

we paid in specie. They remarked that their change might in a few days be worth more than our paper. Many farmers and gardeners are ceasing to bring their produce to market, although the crops are very abundant, and prices are rising higher and higher, as if the city was besieged. My American friends, anxious that I should not be a loser, examined all my dollar notes, and persuaded me, before I set out on my travels, to convert them into gold, at a discount of eight per cent. In less than four weeks after this transaction, there was a general return to cash payments, and the four banks by which the greater part of my paper had been issued, all failed.

A parallel might perhaps be found for a crash of this kind in the commercial and financial history of England, or at least in some of her colonies, Australia, for example, where the unbounded facility afforded to a new country of borrowing the superabundant capital of an old one, has caused a sudden rise in the value of lands, houses, and goods, and promoted the maddest speculations. But an event now occurred of a different and far more serious nature. One morning we were told that the Governor of Pennsylvania had come in great haste from Harrisburg, in consequence of the stoppage of one of the banks in the city, in which were lodged the funds intended for the payment of dividends on state bonds, due in a few days. On this emergency he endeavoured to persuade other banks to advance the money, but in vain ; such was the general alarm, and feeling of insecurity. The consequent necessity of a delay of payment was announced, and many native holders of stock expressed to me their fears, that although they might obtain the dividend then actually