The Press.

TUESDAY, SEPTEMBER 29, 1857.

In the name and by the authority of the Commonwealth of Pennsylvania, I, JAMES POLLOCK, *Governor of the said Commonwealth*:

A PROCLAMATION!

{SEAL.} *Whereas*, a serious financial revulsion has recently occurred, resulting in the suspension of specie payments by the Banks of this and other States of the Union, and the failure of many long-established commercial houses, leading to the destruction of confidence, and to the general embarrassment and depression of trade, and threatening to affect disastrously the credit of the Commonwealth, and the great industrial interests of the people:

And whereas, an occasion so extraordinary requires prompt and efficient action to relieve an alarmed and suffering community:

Therefore, I, James Pollock, Governor of the Commonwealth of Pennsylvania, by virtue of the powers conferred on me by the Constitution, do hereby convene the General Assembly of this Commonwealth, and require the members of the Senate and House of Representatives to meet in their respective houses in the capital at Harrisburg, on Tuesday, the 6th day of October, A. D. 1857, at twelve o'clock at noon of that day, then and there to take into consideration, and adopt such measures of relief in the premises as the present exigency may seem to them in their wisdom to demand.

In testimony whereof, I have hereunto set my hand, and caused the great seal of the Commonwealth to be affixed, at Harrisburg, this 28th day of September, in the year of our Lord 1857, and of the independence of the United States the eighty-second.

By the Governor: ANDREW G. CURTIN,
Secretary of the Commonwealth.

FIRST PAGE.—Editorial, correspondence, general news, and miscellaneous.

FOURTH PAGE.—Poetry, and "John of Lancaster."

MOVEMENTS OF THE PRESIDENT.

Mr. BUCHANAN left Wheatland last evening, *en route* for Washington. He passed the night at York, will leave early this morning, and will reach Washington about 11 o'clock to-day.

The President has had a quiet visit to his home, which he has much enjoyed. He is in perfect health and fine spirits, and met his old friends and neighbors in his cordial and hospitable style. On Sunday he occupied his pew in the first Presbyterian Church, which he has held for so many years.

THE CRISIS.

It seems to be generally conceded that this is the time and now is the opportunity to apply a remedy to our banking system. The evils we suffer spring not so much from the banks as from the unsound principles of banking on which they rest. New guarantees, restraints of no ordinary character, and remedies that shall not be an empty sound and a delusive hope, are imperatively demanded. It is idle for us, as journalists, to mark out a line of action for the Legislature to pursue. But we can, nevertheless, advocate the policy which our own past experience, the example and experience of sister States, and the wants and condition of the public at the present moment, indicate as sound and expedient.

The considerations suggested by the present exigency of affairs relate to—1st, a clearing house system; 2d, a sworn statement weekly (not yearly, as we now have it) of the means and liabilities of the banks; 3d, a law to regulate the proportion of specie to the amount, not of mere circulation, but of the entire liabilities of the banks; 4th, an increased specie circulation, by abolishing all notes under a certain denomination; and, 5th, in due time, a more radical change in the whole system of banking than these few heads comprehend. These reforms would go far, but we fear not far enough, to prevent a recurrence of a monetary crisis like that which now exists. It would make public the information necessary for our safety, and required, too, by the laws of trade for its own success and stability. At present the actual condition of our banks is a secret, confined to themselves with quite as much watchfulness as they now keep from their note-holders and depositors the specie that is locked up in their vaults.

Indeed, recent events have shown that our banks have no knowledge of the situation of each other, and that they get no information on the subject until it becomes necessary for them to intervene to sustain those whose mismanagement, to use the mildest phrase, has compelled an appeal to them for support. These are evils of no ordinary magnitude, and the self-reproach with which we contemplate them should be the inducement to eradicate the causes by which they have been produced. We are most anxious, indeed, to go farther, and we ask ourselves, by what means shall note-holders be protected, and how shall discounts be regulated?

Shall we, to a certain extent at least, require that State stocks shall be deposited as a security for the payment in specie of the notes issued by the banks, or shall we abolish all notes under the denomination of twenty dollars? These are questions which ought to be settled. But whether the evil of an immediate reform of this kind be not greater than a temporary tolerance of the present issues, is a consideration that must give us pause. However this may be, our people are unanimous in favor of some law to regulate the line of discounts to be allowed to the customers of a bank. It can no longer be borne that one man, whether from favor or for profit, shall be allowed to draw from a bank one hundred and fifty thousand dollars of loans, while the merchant, the manufacturer, the farmer, and the artisan is restricted to the smallest amount of credit. The undue amount of accommodation given to the one is just so much taken from the wants of the others. If a speculator, for instance, can, by the aid of a bank, monopolise a single branch of trade, whom does he injure while he is enriching himself? He injures the consumer (and among consumers the laboring man feels it the hardest and the sonest) by increasing the price of the article. He injures also, and perhaps drives out of business, that other merchant of more limited capital, who, for the want of a portion of the very accommodation that has been granted to the large operator, has been wholly unable to enter the market as a purchaser. These facts, which we use as illustrations to our subject, cannot be gainsayed. That the practice is wrong cannot be denied, and that the evil must be remedied is not the sentiment of a few who are complaining from a sense of disappointment and injury, but the demand of the entire public. The very stockholders themselves should require it, else they may find too soon that their stock will become worthless in their hands.

At present the circulation of a bank is allowed to be three times the amount of the bullion in its vaults. But this is not sufficient. It is no security to the depositors, and it permits too great an expansion on too small a specie basis. It is so obviously inadequate for the redemption of the notes of a bank, that our special wonder is that such a principle was ever tolerated. This particular theme is fruitful of ideas, from which great profit might be derived.

We will not attempt now to elaborate this subject, but we are inclined to think that so long as we are obliged to have banks, the rule should be one-third or one-fourth of specie to the amount of liabilities, whether they be for notes in circulation, deposits on hand, or otherwise. This limitation would always afford security to the note-holders; and they being secure, there could be no "runs" on banks, and therefore no suspensions, while depositors would not take alarm so long as the note-holders remained satisfied.

THE PENNSYLVANIA STATE AGRICULTURAL SOCIETY.

This is the first day of the seventh annual exhibition of the Pennsylvania State Agricultural Exhibition. The society has secured the ample grounds at Powelton, West Philadelphia, and we are assured that every arrangement has been made for the accommodation of visitors, and for the display of the various evidences of agricultural, mechanical, and manufacturing skill. The exhibition will last from to-day, the 29th of September, until Friday, the 2d of October. The weather is so genial and healthy, and the city so crowded with attractions, and the preparations so ample, that we have no doubt large crowds will be present.

A GOOD SUGGESTION.

[For The Press.]

It is said that the Governor has issued a proclamation for an extra session of the Legislature. If this is so, it may induce hasty and injudicious legislation, as their session must close on the 12th of October. There are rumors afloat that the object of this extraordinary session is to legalize the suspension of specie payments by the banks, and thus relieve them from the forfeiture of their charters. I do not propose to discuss this question, but I suggest that if such a law is passed the following provision should be made: "Provided, *that the banks that have suspended payments for their notes on their deposits, shall redeem in gold or silver, their notes below the denomination of twenty dollars; and shall not hereafter issue any notes of a less denomination than twenty dollars.*"

A FRIEND OF THE PEOPLE.

THE NEWSPAPERS AND THE PRESSURE.

It is instructive to observe the various opinions expressed by papers of differing politics in regard to the panic. The general sentiment, even among the most conservative, is that drastic restrictions and thorough reforms are inevitable; and it is a notable fact, as will be seen by the subjoined extracts, that some of the journals, which may be supposed by tradition and inclination committed to paper money, are now looking to other remedies. It is self-evident that the entire system of currency, founded on credit and debt, is in what may be termed a transition state. What will be the result we do not pretend to prophecy. The immediate consideration is the relief of the community—the protection of thousands who hold the notes of banks, and are dependent on their daily toil. Even in providing for them, however, mere expedients will not be tolerated. The public mind is looking beyond the present, into the future, and no remedy will be acceptable that is not based upon sound business principles. The fact that New York, though compelled to do it by State law, steadily maintained, during yesterday, the payment of specie on her notes, somewhat increases this feeling in our midst. The charge that it is the practice of Philadelphia to run into suspension on the first approach of a panic, however unjust it may be, has awakened the chivalry of our people, and makes them eager to be worthy of themselves.

We are the metropolis of a State with mineral resources which should alone protect us from such a calamity. But, without further comment, we give the various and contradictory views of the Philadelphia and New York papers:

[From the North American of yesterday.]

We are authorized to announce that Governor Pollock has determined to convene an extra session of the Legislature on the 6th of October, in response to a general sense of its necessity, arising from the suspension of specie payments by the banks and the pervading derangement in business affairs. Under the peculiar stringency of the banking laws of this State, even the partial suspension which has occurred is attended by penalties and by consequences which, unless promptly relieved by the power from whence the charters are derived, would spread distress and ruin, not only through this community, but through the whole State. From the nature of our system of credit, the interest of the banking institutions are so intimately interwoven that, at a time like this, they could not be rudely separated without inflicting permanent injury and increasing the effects of a disaster which, with prudence and sagacity, may be stayed so as to be but temporary. In view of the existing condition of things, there was no other resort but that which, after some reflection and a frank interchange of opinion with men of all parties, has been adopted as the wisest and best, and it cannot fail to command the most intelligent approbation everywhere.

So long as the banks continued to redeem their circulation, as they have done notwithstanding the suspension, it was obvious that the notes they called in would not be re-issued, and consequently that the community would be subjected to an invasion of inferior currency from other States, for the ordinary wants of daily life; thus not only depriving our own banks of their legitimate business, but introducing the bills of foreign banks, without any guarantee of their solvency whatever, and with which the people at large have no familiarity. The practical effect of such a policy would be a complete suspension of all large transactions, and a virtual liquidation of our banking institutions, besides imposing upon the laboring classes, who are least able to bear the burden, serious losses for discount upon a depreciated currency. The calamity which has visited us is undoubtedly serious, but it bears no comparison to that which was witnessed twenty years ago, and which was occasioned mainly by an inflated currency without any actual basis. There is not only no good reason why we should succumb to the shock, but there is in fact every reason why, after estimating our true position and resources, and the substantial products of the whole country, we should at once recover from it with renewed reliance and energy.

The first step, then, is to re-establish that confidence and credit which have been prostrated for a time, under the paralyzing effects of a monetary pressure extending through all the commercial cities. This cannot be done while the banks are compelled, in self-defence, to contract their circulation and to refuse discounts. Relief is impossible, so long as banks hold their present relations to the community, until they are protected against legal penalties in the effort to afford it. Hence, we repeat, it was proper to call the Legislature, and there is but one voice in the judgment, that whatever liabilities may have been incurred by this suspension should be immediately released. The proposed relief is not for the banks as corporations, but for the people at large who adopt banks as the depositories of their money, and who use bank notes in the transactions of trade. It is therefore distinctly for the benefit of the community that this measure has been suggested, and we hope it will be accepted in that spirit only. In this crisis the banks necessarily occupy a delicate and responsible position, one which may be attended with great advantage or injury, as its influence shall be exerted. We suppose it to be true that here, as elsewhere, these institutions, just like the merchants, are in a greater or less degree affected by the stringency, and that some have been fortunate enough to prepare for the storm more efficiently than others. While this is so, we all know that no banks in the Union are ready to answer a concerted demand for specie, by both bill-holders and depositors, just as no set of individuals are equal to any such exaction in a scale of millions. They have done what we have all done, and exceeded their immediate means. It does not become us or others to lay the charge to one bank or another, in this city, or New York, or elsewhere. While they were declaring good dividends, stockholders were satisfied, without inquiring the sources of per centage. They were hurried on by the same current that swept over the whole country, and are no more answerable than the millions of men in the North and South, East and West, who contrived their fortunes upon the swift surface. Under such circumstances, it is our interest, as it is our duty, to give and receive that confidence which will revive despending hearts and circulate fresh blood through all the arteries and veins of trade.

[From the Philadelphia Inquirer.]

The necessity of unanimity among the banks is so apparent, that it would seem supererogatory to urge such a course. They should act together in one spirit. The impression prevails outside that heretofore there has been less harmony than is indispensable under the circumstances. We are disposed to stand by these institutions, because we feel that they are to a certain extent interwoven with the common welfare and the general prosperity. But in order to deserve and receive the sympathies of the people at the present juncture, they must avoid disagreeing among themselves, and sacrifice all merely personal considerations for the public good. We trust that such a day as Saturday last will never occur again. The suspension was intended as a measure of relief, but no relief was afforded, and it only made the confusion and disorder worse. We are aware of the responsibility imposed upon some of our banks by existing laws. But the officers should be prepared for foul weather as well as fair, and remember the condition of many of their customers. Again we urge unanimity of action, and a more liberal policy generally. Considering the many difficulties that were labored under at the close of the week, all classes—and employers as well as the employed—conducted themselves with commendable patience and propriety. They were perfectly willing to submit to the inconveniences of suspension, but they were not prepared for the added disadvantages of the non-receipt of even bank notes. Let us hope that this trouble will be corrected immediately.

[From the Philadelphia Morning Times.]

THE SUSPENSION OF THE BANKS.—It is stated in one of our Sunday contemporaries that the Governor designs to call an extra session of the Legislature, for the purpose of legalizing the suspension of the banks throughout the State. Our own private advices are to the same effect. This call will, however, depend upon the advice of the Attorney General. There seems to be a general desire prevailing, both in banking and business circles, that some remedial measure shall be adopted, and quickly too, relative to the financial distress now prevalent throughout the State. It seems to be generally conceded that if a law was passed by the Legislature authorising the banks for a short time to pay their own notes at their counters, instead of compelling them to pay gold and silver, there would be instantaneous relief felt in every circle. If this idea be founded on correct principles, then the Governor should at once issue his proclamation, and the Legislature should convene under his call, and pass such a law as that suggested.

Another reformation which must be introduced into our system of banking, is the clearing-house system now prevailing in New York. The constant publication of its proceedings enlightens the public as to the actual condition of the banks. This, taken in connection with the publication of weekly statements of the condition of loans, deposits, circulation, and specie, keeps the community informed regularly of all that is transpiring. The community can then see when expansion or contraction is going on, and govern their action accordingly.

In this State our banks only afford statements once a year. They are obliged to furnish them to the Auditor-General, and he in turn gives them to the Legislature. Through this medium they find their way to the public. Such publication is evidently inadequate. The New York system is far more preferable.

But we would have another evil remedied—an evil which has prevailed to an alarming extent in this city, and we presume over all the Commonwealth. We refer to the practice of our banks in discounting to *brokers* or *professional money-shavers*, whatever form they assume or under whatever name known. It has been one of the great causes of our present financial troubles. It has engendered a more intensely bitter feeling toward those banks which have practised it than any other one cause.

We have now a law which forfeits the charter of any bank which, operating through this class of men, sends its paper into the street, and shares in the usurious interest thus obtained. But we desire to prevent the loan of money, by way of discount, to any broker by any bank, even where it is an innocent party to the Shylock tariffs which usurers exact. They should, in every such case, be subject to a heavy forfeiture or penalty.

Banks are created to assist the community in its legitimate business wants. They are not chartered to afford facilities for usurers to fleece a community, by watching its necessities and taking advantage of them. We do not intend to be understood as saying that all our banks have favored loans to brokers. Upon the contrary, we believe that most of them have done a legitimate business. Those who have not will reap a rich reward for their treachery to the business community.

[From the Public Ledger.]

It is much to be regretted that a better understanding has not existed among the banks of this city, so that there might have been concert in action. On Friday evening, at the adjournment of the conference of bank presidents, it was understood that there would be a total suspension of the payment of specie the next morning. But what was the action of the banks when Saturday came? Some of them opened with empty counters, not a coin to be seen, and paying nothing; others paying their five-dollar bills, and the Bank of North America, Mechanics' Bank, and Tradesmen's Bank paying all of their circulation offered; the payment of deposits being refused by all: in the face of this want of unity the excitement of the previous day was revived, and a general and very spirited run was kept up on all the banks the greater part of the day. There was another meeting of bank presidents on Saturday evening, but we do not know that any fixed course of action was agreed upon. The redemption of the circulation by the banks is pretty conclusive evidence that they do not mean to pay it out again; and as the law requires them to discount only on their own bills, it would seem to be settled that the suspension can bring no increased accommodations to the business public. They cannot discount, but will probably agree to mark "good" checks on their deposits, which will be received by the other banks in payment of notes due them. Marked checks in a short time must be the only species of currency emanating from the city banks, and as these will gradually lessen as they are used in the liquidation of loans, the stringency in the money market will increase. It was a fallacious hope on the part of those merchants who urged a suspension of the banks, with the idea that it would afford relief to the money market. Independent of the stab which the act inflicts on general credit, as a financial movement its effect will be the very opposite of that hoped for. Notes falling due may be extended on the payment of a per centage by marked checks, but this will give no tone or energy to business, and trade must continue to flag so long as suspension is maintained. In business, as well as in morals, Philadelphia, until resuspension, will occupy but a secondary position to any point or city the trade of which is based on coin.

[From the New York Herald.]

Many of the banks in Pennsylvania, Maryland, and elsewhere have been compelled to bow to the storm and to suspend specie payments. This was no more than was to be expected from the character of those institutions. No banks conducted on really sound and correct principles will find themselves reduced to this necessity. The banks in Philadelphia have not, as a general thing, suspended specie payments, nor are they likely to do so. The old Pennsylvania Bank was compelled to resort to this step, because it was staggering under the burden of former difficulties—some of them created as far back as twenty years ago—during its connection with the United States Bank. The attempt to induce the Governor of Pennsylvania to call an extra session of the Legislature to relieve the delinquent banks from the penalty of the forfeiture of their charters, will fail, because the directors of those institutions cannot agree amongst themselves as to its necessity. There is, no doubt, origin, to some of the part of a few rotten concerns, which seek to bolster themselves up by a proceeding wearing the appearance of a measure of general safety. Why should the Legislature be called upon to grant this relief? It was precisely to provide against such an emergency as that in which the banks now find themselves that the law was passed which it is sought to repeal. The fact that there are banks now seeking to get rid of it is proof that in Philadelphia, as elsewhere, the banking system requires a periodical weeding out of its rotten and worthless members. Let all such concerns go by the board, we say; their existence is only a source of danger and embarrassment to the community.

The position occupied by the New York banks in this crisis is an instructive example to other States. Here, notwithstanding the severe character of the pressure on the mercantile community, there is nothing like the panic which prevails in Philadelphia, Baltimore, and elsewhere. The reason of this is, that we have our banks to be sound, and that we feel that there is no danger of their being driven to the necessity of suspending specie payments. The bill-holders being secured by statutory provision, and the weekly condition of these institutions being within the cognizance of the latitude is left to mismanagement or dishonesty, to produce the distress and consternation which are resulting from the suspension of the banks in Pennsylvania and Maryland. If we can derive benefit be derived from the storm which is now purifying the financial and commercial atmosphere than that of demonstrating the superiority of the system on which the New York banks are conducted, we would hold it cheaply purchased by even a greater extent of suffering than that through which the mercantile community is passing. It constitutes an element of safety for the future in the necessity that will be felt for its more general adoption.

[From the New York Tribune.]

The Governor of Pennsylvania is urged to call an extra session of the State Legislature to legalize (in effect) the suspension of specie payments by the banks, and there is great reason to fear that the pressure upon him from all sides will prove successful. If it does, we shall regret it, and we think the Governor will live to regret it. In saying this, we express no judgment on the sufficiency of the causes which have induced the deplorable condition which the Legislature is to be called to remedy. We freely admit that a suspension of specie payments may sometimes be inevitable, and that the necessity may plead its own justification. We cherish no fanatical devotion to specie, and realize that banks which do not and cannot pay it may nevertheless be, in a certain sense, solvent, and that their operations may benefit the community. We do not regard convertibility into specie as essential to the utility and soundness of a currency, provided it be convertible into *something* which has a definite and indubitable value. If a ten-dollar bill would unfailingly buy as much food, fuel, clothing and other material goods, as ten dollars in specie, or even as nine dollars and ninety cents in coin, we could endure it, and perceive some compensating advantages resulting from a dispensation with the usual requirement of convertibility on demand. The obvious mischief and peril of a state of legalized suspension is that you cannot tell where it is to end nor when the bottom is reached. In our State, save in the case of half a dozen chartered institutions which this squall will nearly finish, the public know that there is security for the banks' bonds in specie, and strong box if not in their own vaults. In Pennsylvania and most other States convertibility into specie is about the only touchstone of value. If a bank's plain promise to pay ten dollars in specie to one of its notes does not mean what it says, it is very hard to say what it does mean. It may mean nine dollars in specie to-day; but who can say what it will mean to-morrow? And what practical check will sound and good banks have on the other sort under a *legalized* suspension?

We trust, therefore, that no extra session of the expiring Legislature will be called, but that the whole matter will be remitted to the new Legislature, to be chosen a fortnight hence. The new Legislature be called together in advance of its usual time, if necessary, and let it enact that all the banks which shall truly and fully resume specie payment on or before the 1st day of November, and none others, shall be exempted from the penalties they may have incurred by suspension. Such an act, we think, would have a salutary effect; but if it legalizes the suspension, and thus, in effecting it, would do incalculable mischief. At all events, leave the matter to those whom the people, in full view of the facts, are about to choose as their legislators. No snap judgment.

Since the above was written, we are advised by telegraph that Gov. Pollock has yielded to the pressure and decided to convene the old Legislature. It does not, of course, mean follow, however, that he will recommend a perpetual indulgence for the suspended banks, nor that the Legislature would grant it if he did. Let whatever is done look to and stimulate speedy resumption, and not favor indefinite suspension.

THE CLASSES THAT DEMAND PROTECTION.

If it were possible to separate the banks from those who hold their bills and who have deposited with them their means, candor constrains us to say there would not be in this community the slightest sympathy for these institutions. They would be suffered to go into liquidation by acclamation; and why is this so? It is simply because, for years past, almost every bank has been used, more or less, for the benefit of a few, or for the benefit of itself. When money was required by the trading community—by the merchant, the mechanic, the manufacturer, and business men generally—in times of scarcity or pressure it was not forthcoming, but when money, or the representative of money, was plenty and cheap, these institutions were only too glad to obtain customers who would use it. These are facts which will enter largely into the consideration of the bank question within a short time, and when the new Legislature assembles. But because they are facts, let us not, in our just indignation at the retrospect, *forget the honest debtors and creditors of these institutions.* These classes must be protected. For all practical purposes, as we stated yesterday, the banks of Philadelphia and Pennsylvania have suspended, and their charters are forfeit. There is not a citizen in this community who does not hold in his hand the charter of every one of the banks of this city, provided he chooses to take the steps necessary to enforce the law. These things show that the banks are in a great measure protected from the resentment of a disenchanted people by reason that hundreds and thousands of men are involved in their operations.

Our duty, however, at the present, is to abate the sufferings that afflict the whole community. It is for the banks and those whom they expect to control at Harrisburg—it is for Governor POLLOCK and those whom he professes to lead and represent—to say whether their "*relief*" measures shall meet the satisfaction of our citizens or not. Let the legislators remember that outside of themselves and the banks, there is an immense body of men who will decide on their doings upon their sheer merits, and who will be most certain to condemn any legislation if it should be dictated in a spirit of indulgence to defaulting corporations.

☞ *The Pennsylvania Inquirer* appeared yesterday in a suit of beautiful new type—another evidence of the deserved prosperity of a paper which has sought and found independence and success by fairness to opponents and fidelity to friends.

PUBLIC AMUSEMENTS.

At the National Theatre, last night, Mr. Murdoch made his first appearance in this, his native city, since his return from Europe, where he achieved a remarkable and deserved success. Farquhar's comedy of "The Inconstant," properly and nicely cut down to a three act piece, was played, with Mr. Murdoch as *Young Mirabel*. The greeting lasted at least five minutes, and the play was admirably performed. The best scenes were in the last act, where, beset by *Lamorce* and the ruffians, *Mirabel* has such a difficult card to play, and the conclusion, where, with hysterical joy, and real repentance, he admits his errors, and surrenders at discretion to *Oriana*.

Mark Smith was a capital *Old Mirabel*. At the fall of the curtain, Mr. Murdoch obeyed a general call, appeared, and addressed the audience warmly acknowledging his sense of their kindness, and expressing his satisfaction at the continuance of their regard and favor. He performs *Hamlet* this evening. A very peculiar and pleasant farce, by Mr. H. Watkins, stage manager here, was the afterpiece. The author-actor kept the audience in a roar, all through, as a victim to dyspepsia, trying various doctors, and perpetually changing them. In this character alone, Mr. Watkins would have established a reputation in eccentric comedy.

PROSPERITY AND PANIC—No. 6.

NEW YORK, Sept. 28, 1857.

The difficulties in Pennsylvania, Baltimore, and other places south, served to augment the scarcity of money in New York by renewing the fears of lenders. The pressure, however, is less, because effective demand is less. It is to be borne in mind that the banking institutions are no longer the sole source for the supply of money either in New York or other cities. A large private banking business has of late years grown up which has an important influence upon money affairs. The amount of capital so employed has been approximated in a return of the Treasury department. The figures are as follows, compared with the corporate banking capital:

BANKING CAPITAL.

	Corporated.	Private.	Total.
Baltimore....	$11,202,666	$5,600,000	$16,802,666
Philadelphia..	14,843,600	25,000,000	39,843,600
Boston.....	31,902,000	20,000,100	52,028,100
New York.....	62,859,135	41,500,000	104,359,135

The private bank capital for the whole Union is given at $118,000,000, and the corporate at $343,874,272, that is to say, the private capital is one-fourth the whole. It is also the case that in ordinary times of confidence, a great deal of money is loaned from one mercantile house to another. This amounts to considerable sums which are not embraced in the enumeration of banking capital, but which actually compete with it. There is also a great deal of money employed by retired merchants and other capitalists in buying business paper of that class which does not go in bank. That is to say, all notes over 60 days, and this capital is embraced under neither of the other heads.

It is obvious that this system of private banking which has become important only of late years, is as powerfully affected by panic as is the corporate capital. Hence, when under the influence of the present alarm, the corporations refused to lend all private sources dried up also. While $13,000,000 has actually been paid into the banks, the ordinary sources of supply have failed. The fact that in this state of affairs very few important failures have taken place, ought to be the most convincing evidence of the entire soundness of general business, and the baselessness of the alarm which has done so much mischief. At the date of the old bank suspension in May, 1837, and which occurred almost simultaneously in all parts of the Union, the difficulty was, that the banks could not curtail—that is, they could not get the debts due them paid. In January, 1837, the bank loans of New York State were, at the highest point, $79,313,188. With the utmost effort to get their means, they failed in May, with a discount loan of $74,057,000. They had in four months been unable to get more than $5,000,000 paid, and their specie in the same time fell from $8,500,000 to $3,000,000. The merchants who owed the banks at that time had sold their goods all over the country to people who had produced nothing in return. Land owners in Michigan were eating Russian wheat. If we contrast this with the present state of affairs we cannot find that the banks have called in $12,000,000 in four weeks, and their specie rose from nine and a half to fourteen millions in the same time. From the 1st of January, 1837, to May 1, 1838, when the New York banks resumed payments, they made the most strenuous efforts to get their discounts paid, and it may be ascertained from the monthly movement:

NEW YORK BANK LOANS DURING SUSPENSION.

Jan. 1837.....	$39,605,434	Dec. 1837.....	$39,324,276
June "	38,434,214	Jan. 1838.....	31,236,101
July "	37,746,833	"	31,137,832
Aug. "	36,988,076	March "	30,194,962
Sept. "	35,308,245	April "	30,720,663
Oct. "	33,729,576	May "	28,220,648
Nov. "	31,077,509		

Thus, the utmost efforts of four months, to May 1837, only reduced the loans one and a quarter millions. Under these circumstances a convention of all the city banks presided over by Mr. A. Gallatin, described the causes of the suspension as follows:

The simultaneous withdrawing of the large public deposits, and of excessive foreign credits, combined with the great and unexpected fall in the price of the principal articles of export, with an *import* of corn and breadstuffs, such as had never before occurred, and with the consequent inability of the country, particularly the southwestern States, to make the usual and expected remittances, did, at one and the same time, fall principally and necessarily on the greatest commercial emporium of the Union.

It is useful to recur to these circumstances only to contrast them with the present immense strength of the commercial community. The public deposits referred to in 1837, were $8,000,000, due for articles which were demanded and paid. The Government is now daily furnishing the banks with gold instead of drawing it. The great strength of the New York banks, and the activity of their loans, must be ascribed to a considerable extent to the system of clearings, which has operated since 1853, and in Boston during the last two years. The first operation of the system went very hard with the weak banks, but compelled them so to employ their funds that they could always meet the balance against them at the clearing house, which has operated in connection with the Sub-Treasury system as a regulator far more effective than did ever the late National Bank.

The clearing house has compelled each bank so to proportion its movement as to avoid a debtor account which would require specie, while the Sub-Treasury has contracted the general movement by requiring specie from the large banks in proportion to the increase of imports. Under this double action, the banks have kept their assets so active as to have them entirely within their control. A more stopping of discounts for sixty days would give them their whole assets. At Boston a similar system has prevailed; but in Philadelphia and Baltimore it has been strenuously resisted, and the results are seen in the inability of the banks to meet a pressure which those of New York sustained with ease. The assets of the New York banks are based upon the indebtedness of the interior, which pays up reasonably well, and the banks being now strong, are in a position to carry over the heavy payments of October, and the lapse of time places all at ease. The general position of New York to other cities is the same as a large city bank relatively to the other city banks at the clearing house. Having curtailed vigorously, it has become the creditor, and those cities which have not gauged their bank credits by the same rule of prompt settlement, encounter disaster. The safety of Boston is, that she followed promptly the New York example, and the lesson will probably be fruitful elsewhere.

No. 7.

There is a class of reasoners who are determined that there shall be a very large adverse foreign trade to account for the present panic. They urge the existence of the panic as a proof of the imports, and when it is shown, from official figures, that there has been no excess of imports, it is replied then, "the existing pressure is all a delusion." We showed, recently, that in the three years ending with 1837, the excess of imports, including specie, was $113,000,000, or thirty per cent.; and that in the last three years the excess of exports has been three per cent. To this it is objected that a part of those exports has been specie, the product of the mining labor of 200,000 Californians, and, *therefore*, we *owe* the balance in our favor. This is a system of reasoning a little strange. Because we have paid our debts in specie, therefore we are heavily in debt! Let us review those figures. The import and export of specie for the three years ending with 1837, with the production of the United States mines was as follows:

	Import.	Export.	Production.	U. S.
1835.....	$13,510,447	$9,477,775	$635,500	
1836.....	13,400,891	4,324,336	467,000	
1837.....	10,510,414	5,976,249	283,000	
	37,048,742	19,776,350	1,447,500	

The specie movement for the three years ending 1857 is as follows:

	Import.	Export.	Production.	U. S.
1855.....	$3,090,312	$60,241,313	$10,100,100	
1856.....	3,297,652	45,745,485	47,878,441	
1857.....	12,461,792	69,136,022	46,101,000	
	20,329,243	171,129,760	143,079,541	

This is the actual production of gold only in the United States mines. Thus, for 1856, California produced $47,500,411; Oregon, $40,750, and the Atlantic States, $328,280. Now, if there is any reason why that production of the gold mines should not go abroad, as well as any other surplus commodity, it does not appear on the surface.

The nature of gold exported in the last three years was as follows:

	Coin.	Bullion.	Total Domestic.	Foreign Coin.
1855...	$10,842,423	$34,114,995	$53,913,418	$2,290,125
1856...	15,408,337	25,080,940	44,148,279	1,599,206
1857...	29,077,348	39,101,206	69,078,352	9,038,570

The domestic bullion is bar metal, like bar iron, and it sells in the New York market at ¼ discount, because it is not in demand for the manufacture of money. It goes abroad as material for money there. The gold produced and imported from 1850 to 1857 was as follows:

Produced.....	$331,057,760
Imported.....	42,447,413
Supply.....	$374,405,203
Exported.....	242,823,890
Surplus.....	$131,581,313

This quantity has been used as currency, and the surplus was exported, in the last three years to an extent equal to the production. We also exported in the same time $703,941,145 of merchandise on which freights and profits are fully 20 per cent. The gold and the merchandise together formed a sum exceeding by $28,072,295 the sum of the imports. To this add $150,000,000 freights and profits, and the total forms an aggregate of nearly $180,000,000 in three years, out of which have been paid all contingencies of interest, &c., leaving the trade a balance in our favor, as is now actually the case, sterling being 5a7½ or 2a4½ per cent. under the *actual par*, with arrangements already made to import gold from England, and which will come in large quantities during the coming winter. But, says our contemporary, if the figures are correct, "the panic is a delusion;" and there he is much nearer the truth. Of all the panics that ever swept over the commercial world, there has probably never been one so baseless as the present one. With the utmost abundance of wealth, a surplus of money, and the foreign trade in our favor, the usual supplies of money have been cut off by the most delusive fears, a general distrust of all obligations. The reservoirs of money being closed, the usual sources of supply dried up by lack of confidence, the resulting struggle for money enhances the fright of those who caused it. If dealers in flour had monopolized all in the market and refused to sell a barrel on any terms, and should then appeal to the public distress in justification of their course, it would hardly be thought sound reasoning, yet this seems to be the case with the money supply at this moment.

The state of affairs in New York is influenced by the fears that are entertained in relation to the October payments of the dry-goods houses, but the scare understood now to be mostly cared for. The New York weekly Bank Statement is as follows:

	Loans.	Specie.	Circula'n	Deposits.
Aug. 29..	$115,886,019	$9,241,376	$8,871,050	$84,812,886
Sept. 10..	108,717,421	13,550,188	8,073,801	75,772,774
Sept. 26..	107,791,433	13,327,095	7,838,308	73,315,011
Reduction	$925,988	$223,091	$235,493	2,457,163

The position is one of increased strength, and the difficulties at the clearing-house have all subsided. The leading bank officers have announced the opinion that they will be able to resume discounting for the October payments.

THE LATEST NEWS BY TELEGRAPH.

FROM WASHINGTON.

[SPECIAL DESPATCH TO THE PRESS.]

Bank Suspensions—School Lands—Census of Minnesota, &c.

WASHINGTON, Sept. 29.—Notwithstanding the bank suspensions to-day, there is no panic. Everybody desires to do everything to restore confidence once again.

The General Land Office has just issued the following circular to land officers in the Territories of Minnesota, Kansas, and Nebraska:

"By the joint resolution of Congress approved March 3, 1857, valid pre-emption claims on the 16th and 30th sections, heretofore reserved for schools in the Territories of Minnesota, Kansas, and Nebraska, will be recognised, *where the settlement has been or may be made prior to the survey.*

"1st. In cases where the approved plat of survey has not yet been returned, the declaratory statement must be filed *within three months after the receipt of such approved plat* at the district office.

"2d. Where the plat is on file in the Register's office, the declaration must be filed within three months from the *final publication* of the circular in your land district. A failure to comply with this requirement will work a forfeiture of the claim."

The land officers in the Territories above mentioned, upon receipt of this circular, are required to cause insertion in a newspaper of the most general circulation in their respective districts, once a week for eight successive weeks, and to send to the Land Office a copy of the newspaper, showing the date of the first publication, as that will be the period of time by which hereafter the land office will be enabled to test the validity of pre-emption claims, so far as the declaration is concerned, of the class falling under the second head in the circular.

The Secretary of the Interior has received a letter dated St. Paul, September 21, from the United States marshal of Minnesota Territory, in which he states that he is now actively engaged in making arrangements for taking the census of that Territory. Assistants have been appointed, and the necessary papers prepared. The work, however, will be one requiring much time and labor, as many of the counties are of great extent, and very sparsely settled.

The Secretary of the Interior has concluded an arrangement by which the Government has purchased, for the sum of $105,000, contingent upon the action of Congress, the Boston Masonic Temple for the use of the United States courts. X. Y.

[SPECIAL DESPATCH TO THE PRESS.]

MIDDLETOWN, PA., September 28.—The Bank of Middletown passed a resolution to-day making themselve individually liable for *all* their notes.

The combined wealth of the board of directors and cashier is about a million of dollars, and their circulation is less than two hundred thousand dollars.

FOUR DAYS LATER FROM EUROPE

ARRIVAL OF THE STEAMSHIP JURA.

LATER FROM INDIA.

DELHI NOT FALLEN.

MORE FIGHTING.

RE-CAPTURE OF CAWNPORE—DETAILS OF THE MASSACRE.

SELF-DESTRUCTION OF NENA SAHIB AND HIS FAMILY.

CONSOLS 90¼.

ST. JOHN'S, N. B., Sept. 28.—The Cunard screw steamship Jura, chartered by the British Government to convey the 76th regiment to England, arrived at this port at 9.40 A. M. to-day

She left Cork on the 17th instant, five days subsequent to the steamship City of Washington, from New York on the 3d inst., arrived at Liverpool early on the morning of the 16th.

PARIS, Tuesday night.—A despatch from Berlin announces the surrender of the Emperor Alexander yesterday noon.

The cholera prevailed in Hamburg, and out of 239 persons attacked, 136 had died in eight days.

At Arslan more than two hundred persons had died. The disease was also prevalent at Stockholm.

The Prussian Government, according to Vienna yesterday, states that nine-tenths of the landed proprietors and clergy have taken part in the Moldavian elections, and that a majority voted in a sense favorable to the Union.

INDIA.

The Bombay portion of the Indian mail had arrived at Marseilles, and was expected to be delivered in London at about mid-day of Wednesday, 16th.

Bombay advices are to August 14th,