

## News of the Week.

## UNITED STATES.

**A GENERAL CRASH.**—The Banks of Providence, Philadelphia and Baltimore, Suspended Payments. — Since our last paper was issued, the monetary crisis which has been gathering for months, has come to an issue, and a revolution only surpassed by the crash of 1837, has been the consequence. Merchants and bankers in all parts of the country have succumbed to the storm, in company with manufactories and mills, and at last, the banks in several cities have suspended specie payments, thus completing the panic. The Boston and New York banks, we are glad to say, stand firm, and there is no prospect that they will give way, or that the panic will extend much further.

The excitement commenced with the suspension of specie payments by the Bank of Pennsylvania, in Philadelphia. This was the largest bank but one in Philadelphia, its capital being \$1,800,000. A run immediately commenced upon the other banks in that city, and they at once curtailed their operations to paying specie for \$5 and \$10 notes. The comments of the press of that city explain matters quite fully. We extract liberally. The *Press* of Saturday says:

The Presidents of several of the banks of this city have expressed a determination to do all in their power to bring about a general resumption of specie payments at an early day. We hope they may succeed. But whatever may be their general policy, we earnestly insist that immediate measures be taken to redeem, in specie, all their notes of small denominations—certainly all their five, and if possible, all their ten dollar bills.

The suspension ought not, under any circumstances, to extend to small notes, and there is no necessity that it should do so. Before the run upon the banks yesterday, the amount of specie in their vaults, was nearly, if not quite, equal to their circulation. The former was about \$3,500,000, and the latter about \$4,000,000. But yesterday nearly \$1,500,000 of specie was drawn from them, a large portion of which was received by depositors, who had about \$20,000,000 in the banks. The continuation of a drain upon them, of specie, by depositors, would speedily exhaust their resources.

But the policy of our existing banking laws discriminates between their obligation to redeem in specie their notes and the balances due to their depositors, and while there are in business circles, many men who regard the late movement of the banks, as a measure of relief, and who anticipate from it rather benefit than injury, there is no such feeling to console the great body of note holders, particularly those that have small notes of \$5 or \$10, which are the fruits of their hard labors, and who can ill afford to have them, even for a short time, discredited. Let such persons therefore, be protected.

We protest against the labouring men, the mechanics, the toiling masses who earn their bread by the sweat of their brows, thus being obliged to bear the brunt of existing difficulties.

The *Ledger's* monetary article affords the following information.

The effect of the stoppage by the Bank of Pennsylvania, spread like wildfire, and almost immediately a run was made on all the other banks, which was continued up to the hour of closing—3 o'clock. There had been a meeting in the morning, of the Presidents of all the banks in the city, the object of which was to unite on some general course of action, and to agree to stand by each other in that course. In this very important adjourned conference was unsuccessful, it having adjourned without coming to any conclusion, each officer returning to his bank to carry it through the day the best he could. The effect of the suspension of the Pennsylvania Bank, was sudden and fierce.—Lines of drawers were formed at the several bank counters, extending entirely across the banking room, and in some instances far into the street. At the commencement, all the banks paid all demands, principally in gold.—About 11 o'clock the Girard and the Commercial, ceased paying their deposits, but continued the redemption of their bills up to the hour of closing. All the other banks paid both their circulation and their deposits up to 3 o'clock.

The demand was principally on deposits, the circulation of no one of our banks being large. Indeed, it is quite small. One of the banks that we heard of, paid out about \$250,000 in coin; two others, about \$200,000 each; another \$80,000; and a fourth about \$60,000.—In all, about \$1,500,000 was paid out. The run seemed to be very equally distributed.—Last evening there was another meeting of Bank Presidents, at which, after a thorough consideration of the question to stop or to go on to day, it was decided unanimously to suspend, so that we are now reduced to an exclusively paper currency. It is greatly to be hoped that the suspension may be but temporary, and those controlling the banks are very sanguine that the moment the excitement occasioned by the recent heavy mercantile failures shall have lulled a little, the banks will be able to resume. Confidence, however, at present is so much shattered, that it is utterly useless to attempt it. The banks themselves, to some extent, partake of the general distrust, though we are glad to say that the officers of several of the country banks were in town, and freely offered every aid in their power to sustain the city banks in the run.

It was a remarkable and highly creditable feature of the extraordinary excitement yester-

day, that there was not the least expression of angry feeling. It is true, all seemed bent on getting coin for their bills and checks, but all expressed sympathy for the banks, and a wish for such a return of confidence as would enable them to go on.

The Bank of Pennsylvania is understood to be largely debtor to the other banks, but it should be remembered that it has a paid up capital of over one million eight hundred thousand dollars, and holds more than double that amount of bills receivable. The circulation is comparatively very small, and the deposits within the last two or three weeks have been drawn down very low—about three hundred thousand dollars having been paid out in coin since Monday. So that there seems no reason to doubt the very positive assertions of the Directors, that the bank will pay all its liabilities, principal and interest, in a very short time.—Holders of the bills, in view of this promise, should not become unnecessarily alarmed, and part with them at a sacrifice. The bank's officers feel very sanguine that the institution may soon be put in operation again, and that it will resume its place in public confidence—so all hope.

The unsettling of business with the banks kept up the same uneasy feeling that has prevailed for a week or more against the Saving Funds. Quite a run was made on the 'Six-penny Savings,' which promptly paid out to its last dollar, and it is said will continue to pay as fast as it can collect in all its assets. It is considered abundantly good for all its liabilities.—The State Savings, we understand, contemplate a similar course—the conversion of assets, and payment of depositors.

It is understood that application will be made to the Governor for the call of an extra session of the Legislature, with the view of affording relief to the banks, from the penalty of forfeiture of charter, imposed by the law of 1850.—Several of the banks, however, are not acting under the law of 1850, namely—the Pennsylvania Bank, the Farmers' and Mechanics' Bank, the Philadelphia Bank, and the Western Bank.

Several meetings of Presidents of the banks with the Governor of the State, resulted in his calling the Legislature together on the 6th inst. to consider the condition of the banks, and to devise some means to relieve them of their troubles.

The Philadelphia papers generally concur in the necessity for an extra session of the Legislature in the present crisis, but the *Press* opposes the measure on the ground that the present members were chosen without any reference to the present state of affairs, and manifested too much readiness at their last session to charter new banks. The *Press* would like to have the matter left to the Legislature to be chosen in October. The *Press* says that to all intents and purposes, suspension has taken place throughout the State. The Pennsylvania remarks:

The convening of the State Legislature to consider this special subject; the position of the Banks; the notorious defects of our banking system; the general and settled belief of the community that the trouble has in a large measure resulted from an undue expansion of our paper currency; the position of antagonism to business and trade interests in which some of the banks have placed themselves, and the manifest mal-administration of the affairs of several, will tend to open the whole question of our banking laws to thorough and radical reform, and we fear will occupy the attention of the Legislature and people to a much larger degree, and for a longer period than many anticipated.

It is a question of large and vital concern to the whole people and to the future prosperity of the State, and cannot be disposed of without the most careful and laborious inquiry.—It may be deemed necessary to change the system entirely—to place still more rigid and compulsory guards around all banks of issue, and to devise means to confine the business of our banking institutions to the legitimate requirements of trade as distinguished from speculation and shaving. Moreover, the question once opened, the propriety of bank issues of a less denomination than \$20 will claim earnest attention. The Bank of France issues no bills under 100 francs, (until lately, none under 500 francs,) and the Bank of England has none under five pounds sterling. Thus the real circulation among the people of those countries is gold and silver, and the quantities of these in active use at all times among the French and English largely exceed our own.

The *Baltimore American* says:

The immediate effect of the suspension this morning, was to brighten the aspect of commercial affairs and relieve the apprehensions so constantly prevailing for the past month. The price of money fell from 2 1-2 to 1 1-2 per cent., and an advance of prices occurred at the stock board. Among the merchants generally, the action of the banks was approved.

On Monday the Providence banks voted to suspend specie payments. A meeting of the representatives of the banks was held yesterday. William Sheldon, President of the Eagle Bank was elected Chairman, and Jabez C. Knight, President of the Roger Williams Bank, Secretary. Thirty-three of the thirty-nine banks were represented. The absentees were the Providence, Merchants' Bank of Commerce, Union, What Cheer, and Lime Rock. After some discussion, an informal ballot was taken, and resulted twenty-one for suspension, nine against suspension, one divided, and one not voting for want of instructions. A vote was then passed without a count; That this meeting recommend

the various banks in this city to suspend specie payment for the present.

The Providence Journal of Monday, has the following comments upon business matters in that city:

There never before were two such weeks as closed upon the business of Providence last Saturday. Money continues at unmitigated rates although the demand slackens under the impossibility of obtaining discounts. There is hardly any cotton in the market, and the manufacturers are working down their stocks, with no disposition to renew them under present circumstances. It is impossible longer to raise money to pay the labor, and a dreary winter is before us. Until the news from Philadelphia and Baltimore arrived, there was a hope that the survivors of this week would go on with an easier money market; but these suspensions cut off a third of the collections upon which our banks were relying to meet their own engagements, and to extend relief to their customers. Providence stands now a creditor city, but our collections on New York will not much more than balance the demands upon us from that city, and those further South, are cut off by the suspension. It is impossible to tell what the result will be, but it is plain that things cannot remain so much longer.

In one respect, the suspension of the banks in Philadelphia and Baltimore, will have a good effect. They will prevent any further failure of solvent houses, and will enable us to receive in a currency depreciated, yet available at its market value, the debts that otherwise would not be paid at all.

On Tuesday the New York banks adopted a measure which will have an immediate effect for the better. It was agreed to extend their rate of discount, three per cent., during the present week. This, in the aggregate, will amount to over three millions. The Presidents of the Boston banks held a meeting on Tuesday and agreed to discount liberally. This course of action made smiling faces on Change, and it was generally felt that the worst was over.

The Cincinnati Gazette, in commenting upon the crash in Philadelphia, says that the West is in a healthy and strong condition, and adds:

If it is possible that Western business men may be pressed into close quarters, in consequence of the general depression of confidence, which, after all, is the chief, and in one sense the only cause of the continuance of difficulties on the Eastern seaboard; but this will not be the result, if bankers and business men are governed by reason, and not by impulse. We have said that the prevailing storm in Philadelphia is the result of a want of confidence. It is clear that it cannot be attributed to insolvency, on the part of business men; for assets of all firms that have failed in that city are greatly in excess of liabilities.

It is estimated that the aggregate liabilities of the suspended Philadelphia houses are ten million, while the aggregate assets is not less than fifteen million. Want of confidence had pressed the banks, and the banks, in taking care of themselves, pressed their customers, and those who have heavy liabilities are being driven into suspension, regardless of their wealth. Of course, no merchant or bank, engaged in active business, can discharge all liabilities in a day or a week or a month, and when confidence is weakened or destroyed, those who relied upon credit to any extent, suffer. Let the same course be pursued throughout the country, that seems to have been adopted in Philadelphia, and a general suspension will follow. To prevent this, bankers and business men must act together, and take care of each other, until the storm subsides. A course of mutual forbearance and assistance will check the spreading storm, while selfishness will increase and extend the fury of the hurricane.—Let a wise policy be adopted in managing the affairs, and the scenes of 1837 will not be reproduced.

From English papers to the 27th September.

## EUROPE.

**SWEDEN AND NORWAY.**—Stockholm advices of the 17th inst. state that the Norwegian Storting accepted without opposition the proposal to nominate the Crown Prince of Sweden Regent during the King's illness. The Committee of the Swedish Parliament recommended the proposal to the Parliament, with a majority of eighteen votes against five.

**BELGIUM.**—The *Nouvelliste* of Ghent says that the civic guard has been told to be in readiness to take arms on hearing the *rappel*, either by night or day. This precaution has been taken in consequence of the combination of the workmen, which for some time past had created a feeling of uneasiness in the city. The garrison is confined to their barracks.

**ITALY.**—The *Gazette del Popolo* of Turin says:—The judicial inquiry into the affair of the 29th of June at Genoa is closed, and its results fill three enormous volumes. The number of prisoners under trial is 39, of whom about 20 are defaulters. Their case has been considerably aggravated by the discovery of five letters in Mazzini's handwriting, and by his allegations published in his organ, in which he most imprudently jeopardises those who believed in him, and who are now in the hands of justice.

## INDIA.

We have received the following narrative of events from the Government at Calcutta.

**AGRA.**—A letter from the Lieut. Governor, dated 30th of June, accompanying, gives the occurrences in the N. W. Provinces up to that date. Last news up to July 19—the fort is still

occupied, and tranquility has been restored in the city and cantonments. On the 5th July, 500 of the 3rd Regiment, with the European Horse Battery, moved out to attack the Meerut mutineers. Two ammunition waggons blew up, and want of ammunition compelled the troops to retire, which was done in an orderly manner. The result was the removal of the troops into the fort, where the European inhabitants had already been assembled. The Agra Government has been desired to open a communication daily with Delhi, as well as with Cawnpore. Lieutenant-Colonel Cotton was directed to take command of the troops, superseding Brigadier Polwhele.

**Allahabad.**—Supplies of all kinds collecting fast. Country tranquil, and order restored here as well as in the neighbourhood. An extensive entrenchment is being made, under the directions of Captain Yule, of the Engineers. The country have provided abundant supplies of all kinds, which are being stored for the troops expected.

**Azinghur.**—The mutiny of the 12th Irregular Cavalry at Segowlee, compelled the Azinghur party to abandon that place a second time.—The troops had previously had some engagements with insurgents and Mudha Persaud.—The detachment of the 12th Irregular Cavalry on duty at Azinghur, deserted on hearing of the mutiny of the head quarters of the corps, but did no injury to their officers. Five hundred Goorkhas have been ordered to this place but had not arrived.

**Barrackpore, (Fort William).**—Nothing remarkable. There was a considerable panic among the inhabitants of Calcutta at the time of the Bukeered, which however passed off quietly. The body guard have had their arms, &c., lodged in the arsenal. Two regiments of Madras N. I. have reached Calcutta, and are about to be dispatched, one to Dinapore by steam, the other up the Trunk road. One hundred European Infantry and a detachment of 120 Sikhs have been sent to Raneegunge.—The Sikhs have been taken from all the Native Regiments below Allahabad, and formed into a separate corps. At present only 120 have been brought together.

**Berhampore.**—The troops consisting of the 63rd Regiment, N. I., about 400 men of the 11th Irregular Cavalry, were disarmed without difficulty on the 2nd of August. The Nawab Nizam's troops and the townspeople were also disarmed quietly on the following day. The horses of the cavalry, as well as the arms, were taken away from them.

**Bhaugulpore.**—All quiet by last accounts. **Cawnpore** was re-occupied on the 17th. The Nena Sahib fled from Bihtoor, which was taken possession of by the troops, his palace and magazine blown up; 13 guns were taken and a number of animals. Brigadier General Havelock's force effected the passage of the river by the 28th, having met with great difficulty on account of the want of boats. Brigadier General Neill was left in command at Cawnpore, with a small force of 300 Europeans and some guns, and he had re-established the British authority in the city and the bazaar, and the neighbourhood was tranquil. Gen. Havelock marched on the morning of the 29th, met the enemy at Onao, defeated them and took three guns. After resting, he proceeded on, when the enemy advanced to meet him; an action took place which resulted in the total defeat of the enemy with the loss of twelve more guns. Brigadier General Havelock proceeded on to Busheergunge, where he again met with opposition, but he took the place, driving out the enemy, and took four more guns, in all 19 guns.

**Delhi.**—A message from Agra, of the 19th July mentions that the troops had remained merely on the defensive up to the 14th. The mutineers attacked every third or fourth day, and are invariably repulsed with loss. Our force consists of about 6,000 troops of all kinds, exclusive of sick and wounded. Up to the 14th there had been 159 killed, 583 were sick, and 352 were wounded.

**Dinapore.**—The three native regiments, the 7th, 8th and 40th, deserted bodily on the afternoon of the 25th, taking with them their arms. The percussion caps in store had been removed in the morning, and the demand to deliver over the caps in pouch, was the immediate cause of the mutiny. An attempt was made to follow the mutineers, but without success. Nothing was done for some days, when a detachment, consisting of two companies of the 10th Foot, two companies of the 22nd Foot, and 50 Sikhs, were sent under Captain Dunbar, of the 10th, to drive the mutineers out of Arrah, to which place they had proceeded, and were besieging the civil officers and European residents. The party landed at night from the steamer, and proceeded towards Arrah. In the darkness they were led into an ambuscade, were attacked by the mutineers, and driven back with the loss of nearly half the party.—The remnant had returned to Dinapore. Major General Lloyd has been removed from his command for his culpable neglect, and the Commander-in-Chief has been requested to institute the usual preliminary inquiry preparatory to a trial by court-martial. No further attempts made to relieve Arrah from Dinapore, but Major Eyre, of the Artillery, had proceeded from Buxar, with three guns and 150 of the 5th Fusiliers, and is understood to have reached Arrah on the 3rd. This mutiny of the Dinapore has rendered the trunk road unsafe, and has put a stop to the telegraphic communication with Benares. The mail carts, however, continue to run regularly. Troops are now being sent along the trunk road to occupy it.

**Lucknow.**—The column under Brigadier-General Havelock, which had advanced to the