not been some cause for alarm; nor, on the other hand, would that alarm have been so quickly felt and so strongly expressed had it been left to find its own way to men's breasts.

The trade of this country is so largely dependent on the preservation of confidence, and each interest is so closely interwoven with every other, that the whole fabric is keenly sensitive to the least blow in any quarter. Those who doubt that it is in the power of a few Southern politicians to produce a crisis as destructive as that of 1857 display ignorance both of history and of the commerce of the country. Whether Southerners may choose to do so or not is another matter: that they have the power is beyond all question. The withholding of a few hundred thousand bales of cotton, and the cessation of purchases by Southern houses in Northern markets, would not, of themselves, be fatal to commerce, though they could not but cause mischief and loss. But the moral effect of these measures would probably create an alarm far greater than the late Wall Street panic, and possibly destructive of that confidence without which no mercantile business can be conducted for an hour. Nor is it safe to rely upon the self-interest of the South, or the conservative tendencies of its commercial classes; for histo-

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ry teaches that, in times of political excitement, the appeals of trade are invariably disregarded, and money interests driven to the wall. There probably never was a war that was not undertaken contrary to the wishes and in the teeth of the earnest protests of merchants: history contains no example of a popular excitement rising to boiling heat, and *then* listening to mercantile appeals for forbearance.

By the time these lines are read the election will be over, and we can not, therefore, be suspected of partisan purposes. We write in sober earnest, seeing the danger, and wishing that all good citizens, seeing it as we do, may act to the best of their ability to avert it while it is yet time.

