“Never Did I See So Universal a Frenzy”:
The Panic of 1791 and the Shaping of Philadelphia

Scott Christopher Miller
Charlottesville, Virginia

Master of Arts, George Mason University, 2013

A Thesis presented to the Graduate Faculty of the
University of Virginia in Candidacy for the Degree of Master of Arts

Department of History

University of Virginia
May, 2015

August 10. The city of Philadelphia for several days has exhibited the marks of a great gaming house. At every corner you hear citizens talk of nothing but Script, 6 per cent, 3 per cent, deferred debt, &c. A young Broker (Mr. Seber) from New York, who had made 10,000 dollars, lost his reason. I attended him with Dr. Barton at the City tavern. Major McConnell (his wife told me) had made between 30,000 and 40,000 dollars in one month by buying and selling Script. The great speculators became talkative and communicative or dull, sullen, silent, and peevish. Genl. Stewart, who had just begun to deal in Script, said that he could not sleep at nights. Never did I see I see so universal a frenzy. Nothing else was spoken of in all companies, even by those who were not interested in it.

-Benjamin Rush, *The Autobiography of Benjamin Rush*, 1791[1]

During the late summer and early fall of 1791, an unprecedented speculative mania gripped Philadelphia. Amidst frenzied demand for Bank of the United States (BUS) script, the Philadelphia *General Advertiser* proclaimed, "an inveterate madness for speculation seems to possess this country!" Indeed it had.[2] Members of every social class made massive profits as merchants and street vendors alike dove into the securities market. Yet panic inevitably followed the mania. When the script bubble burst on August 12, asset prices collapsed, liquidity dried up, and speculators who realized massive profits just 24 hours before found themselves buried in debt. "[T]hat universal panic & want of money which now prevails" literally drove men to tears, madness, and suicide.[3]

The city of Philadelphia, and its quickly expanding economic community in particular, drove the development and progression of the Panic of 1791. While New York brokers played a significant role in what eventually became a national crisis, Philadelphia remained the Panic's *locus priori*. The widespread desire for social and economic mobility amongst Philadelphia's economic community, combined with its innovative and open nature profoundly influenced the city's political, economic, and cultural development. Cheap entry and quick riches expanded Philadelphia's financial community as "new adventurers"—many of whom were war veterans—and middle- and lower-class

[1] George Washington Corner, ed., *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813* (Westport, Conn: Greenwood Press, 1970), 203.
[2] C., "An Inveterate Madness for Speculation Seems to Possess This Country.," *General Advertiser*, July 11, 1791, 243 edition, America's Historic Newspapers.
[3] William Seton to Alexander Hamilton, "From William Seton to AH, 5 September 1791," September 5, 1791, http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-chron-1790-1791-09-05-5.

laborers plunged into the market. Many of these new entrants suffered ruination when the script market crashed, often blaming Hamiltonian finance and its Federalist backers for their plight. The result fundamentally transformed Philadelphia into an anti-Federalist and later Democratic-Republican outpost long before the so-called "Revolution of 1800." No city shaped, or was shaped by, the Panic of 1791 more than Philadelphia.

Scholars have long known that a financial event occurred in the new United States in the late summer and early Fall of 1791. Though often underestimated and misunderstood, "Scriptomania" makes an appearance in dozens of texts.[4] This essay presents a new and complex view of the Panic of 1791, one that expands traditional macroeconomic historical narrative of the Panic of 1791. This paper emphasizes the way in which cultural factors like the intense desire for economic and social ascent and the psychological response to a decade and a half of economic depression drove men and

---

4 The Panic of 1791 appears in biographies of key players in the Panic of 1791. Several of these biographies provide useful, though limited, accounts of the Panic. Many biographies of Alexander Hamilton such as those by Ron Chernow, John C. Miller, and many others include brief descriptions of varying quality. Forrest McDonald's *Alexander Hamilton: A Biography* carries the most prescient insights on the Panic's implications and provides a basic though incomplete account. The Panic also appears in biographies of politicians and financiers. Studies of early America's mercantile class also provide concise and factual insights, as do broad studies of the cities in which the Panic took place such as Edwin G. Burrows and Mike Wallace's *Gotham: A History of New York City to 1898* (New York: Oxford University Press, 1999) and John Fanning Watson, *Annals of Philadelphia…*(E.L. Carey & A. Hart, 1830). Cathy Matson's "Public Vices, Private Benefits: William Duer and his Circle, 1776-1792" in William Pencak and Conrad Edick Wright, eds., *New York and the Rise of American Capitalism: Economic Development and the Social and Political History of an American State, 1780- 1870* (New York: New-York Historical Society, 1989) and Robert Francis Jones, *The King of the Alley: William Duer, Politician, Entrepreneur, and Speculator, 1768-1799* (Philadelphia: American Philosophical Society, 1992) are notable examples.

Scholarly work on early American economics and finance has also touched on the Panic. Joseph Stancliffe Davis's eight-page account of the Panic of 1791 *Essays in the Earlier History of American Corporations* (Cambridge: Harvard University Press, 1917) has been followed by David J. Cowen's data-rich *The Origins and Economic Impact of the First Bank of the United States, 1791-1797* (New York: Garland Pub, 2000) which provides the best overall view of the Panic of 1791. Cowen's articles, "The First Bank of the United States and the Securities Market Crash of 1792," The Journal of Economic History 60, no. 4 (December 1, 2000): 1041–1060 and "Alexander Hamilton, Central Banker: Crisis Management During the U.S. Financial Panic of 1792," Business History Review 83, no. 1 (Spring 2009): 61–86, which he co-authored with Richard Sylla and Robert E. Wright also provide thoughtful though incomplete summaries of the Panic. Wright's book, *One Nation Under Debt: Hamilton, Jefferson, and the History of What We Owe* (New York: McGraw-Hill, 2008) and John Steele Gordon's *Hamilton's Blessing: The Extraordinary Life and Times of Our National Debt* (New York: Walker, 1997) briefly discusses Scriptomania.

New York University professor James O. Wettereau One did seem to understand the significance of the Panic of 1791, though his extensive research on the subject was never converted into an article, essay, or monograph. However, Wettereau's *Statistical Records of the First Bank of the United States* (New York: Garland Pub, 1985) and James O. Wettereau, "New Light on the First Bank of the United States," *The Pennsylvania Magazine of History and Biography* 61, no. 3 (July 1, 1937): 263–285, in which he focused primarily on the structure and implementation of the BUS, provided vital context for his study.

women into new and uncharted financial markets.[5] In addition, this essay proposes new politico-economic implications for the newfound stability provided by the Federalist-dominated Constitutional regime.

In addition to political and cultural headwinds, the events of the summer and fall of 1791 resulted from a financial "perfect storm, " one in which a central bank and its "stock," open securities exchanges and banks, secure government debt, complex financial instruments, and dramatically improved communication networks all converged to provide a textbook breeding ground for rampant speculation.[6] Philadelphia emerged from the revolutionary as the new nation's intellectual, commercial, and political capital. The deficiency of revolutionary finance and the subsequent depression of the 1780s initiated, according to historian Thomas M. Doerflinger,"a period of creative ferment [in Philadelphia] in which nearly all of the major [financial] innovations were begun."[7] America's first bank, The Bank of North America (BNA), revolutionized the use of commercial paper—bills of exchange and promissory notes—and Philadelphia's mercantile community pioneered these financial innovations. The proximity to national policymakers, the depth of its mercantile community, and liberality of Pennsylvanian society constantly drew talented outsiders to Philadelphia.[8] Thus, when Constitution-inspired political stability and a surge in external demand for Delaware Valley foodstuffs led the nation out of depression, Philadelphia's economic community sat primed to capitalize on the tools and markets they had developed during the depression. After 1790,

---

[5] The Panic's proximity to a related crisis in March and April of 1792—the later of which resulted in greater net equity price declines, required a larger policy response, and was, quite simply, more straight forward than its predecessor—has resulted in financial and economic scholars relegating 1791 to precursory status.

[6] In many places including, but not limited to "The Transition to a Monetary Union in the United States, 1787–1795," *Financial History Review* 13, no. 01 (2006): 73–95 and "Financial Systems and Economic Modernization," *The Journal of Economic History* 62, no. 2 (June 1, 2002): 277–292, Richard Sylla of New York University's Stern School of Business establishes these prerequisites for a modern financial system. Economic traditionalists like Jefferson and Adams who valued land and the labor theory of value were wary of almost all of Sylla's components of modern finance, but Hamilton's implementation of all six elements as a unified, modern financial system was revolutionary. Thus, the system, and America's transition to financial modernity, was universally associated with the emerging Federalist faction, the Washington administration, and Hamilton himself.

[7] Thomas M. Doerflinger, *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Philadelphia* (Chapel Hill: Published for the Institute of Early American History and Culture, Williamsburg, Va. by the University of North Carolina Press, 1986), 285.

[8] Robert E. Wright, *The First Wall Street Chestnut Street, Philadelphia, and the Birth of American Finance* (Chicago, IL: University of Chicago Press, 2010), 15-16.

"economic, political, and financial forces converged to create a reckless, speculative environment in which anything seemed possible."[9] For many Philadelphians, 1791 presented remarkable opportunities.

The memoirs, letters, and other writings of Doctor Benjamin Rush serve as a guide through the chaotic events of mid-1791 Philadelphia. Training, habit, and particular interest made Rush's description of events the most detailed of any on record. Rush's proximity to, and yet relative disassociation from, the events of the Panic make him an ideal source of detailed information. Unlike other figures who wrote extensively about the Panic, Rush played a very limited role in the events themselves. He did not trade widely in script or US securities, unlike merchants such as William Bingham, Nicolas Low, or Robert Troup. Nor did Rush oversee a public response to the Panic like Alexander Hamilton, Samuel Meredith, or William Seton. Instead, Rush closely observed the tumultuous events of July and August 1791 without having a strong personal stake in its outcome.

Rush was close to the events of the Panic in another, quite literal way. Rush's three-story brick house at 83 Walnut Street stood less than a block from the City Tavern, the city's de facto securities exchange and ground zero for the speculative mania and subsequent panic. Rush needed only to cross Third Street and walk less than one hundred yards to find himself in Logan's Alley, the narrow lane into which deal making of all kinds spilled out of the back of the City Tavern.[10] Rush literally could not avoid the events swirling around him.[11]

In many ways, the Panic of 1791 represents a seminal moment in the development of Philadelphia and the United States. Financial crises shake social structures and deeply influence the development of economic, political, and cultural systems. Not only did the Panic of 1791 set precedent for how future American financial panics would be conducted and managed, it influenced the political, social, and economic development of Philadelphia itself. The Panic fueled public backlash against Hamiltonian finance, leading

---

[9] Doerflinger, *A Vigorous Spirit of Enterprise*, 286.

[10] "Map of Historic Philadelphia in the Late 18th Century—Teaching American History," accessed March 6, 2014, http://teachingamericanhistory.org/convention/map/.

[11] Rush is certainly not without biases—he was, after all, a prominent, white, male member of the Philadelphia elite. However, Rush's accounts of other events are often considered relatively trustworthy, and when combined with the wealth of quantitative and documentary evidence consolidated for this essay, it is possible to triangulate a picture of Philadelphia in the midst of the nation's first financial crisis.

to the political defection of prominent citizens, legislative proposals to tax or ban financial transactions, and the establishment of a state bank to counter those with federal charters.[12] Philadelphia ceded its place as the center of American securities trading to New York. The Panic of 1791 both emanated from, and significantly transformed, post-revolutionary Philadelphia. While Philadelphia continued to dominate American commerce well into the nineteenth century, the Panic of 1791 ensured its decline as the heart of American finance.

"Men on the move—ambitious, competitive, and intensely acquisitive…"

On July 4, 1791, Philadelphia celebrated the 15th anniversary of American independence with verve and gusto. The day was ushered in with the ringing of bells, the discharge of cannon and small musketry, and "shouts of exultation that echoed from every tongue." Beginning at ten o'clock, a large procession led by the Society of the Cincinnati and several units of the Independent and Light-Infantry Companies began to traverse the streets of the city. The martial display was "accompanied in procession by a great number of respectable citizens…whose attention, good order and regularity on the occasion might challenge even the discipline of the veterans themselves." Citizens gathered to hear patriotic orations, sing songs, and give toasts. Many accounts reveal a genuine sense of joy and celebration. It is clear that most Philadelphians were not simply celebrating their independence from Great Britain, but rather the national establishment of a true Novus Ordo Seclorum in which republican government would assure continued liberty, prosperity, and peace. It is not mere coincidence that the *Gazette of the United States* described "the day [as] devoted to festivity, rational, and intellectual amusement."[13]

Philadelphia's institutional stability had much to do with its Quaker origins. By contemporary standards, Philadelphia was open-minded and free. It was religiously tolerant, slavery was minimal, and all males of age were allowed to vote. This liberal mentality attracted business talent from across the United States and the world.[14]

---

[12] Roland Milton Baumann, "The Democratic-Republicans of Philadelphia: The Origins, 1776-1797" (Ph.D., The Pennsylvania State University, 1970), 311–315.

[13] "PHILADELPHIA, JULY 6.," *Gazette of the United States*, July 6, 1791, 20 edition, 6, America's Historical Newspapers; "Philadelphia, July 6," *Dunlap's American Daily Advertiser*, July 6, 1791, 3882 edition, 6, America's Historical Newspapers.

[14] Wright, *The First Wall Street Chestnut Street, Philadelphia, and the Birth of American Finance*, 16.

Philadelphia "possessed an exceptionally fluid, competitive, and materialistic social environment that strongly encouraged aggressive entrepreneurship," Doerflinger argued in *A Vigorous Spirit of Enterprise*. " Its entrepreneurial ranks were exceptionally deep: in addition to the true commercial elite…there was a pool of small but capable capitalists—minor merchants, shopkeepers, grocers, and others—waiting like sharks to snatch any opportunities that opened up."[15]

A profound confidence in the American experiment ran deep in Philadelphia. Belief in radical social and economic mobility was widespread in America, but it was especially intense in Philadelphia. Philadelphia's economic community, and not just its mercantile elite, was full of "men on the move—ambitious, competitive, and intensely acquisitive…To such men, risk and change, not stability and caution, were the norm: they were psychologically prepared to…undertake a new enterprise in order to advance their fortunes."[16] By the summer of 1791, Bank of the United States stock looked like just such an opportunity.

"An inveterate madness for speculation seems to possess this country"

As Philadelphians awoke to their fifteenth Independence Day, a crowd had already assembled outside the Bank of North America at 99 Chestnut Street. The brokers, merchants, and regular investors that gathered on the red brick sidewalk running along the north side of Chestnut Street between Third and Fourth Streets represented interests from all over the country. Some of the visitors, having arrived on the overnight stage, went straight to the BNA in an effort to claim an early place in what could only charitably be called a line. By all descriptions, the excitement was palpable. Broker Clement Biddle told a correspondent, "the Preparations for subscriptions to the Bank have taken up the whole of my attention for 10 days past."[17]

The eagerness of investors is not surprising. The new United States had just emerged from a devastating economic depression. While historians have studied the economic hardships of the Revolutionary and Confederation eras, recent work by

[15] Doerflinger, *A Vigorous Spirit of Enterprise*, 62.
[16] Ibid., 63.
[17] Clement Biddle to Wm. Deakins, July 11, 1791, Biddle Letterbook, Historical Society of Pennsylvania, quoted in Baumann, "The Democratic-Republicans of Philadelphia," 307.

economists Peter H. Lindert and Jeffery G. Williamson has proposed that the economic contraction of the mid-1770s through the late-1780s exceeded even the Great Depression in severity. Lindert and Williamson suggest that per capita income fell between 28 and 39 percent during this period, with equally remarkable declines in labor force share and relative earnings.[18] If even remotely close to reality, these figures indicate that commercial environment in Philadelphia, though better than New England and the South, saw severe economic hardship through the end of the 1780s.

For Philadelphia's competitive commercial community, the Revolutionary and Confederation-era depression made profits difficult to generate. Pennsylvania's export-reliant economy experienced dramatic negative demand shocks during the war years. Capital flight, war-related damage, monetary instability, high direct tax rates (in some states), and political uncertainty only reduced the aggregate profitability of commercial investment.[19]

Financial investments had previously been limited to Federal and State debt and personal bills of exchange and promissory notes. These "IOUs" were notoriously unreliable and equities of any kind were virtually non-existent. In sharp contrast, the Bank of the United States (BUS) was widely considered a "can't miss" investment.[20] "No object of equal magnitude, founded on so firm a basis, has ever presented itself to monied capitalists as the Bank of the United States," the *New-York Packet* told its readers.[21] The

---

[18] Peter H. Lindert and Jeffrey G. Williamson, *American Incomes before and after the Revolution*, Working Paper (National Bureau of Economic Research, July 2011), 23–27.

[19] Ibid., 25–26; Robert E. Wright, *One Nation under Debt: Hamilton, Jefferson, and the History of What We Owe* (New York: McGraw-Hill, 2008), 70; Max M. Edling, *A Revolution in Favor of Government: Origins of the U.S. Constitution and the Making of the American State* (New York: Oxford University Press, 2003), 211.

[20] The BUS would "act as a depository for government funds and a means of transferring them from one part of the country to another, serve as a source of loans to the government and to other banks, and regulate the money supply." The government would own twenty percent of the BUS's 20,000 shares, with the rest subscribed by private investors. In an attempt to keep capital in the marketplace, "the $400 per share was not due at the initial subscription but rather only a down payment of $25, in exchange for a scrip, or temporary receipt," wrote David J. Cowen. This "scrip" awarded its holder the opportunity to complete payment and receive stock when the BUS opened its doors. Hamilton prescribed that BUS shares would be paid for mostly in government bonds, thus providing demand and supporting prices as individuals bought the new 6s, 3s, and deferred 6s to tender for their shares. The BUS would then issue paper notes, all backed 100% by specie. These notes, in turn, became the nation's principal money supply. "In this fashion," wrote BUS scholar David J. Cowen, "the banking and funding system were working together to produce growth."

[21] "PHILADELPHIA, July 4th.," *New-York Packet*, July 7, 1791, 1198 edition, America's Historic Newspapers.

BUS "will in its operations reduce the interest of money," the *Packet* proclaimed, "facilitate business in every line…and enable the government to reduce the public debt, and diminish the public burdens, must, and will meet the approbation of every friend to his country."[22] Returns of 10 percent or higher were suggested in several newspapers.[23] The fact that financial securities were not taxed, unlike land or imported commodities, provided an additional incentive.[24] For Philadelphia's ambitious commercial community, BUS script represented the opportunity for quick riches that was missing during the decade and a half of depression.

Yet investors had more than financial reasons to subscribe to the BUS. Treasury Secretary Alexander Hamilton crafted the Bank as a symbol and facilitator of American prosperity.[25] The July 4 issuance date was an overt attempt to link, in the public mind, the BUS to the new nation. In 1791, deep patriotism transcended regional and class boundaries and subscription to the BUS was promoted as a way for citizens to demonstrate their patriotism. "The citizens [who] lined up to buy stock," notes historian David Waldstreicher, were compared "to the patriotic celebrants of Independence Day in various states."[26] *Dunlap's American Daily Advertiser* claimed that "Every friend to the Federal Government, every well-wisher to the prosperity of the Union, must feel the highest satisfaction when he beholds the Citizens…vying with each other [to purchase script]," thus demonstrating "the most unequivocal proofs of their confidence in the public faith.[27] Even Philadelphia anti-Federalists largely supported the BUS.[28] While some enthusiasm was driven self-interest—the BUS was seen as vital to Philadelphia remaining the national capital—a genuine civic and national pride led many anti-Federalists to support the BUS's establishment.

---

[22] Ibid.
[23] "NATIONAL BANK.," *Columbian Centinel*, July 2, 1791, 32 edition, America's Historic Newspapers.
[24] Doerflinger, *A Vigorous Spirit of Enterprise*, 64.
[25] See "Report on a National Bank, December 13, 1790," and "Opinion on the Constitutionality of a National Bank, February 23, 1791," in Joanne Freeman, ed., *Alexander Hamilton: Writings*, The Library of America 129 (New York: Library of America□: Distributed to the trade in the U.S. by Penguin Putnam, 2001), 575–628.
[26] David Waldstreicher, *In the Midst of Perpetual Fetes: The Making of American Nationalism, 1776-1820* (Chapel Hill: Published for the Omohundro Institute of Early American History and Culture, Williamsburg, Virginia, by the University of North Carolina Press, 1997), 117.
[27] "Philadelphia, July 6."
[28] Baumann, "The Democratic-Republicans of Philadelphia," 341.

This nexus of financial potential and patriotic symbolism invigorated crowds that built steadily outside the Bank of North America. When BUS commissioners Thomas Willing, David Rittenhouse, Lambert Cadwalader, John Beale Bordley, and Samuel Howell opened the bank's doors at 10 o'clock, the pent up excitement could not be contained.[29] Investors pushed, scraped, and jostled for position, gobbling up every share the bewildered commissioners allowed them to purchase. In the chaotic atmosphere, the commissioners granted approximately 4,600 more scripts than were technically available. In an attempt to regain control over the situation, "the Commissioners thought proper to adjourn, in order to form some rule by which to regulate the business [of subscription]."[30] In less than three hours—some reports indicate as little as fifteen minutes—the offering was oversubscribed by 20 percent and the issuance suspended.[31]

The next morning, July 5, those who were lucky enough to acquire script reconvened at the Bank of North America to reconcile the over-subscription. Under the direction of Thomas Willing, the BUS's first president, the overages were reduced pro rata.[32] Despite the high expectations for the issuance, the over-subscription was shocking.[33] Many members of the financial class were shut out of the offering altogether. Southern businessmen and New York brokers alike were left empty handed. "I have not got a single share in the Bank and the disappointment is entirely chargeable to you," New York broker William Constable wrote to William Duer on July 5. "Tho' I arrived at the Bank at 10 O'clk there were not a single share for myself or my Friends—whether I shall get any or not is perfectly doubtful…"[34]

---

[29] David Jack Cowen, *The Origins and Economic Impact of the First Bank of the United States, 1791-1797*, Financial Sector of the American Economy (New York: Garland Pub, 2000), 41.
[30] "PHILADELPHIA, JULY 6."
[31] Wettereau, "New Light on the First Bank of the United States," 273; "New-York, July 6. [Published in Dunlap's American Daily Advertiser on 8 July 1791.]," *Dunlap's American Daily Advertiser* (Philadelphia, July 6, 1791), 3884 edition.
[32] For details on the pro rata scale, see footnote 50 in Wettereau, "New Light on the First Bank of the United States," 273–274.
[33] Even Alexander Hamilton, who repeated proved to be the most prescient observer of the BUS's early operations, was taken by surprise. On June 30, 1791, Hamilton wrote to his friend Benjamin Goodhue, ""In all appearance the subscriptions to the Bank of the United States will proceed with astonishing rapidity. Twill not be surprising if a week completes them." The fact that even Hamilton so grossly underestimated demand for BUS script demonstrates the uncharted waters into which the new nation's financial community was wading.
[34] William Constable to William Duer, "From William Constable to William Duer--'I Have Not Got a Single Share in the Bank...,'" July 5, 1791, New York Historical Society, Robert R. Livingston Collection.

In an effort to prevent concentrated ownership of BUS stock, Congress and the Treasury established rules regarding the number of shares to which a single individual or firm could subscribe.[35] To circumvent these rules, broker-dealers like Duer, Walter Livingston, Nicholas Low, Andrew Craigie, Alexander Macomb, and many others contracted third-party agents like Constable to subscribe on their behalf. The agent would then transfer the shares to their client or manage them by proxy. This type of contracting allowed firms to acquire more script than regulations allowed, while at the same time multiplying the number of clients for whom *they* could serve as secondary agents.[36] However, when third-party buyers like Constable were shut out of the offering, broker-dealers and third-party agents were contractually obligated to deliver more shares than they actually controlled. Thus, both groups immediately looked to acquire scripts on the open market, adding to the already sky-high demand from primary investors. The scramble for script at the initial issuance undoubtedly drew new speculators into the quickly forming secondary market as well.

Not surprisingly, speculation in BUS script began almost immediately after the issuance. On July 6, Philadelphia's *Federal Gazette* reported that script that had been purchased for $25 two days prior was now trading at $35.[37] The vast majority of script was concentrated in Philadelphia and thus many of the dealers who attended the issuance remained in the city to settle their accounts. In addition, brokers who had not made the trip began flooding their business partners in that city with purchase orders. Mordecai Lewis received $7620.50 from Nicholas Low on July 12 alone.[38] This intense

[35] A March 2 supplemental to the original bill establishing the Bank of the United States reduced the shares any one person could tender from 1,000 to thirty, perhaps revealing the positive interest already being discussed in Philadelphia. The supplemental bill also postponed the issuance date from the first Monday in April to the first Monday in July, perhaps not so coincidentally the Fourth of July. For more information see Cowen, *The Origins and Economic Impact of the First Bank of the United States, 1791-1797*, 42–44.
[36] To add to the complexity, many of the primary brokers served as third parties and vice versa. For example, Constable was primarily a primary agent for a long list of smaller investors, but he was also contracted to purchase scripts for the likes of Nicholas Low, who would then pass those scripts on to his clients. It is highly likely that Constable was using third party purchasers as well.
[37] "PHILADELPHIA, 6th JULY, 1791. ['We Hear That Thirty-Five Dollars Have Been Paid for a Right to the Certificate Which the Commissioners Are to Deliver...']," *Federal Gazette*, July 6, 1791, America's Historic Newspapers.
[38] Mordecai Lewis to Nicholas Low, "Low's Deposit for the Purchase of BUS Scrip in Philadelphia," July 12, 1791, Nicholas Low Papers - Box: Philadelphia 1791, Library of Congress.; Lewis and Low were two of the most successful arbitrageurs during the Panic of 1791. A patriot during the Revolution, Low established himself as a successful import/export merchant in post-war New York. Low funneled those profits into shares in the Bank of the United States, on whose New York branch board he would serve until

concentration of demand produced a trading environment in which script prices were guaranteed to rise. Script made its first appearance in Philadelphia "Price Currents"—newspaper listings of securities and commodities prices—on July 13, indicating that a stable market for script had formed. Less than a week after the issuance, script was selling at $45 and US 6-percent securities (6s) had jumped significantly as well.[39]

The speculative fervor made a significant impact on Philadelphia and its inhabitants. After a week of reporting on script speculation, the *General Advertiser* summarized the speculative ethos that gripped Philadelphia. "An inveterate madness for speculation seems to possess this country," wrote "C." "THE ENLIGHTENED FREEMEN of the United States, as we pompously vaunt ourselves to the world, have…proved themselves builders of castles in the air, dreamers of golden mountains, and simpletons who greedily catch at the speculators' gilded hook [emphasis in original]."[40] Emerging from a devastating depression, Philadelphia's financial community finally felt the wind at their backs.

The First Wall Street

Philadelphia was the logical host of America's burgeoning financial industry. With the establishment of the Bank of North America in 1781, Philadelphia's Chestnut Street emerged as the "the first Wall Street," a position it held until well into the nineteenth-century.[41] The BNA, established by Robert Morris in 1781 as the centerpiece of a plan to

---

1799 (Sue C. Patritck, Low, Nicholas," http://www.anb.org/articles/10/10-02149.html, *American National Biography Online* Feb. 2000.). Lewis, who resided at 112 South Front Street, became a partner of the mercantile firm Neave, Harman & Lewis at a young age. By his early thirties, Lewis had formed his own firm, Mordecai Lewis & Co., in which he did extensive business with Philadelphia dynamo William Bingham and other prominent merchants. A fixture in Philadelphia society, Lewis was a director of the Bank of North America and the City Library, as well as a manager of the Pennsylvania Hospital (John Thomas Scharf and Thompson Westcott, *History of Philadelphia, 1609-1884* (L. H. Everts & Company, 1884), 2276–2277). Throughout the Panic of 1791, Lewis and Low shuttled script and US securities between Philadelphia and New York, buying them in the cities where they were less expensive and sending them to the city with higher prices.

[39] "PRICE CURRENT.--PUBLIC SECURITIES.," *Gazette of the United States*, July 13, 1791, 22 edition.

[40] C., "An Inveterate Madness for Speculation Seems to Possess This Country."

[41] For the development of Philadelphia's financial industry, see Wright, *The First Wall Street Chestnut Street, Philadelphia, and the Birth of American Finance*; Thomas M. Doerflinger, *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Philadelphia* (Chapel Hill: Published for the Institute of Early American History and Culture, Williamsburg, Va. by the University of North Carolina Press, 1986); and John J. McCusker, "Sources of Investment Capital in the Colonial Philadelphia Shipping Industry," *The Journal of Economic History* 32, no. 01 (1972): 146–157. For broader perspectives on American financial development, see Robert E. Wright, *Hamilton Unbound: Finance and the Creation*

resurrect the Revolutionary regime's financial integrity, reshaped Philadelphia's commercial and financial industry. "Discounting"—buying promissory notes and bills of exchange at a slight discount from face value and then collecting the full sum when the notes matured—dramatically increased the use of commercial paper over less-liquid specie or book credit. With the BNA discounting notes, assets could be converted into cash without being liquidated. This assured that funds were reasonably liquid and more efficiently deployed. "By allowing merchants to procure cash when they needed it," Doerflinger writes, "the new system fundamentally altered the commercial process itself, speeding the movement of goods in and out of port and reducing the amount of capital tied up in idle inventory."[42] Discounting also gave securities speculators access to vast amounts of credit not previously available. As a result, Philadelphia's financial community became the "first-mover" in American finance. Philadelphians were more familiar with, and thus more willing to utilize, innovative financial instruments in their quest for profit.

Other than the Bank of North America, no institution was more central to Philadelphia's financial dominance than the City Tavern. Standing on the west side of Second near Walnut Street, the Tavern was a stately red brick building with a cloth awning that extended along its entire street-side and an imposing set of seven stone stairs leading from street level to the front door. The building was larger than almost any non-governmental building in the city, with three-and-a-half floors visible above the brick sidewalk and a row of five large, symmetrical windows. The impressive structure proclaimed the wealth and power of Philadelphia's mercantile, and increasingly financial, community.

Built for the hefty price of three thousand pounds in 1773, the City Tavern provided a genteel and relaxing environment for many of Philadelphia's elite.[43]

---

of the American Republic, Contributions in Economics and Economic History no. 228 (Westport, CT: Greenwood Press, 2002), 89-126; Richard Sylla, "Forgotten Men of Money: Private Bankers in Early U.S. History," *The Journal of Economic History* 36, no. 1 (March 1, 1976): 173–188; Richard Sylla, "Financial Systems and Economic Modernization," *The Journal of Economic History* 62, no. 2 (June 1, 2002): 277–292; and Richard Sylla, "U.S. Securities Markets and the Banking System, 1790-1840," *Federal Reserve Bank of St. Louis Review* 80, no. 3 (June 1998): 87–89.

[42] Doerflinger, *A Vigorous Spirit of Enterprise*, 303–309.

[43] Benjamin H. Irvin, "The Streets of Philadelphia: Crowds, Congress, and the Political Culture of Revolution, 1774-1783," *The Pennsylvania Magazine of History and Biography* 129, no. 1 (January 1, 2005): 19–20.

Patronized largely—but not exclusively—by patriots, the Tavern hosted a wide array of revolutionary activities. The city's Committee of Safety frequently met there, and members of Congress could be seen around the clock when it was in session. On July 4, 1778, Congress celebrated Independence Day and the British retreat from Philadelphia with a lavish banquet in the Tavern's third story "Long Room"—just one of many such events hosted there during the 1770s and 1780s.[44]

Soon after its establishment, the city's small securities exchange migrated from the less genteel London Coffee House to the City Tavern. The Tavern's two "coffee rooms" that made up the south side of the Tavern's main floor provided a place for the city's merchants to congregate and transact business. By the mid-1780s, twice-daily auctions were held at the Tavern. As traders arrived for the noon and eight o'clock sessions, employees removed the portable partition that separated the two rooms to create one extended trading floor.[45] Stock of new Bank of New York (BONY) and Bank of North America stock was widely available, along with various state notes, US Loan Office certificates, and British 3 percent "Consols." After the auctions, buyers and sellers often spilled out into Logan's Alley, the passage behind the City Tavern, and trading sometimes continued late into the night.

While Trading could grow intense, it wasn't until the Federal Government assumed and converted state debts into funded, interest-bearing Treasury bonds that the City Tavern became a hotbed of financial speculation. The three new securities yielding interest rates of 6 percent (6s), 6 percent with interest deferred until 1801 (deferred 6s), and 3 percent (3s) reliably paid quarterly interest, making them a valuable commodity.[46] These new bonds provided a larger and more flexible money supply and infused hard-specie into the economy by way of the quarterly interest payments. These cash infusions

---

[44] Robert Earle Graham, "The Taverns of Colonial Philadelphia," *Transactions of the American Philosophical Society* 43, no. 1 (January 1, 1953): 322–323.

[45] Domenic Vitiello and George E Thomas, *The Philadelphia Stock Exchange and the City It Made* (Philadelphia: University of Pennsylvania Press, 2010), 17; "Philadelphia, August 20. 'Sales on Saturday Evening Last, at the City Tavern, by John Chaloner.,'" *New York Daily Advertiser*, August 20, 1791, 2032 edition, America's Historical Newspapers.

[46] For Hamilton's debt assumption plan, see Wright, *One Nation under Debt,* 132–144; For more detail on this Hamilton's conversion apparatus, see Peter M. Garber, *Alexander Hamilton's Market Based Debt Reduction Plan*, Working Paper (National Bureau of Economic Research, January 1991), http://www.nber.org/papers/w3597.

aided both industry and government by stimulating local commerce, providing funds for investment, and aiding in tax collection.[47]

"The speculating mania [has] taken full possession of every moneyed soul!"

By the third week of July, the "inveterate madness for speculation" seemed to have abated. While script prices doubled immediately following the July 4 issuance, prices quickly stabilized at $45-$50 and remained there through the end of the month (see Figure 1). However, despite the relative stability in the BUS script market, a growing ring of connected merchants saw the signs of a coming financial storm. Mordecai Lewis relayed rumors to Nicholas Low of a speculative scheme building in Philadelphia. "There is a Ruse or Phrenzy abroad, which may possibly have a Check," wrote Lewis on July 27. "[F]or we have very frequently seen Ebbs & Flows in this business that could not be accounted for as reasonably [illegible], and appear to be brought about by designing Persons who lead the generalty who are quickly impressed with unbecoming fear or unusual confidence."[48]

Lewis's concerns proved to be prescient. As July turned to August, a mania for BUS script descended on Philadelphia. Beginning on August 2, script prices in Philadelphia rose almost 130 percent in less than a week. Adding scope to the speculation, script debuted in New York's public auctions on the same day. The heavy demand and limited supply resulted in the high price of $100.[49] "The speculating mania [has] taken full possession of every moneyed soul!" the *New-York Journal* declared.[50] BUS script hit $146 in New York on August 5 and showed no sign of stopping.[51] Prices rose almost 25 percent over the weekend, trading at $192.25 in the Monday evening auction.[52] Perhaps more importantly, the mania had spread to Boston and the rest of the

---

[47] Gordon, *Hamilton's Blessing*, 25–26.

[48] Mordecai Lewis to Nicholas Low, "There Is a Ruse or Phrenzy Abroad Which May Possibly Have a Check...," July 27, 1791, Nicholas Low Papers - Box: Philadelphia 1791, Library of Congress.

[49] The *New-York Journal* reported that nearly 500 scripts were sold in the asset's debut trading session.

[50] "BANK STOCK.--'Yesterday Script in the Bank of the United States...,'" *New-York Journal*, August 3, 1791, 61 edition, America's Historic Newspapers.

[51] "Cash Price of Stocks Last Evening at Public Auction.," *New York Daily Advertiser*, August 6, 1791, 2017 edition, America's Historic Newspapers.

[52] "TUESDAY, August 9. Price of Stocks Last Evening at Auction.," *New York Daily Advertiser*, August 9, 1791, 2019 edition, America's Historic Newspapers.

eastern seaboard.[53] Newspapers from Cumberland, Maine to Charleston, South Carolina tracked the mania as investors across the country scrambled to acquire script.

From the time script debuted in New York on August 2, prices rested slightly above those in Philadelphia, most likely due to the still limited supply of script in New York.[54] However, on Monday, August 8, the nation's capital became the "great gaming house" of Rush's description. Until this point, speculation rarely spread beyond the City Tavern or the Bank of North America. However, by August 9 and 10 talk of script and US securities could be heard on every corner. The twice-daily auctions at the City Tavern, presided over by John Chaloner, were loud, boisterous affairs that spilled out the front door onto Second Street and to Logan's Alley in the back. By August 10, many dozens, if not hundreds, of fortune-seekers squeezed shoulder-to-shoulder into the two conjoined rooms that made up the City Tavern's exchange floor.

Speculative episodes were not new to Americans, but natural limits on market size, assets for speculation, prospective investors, and ready credit prevented the eruption of a full speculative mania. By 1791, however, the American financial system had modernized, with Philadelphia's innovative financiers leading the revolution. Increasingly efficient roads and waterways, and even signal towers transported information, people, and assets between cities in record time.[55] As a result, investors could purchase and sell off assets in different locations with relative ease, allowing them to profit from price differences and reallocating capital at the same time.[56] Philadelphia merchants like Mordecai Lewis capitalized on the fact that "[t]he communication between New York and this place is so easy & quick and so many are interested in the

---

53 On August 7, Boston merchant Henry Jackson informed his friend and business partner Secretary of War Henry Knox in Philadelphia that script was selling for $85 in Boston and implored him to purchase more. By the morning of August 9, Jackson reported that he was unable to procure even forty scripts, so high was the demand. "The 25 dollars subscription is selling at 135 dollars," Jackson wrote excitedly, "what an astonishing speculation!"[53] Of course, prices were much higher in Philadelphia and the pair would have lost money on the deal had Knox carried it out.

54 "New-York, Aug. 10," *General Advertiser*, August 9, 1791, 271 edition, America's Historic Newspapers; "The Bank Scrip Was Yesterday up to 180...," *General Advertiser*, August 10, 1791, 269 edition, America's Historic Newspapers.

55 For the evolution of the travel of individuals, goods, and information, see Allan Pred, *Urban Growth and the Circulation of Information: The United States System of Cities, 1790-1840* (Cambridge: Harvard University Press, 1973); Very little is known about the signal system referred to above. For a description of the system, see Domenic Vitiello and George E Thomas, *The Philadelphia Stock Exchange and the City It Made* (Philadelphia: University of Pennsylvania Press, 2010): 47.

56 5/1/15 11:27 AM

business, that the least alteration at one Market is immediately know at the other."[57] The speed with which the market now moved only added to the building mania.

The integration of markets broadened demand and provided the opportunity for increased specialization in financial services.[58] Short selling, or its close relations, was widely practiced in early American financial markets. In a time in which capital was scarce and interest rates high, many brokers realized that the borrowing and selling of stock provided much needed capital for their speculative endeavors. That they could profit by driving the price down before they had to repurchase the borrowed assets was an added bonus.[59]

The widespread use of advanced financial contracts increased the supply of available assets while adding to the pace and scope of trading. "Wager Stock" was a prominent form of speculative contract similar to modern Futures contracts or Credit Default Swaps (CDSs). In their more standard form, wager stock was a contract in which a security was purchased for delivery at a future date. A second and more complex form of wager deal was common. These intricate mechanisms were "executory contracts with an intent not to deliver it, but to pay in cash the amount lost or won by the rise or fall of the market price of the stock."[60] In other words, a buyer and seller would select an asset, most often US securities or bank stock, and contractually agree to a purchase price and

---

[57] Mordecai Lewis to Nicholas Low, "There Is a Ruse or Phrenzy Abroad Which May Possibly Have a Check..."

[58] This is a classic example of the classic Smithian notion that "the division of labor is limited by the extent of the market. See Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations, Volume 1* (At the Clarendon Press, 1869), Book 1, Chapter 1.

[59] Short selling allows an investor to bet on a market downturn. In essence, the investor borrows a security and sells it at what he believes is a high price. He then repurchases an identical asset on the open market after the price has declined, returns it to the owner, and pockets the difference. There are two critical elements to a successful short sale. First, the investor must find someone willing to loan him the assets to be "shorted." This transaction always includes a fee and a contract stipulating a date on which the asset(s) must be returned. Secondly, the price of that asset must go down, or at worst stay the same, after the sale. If the price goes up, the borrower is obligated to repurchase the asset at the higher price and pay the difference out of his pocket. Sometimes, short sellers simply foresee a market downturn and profit from their prescience. All too often, however, short sellers actively try to drive down asset values, spreading rumors, gossip, and false information to drive prices lower. At the same time, brokers understood that torpedoing an asset could be a valuable tool regardless of whether he intended to take a short or a long position. If an investor already owned securities and wanted to profit from their decline, he would sell it, spread rumors that would diminish its price, and buy it back after it had dropped. If he believed it was a good long-term investment, he could simply torpedo the price with rumors and snap the asset up at bargain prices. Such practices were common and Hamilton was well aware of these tactics as he formulated his policy response to the Panic of 1791.

[60] William Wilson Cook, *A Treatise on Stock and Stockholders, Bonds, Mortgages and General Corporation Law* (Callaghan and Company, 1894), 467.

future date where the purchase price would be compared to the current market price. If the asset appreciated, the seller would pay the purchaser the difference; the buyer would do the same if the asset price fell. Thus, wager and other similar contracts overcame the speculative constraint of asset supply. While there were only 16,000 script circulating in American markets in 1791, there was no limit on the number of wager deals. This web of contracts made the number of transactions surrounding BUS script almost limitless. The number of virtual shares being traded, including contracts and credits, could realistically have been ten times the number of script actually on the market.[61]

The ability to purchase securities on "time" or "terms" eliminated the obstacle of cash limitation. A time deal was a credit arrangement in which the buyer paid a slight premium over the cash market value of the asset instead of an interest rate. The benefits of buying on terms are obvious—a speculator could accumulate vast holdings in a very short time with little or no cash on hand. As long as the price remained high, the buyer could sell off his position, repay his creditor, and pocket the difference. Purchasing script on "time" was ubiquitous, so much so that the price of securities was listed in newspapers at different time intervals. Time deals also provided another form of leverage when interest rates were high and cash was limited. Easy credit allowed almost anyone to invest in huge sums with very little security or collateral, only accelerating the pace and concentration of trading.

Prior to the second week of August, the most important factor that kept the "inveterate madness" from ballooning into full-blown mania was the limited number of active speculators in the market. Prior to the week of August 8-12, professional merchants and brokers did the majority of trading in script and US securities.[62] As

---

[61] After the Panic of 1791 had subsided, investors sought clarification as to the legal status of their contracts. The legal enforceability of these financial contracts separated them from back-alley gambling. The case of *Livingston v. Swanwick* (1793) shed light on these speculative types of wager contracts. John R. and Brockholst Livingston—the later an avid speculator and future Supreme Court Justice—sued John Swanwick of *Willing, Morris and Swanwick* for failing to deliver one hundred shares of BUS stock, purchased on July 15, 1791 at the rate of 21 shillings and 6 pence (21/6) for delivery on January 5, 1792. On the surface, this looks like a standard, "type 1" wager contract gone bad. However, the wording of the decision indicates that this was a "type 2" wager deal where no actual certificates were expected to change hands. "THIS was an action on the case," the decision stated, "to recover *the difference* upon a stock contract, which Samuel Anderson, as the broker and agent for the defendant, who resided in Philadelphia, had entered into with the plaintiffs, who resided in New York...[emphasis added]."[61] The judge decided in favor of the Livingstons, awarding them 19,400 dollars.

[62] Wettereau, "New Light on the First Bank of the United States," 274.

ravenous as their competition for script was during the week of the July 4 issuance, there were only so many elite merchants and brokers in Philadelphia. The limitation on market participants constituted a natural check on the potential speculative energy.

The situation changed dramatically as Philadelphia entered the week of August 8-12. Perhaps drawn to the market by the gains of the previous week or ensnared by herd behavior, two entirely new classes of speculators dove into the securities market. The first group of new speculators was comprised of professionals and second-tier merchants with little prior involvement in the financial industry. These "new adventurers" lacked financial experience and entered the market only after extraordinary profits drew them away from standard commercial trade. One "new adventurer" noted by Benjamin Rush was Walter Stewart, a former Continental Army general and one-time aide to Horatio Gates who saw combat at Brandywine, Monmouth, and Yorktown. Now a respectable but common merchant in Philadelphia, Stewart rushed into the script market with unbridled energy. Stewart funded his activities with high-interest short-term credit and acquired massive holdings of script in just a few days.[63]

In fact, many of the "new adventurers" were former Revolutionary War officers like Stewart who sought to match their financial status with the social status that came with their military rank. Inherited from British social tradition, expectations of a genteel officer class weighed heavily on American veterans who, unlike their former British adversaries, became officers on merit rather than family wealth and prestige. In civilian life, many of these men had minimal wealth and turned to speculation to finance their place in the social elite. The desire of "new adventures" to get rich quick often led them to take enormous risks financed with borrowed money.

In addition to a fierce desire for social and economic mobility, war veterans were generally more familiar with, and thus more willing to use, Philadelphia's financial innovations. "[T]hey were conversant with the complex change in the American business structure that the conflict had created," Doerflinger writes. "They were, therefore, adept at using these innovations, particularly the credit extended by commercial banks, to

---

[63] National Park Service, "Colonel Walter Stewart," *Yorktown Battlefield*, accessed January 7, 2013, http://www.nps.gov/york/historyculture/stewartbio.htm; Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 203.

conduct their speculations in securities, land, and overseas trade."[64] In a time when the average citizen rarely strayed far from his home, exposure to new people and ideas profoundly shaped the Revolutionary officer corps. Of course, not every Revolutionary War officer gravitated toward a major city or engaged in speculation. However, when taken as a group, social custom motivated these veterans to attain wealth quickly and use the tools to which they were exposed during their service to attain that goal.

The second group of financial newcomers was comprised of working- and lower-class individuals. "Merchants, grocers, shop keepers, clerks, prentice boys, and even a sea captain, all forsook their usual employments to speculate in Script," Rush wrote on August 11.[65] Numerous sources reported "mechanicks deserting their shops," farmers abandoning their harvests, sailors leaving "ships lying idle in the wharfs," and construction across Philadelphia stopping as workers rushed to the City Tavern to speculate in script.[66] A young boy, quite possibly one of many orphans who earned the nickname "script" because of their enthusiasm for the trade, reportedly made 300 pounds in a few days of speculation. Given the genteel reputation of the City Tavern, it is unlikely these working class speculators were allowed to attend auctions in person. However, as Rush attested, "The city of Philadelphia…exhibited the marks of a great gaming house." As brokers with newly acquired inventory spilled out onto the streets of Philadelphia, social classes mixed as upper-class merchants traded with common laborers.

So intense was the speculative impulse that it transcended traditional racial and gender barriers. Women regularly appear on BUS subscription lists and many women

---

[64] Doerflinger, *A Vigorous Spirit of Enterprise*, 284.
[65] Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 203.
[66] Rufus King to Alexander Hamilton, "From Rufus King to AH, 15 August 1791," August 15, 1791, http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-chron-1790-1791-08-15-2; GRUMBLETONIAN, "THE FOUNT. THE BANK SCRIPT BUBBLE, An Alter'd SONG.," *Columbian Centinel*, August 24, 1791, 47 edition, America's Historic Newspapers; Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 205; Thomas Jefferson to Edward Rutledge, "From TJ to Edward Rutledge--'Ships Are Lying Idle at the Wharfs...,'" August 25, 1791, The Papers of Thomas Jefferson Digital Edition, ed. Barbara B. Oberg and J. Jefferson Looney. Charlottesville: University of Virginia Press, Rotunda, 2008., http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=TSJN-search-2-6&expandNote=on.

regularly bought and sold US securities.[67] It was not unusual for women to conduct financial business with men, especially in large cities.[68] Therefore, considering the intermingling of classes that occurred during the speculative mania, it is reasonable to assume that a substantial number of women were active script speculators.[69] In addition, free blacks were almost certainly trading script throughout Philadelphia. Benjamin Rush reported "[a]n old negro woman who sold corn in the market...[crying out], 'Hotte corn, hotte corn, hotte corn for krip."[70] While white males undoubtedly conducted the vast majority of trading in script and US securities, there is strong evidence that the speculative mania spread far beyond traditional commercial circles.

The mania's building intensity was evidenced by the physical toll it took on its participants. In addition to the insomnia and loss of appetite reported by numerous traders, several men were treated for chest pain and other symptoms of heart attacks.[71] Even more serious was the case of "a young Broker (Mr. Seber) from New York, who had made 10,000 dollars, [and] lost his reason." Far from being a metaphor, Seber literally suffered some kind of nervous breakdown. Writing on August 18, Rush reported that "Mr. Seber constantly refused to take his medicine, 'till he first asked 'on what terms' and when he swallowed his medicine would cry out 'A good bargain.'"[72] Seber died later that day.[73] Though the specifics of Seber's ailment cannot be determined, the effects of strokes, aneurisms, and heart attacks were often confused with periods of insanity during the late-eighteenth century. At the very least, Sebor's episode attests to the incredibly stressful environment that existed at the height of Scriptomania.

---

[67] **"**Subscriptions to the Bank of the United States," Oliver Wolcott Jr. Papers, Connecticut Historical Society, Box 47, Folder 12; "A List of Certificates given by the Cashier of the Bank of New York for Deposits made into the said Bank on account of the Subscriptions to the Bank of the United States," BNY Mellon Archives.
[68] Ellen Hartigan-O'Connor, *The Ties That Buy : Women and Commerce in Revolutionary America* (Philadelphia: University of Pennsylvania Press, 2009), 110–118.
[69] For more on female securities investors, see my essay, "*Women in the Arena: Virginia's First Female Bond Investors, 1790-1835."*
[70] Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 205.
[71] Ibid., 203–204.
[72] Ibid., 205.
[73] Editor George W. Corner notes in footnote 31 that "[l]etters of administration of the estate of James F. Sebor were granted to Jacob Sebor, administrator, [on] Aug. 19, 1791." Sebor died on August 18 in Rush's care.

The widely used term "Scriptomania" reveals much about how Philadelphians viewed the speculative madness. While modern ears hear the term "mania" in largely euphemistic terms, contemporary reports discussed the mania in terms often reserved for epidemics. The quasi-medicalization of speculative mania added more uncertainty for those watching Scriptomania accelerate. The boundaries between psychiatry, psychology, and infectious disease were not firmly formed—medical science had widened its boundaries but not established its categories. Thus, considering mania as a medical condition meant that it could theoretically spread the way disease did. This would have been terrifying to a populace that did not understand either illness or finance.

Perhaps the medicalization of manic behavior explains the extensive detail of Benjamin Rush's accounts. Scriptomania made such an impression on Rush that he included it in his famous "Lectures on the Mind" as an example of a mental disorder. "The anxiety of countenance, the quick and irregular motions, the desultory conversation, and the extempore manner of all the persons who were interested in this new species of speculation, gave a truer picture of a Bedlam, or of a hospital, than a coffeehouse," Rush wrote.[74] Rush also discussed the event in his "Lectures on Animal Life," a text that established many fundamental principles of mental illness.

Not everyone, however, contracted the speculative fever. Many of Philadelphia's elite financiers recognized that the market was inflated and refused to join the stampede. "Stocks & Bank Scrip are full as high with us as with you," Mordecai Lewis wrote to Nicholas Low on August 9, "[but]we confess we are lost in the matter and cannot persuade ourselves of the propriety of dealing them at their present prices."[75] Similarly, respected Philadelphia merchant Nalbro Frazier concluded that the "exorbitant prices which have been demanded for Bank Script, both at this place and New York…has exceeded any calculations that cou'd possibly have been made with fairness." Making "any Profit or even saving to be made from a Purchase at the prices it has been going at these 3 days past" would be impossible. More than simply not joining the speculative rush, Frazier foresaw a crash on the horizon: "[W]e were well aware that a turn must very

[74] Benjamin Rush, *Benjamin Rush's Lectures on the Mind* (American Philosophical Society, 1981), 166.
[75] Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'Stocks & Bank Scrip Are Full as High with Us as with You...'," August 9, 1791, Nicholas Low Papers - Box: Philadelphia 1791, Library of Congress.

shortly take place and that when the bubble had got to its Height, it wo'd decline more rapidly than even it raised."[76] Despite the mania that raged through the streets of Philadelphia, a small class of smart, moneyed elites left the "designing men…[and] new adventurers" to ride the speculative bubble to its inevitable end.[77]

Philadelphia's elite financiers were not the only ones to understand the danger of the bubble. As early as August 8 and 9, newspapers began publishing editorials comparing Scriptomania to the disastrous South Sea and Mississippi bubbles that nearly destroyed the financial systems of Great Britain and France a century earlier.[78] Even bullish, pro-BUS newspapers like the *Gazette of the United States* began to urge restraint. "Touch'd by the wand of speculation," the *Gazette* wrote,

> A frenzy runs thro all the nation;
> For soon or late, so truth advises,
> Things must assume their proper sizes--
> And sure as death all mortals trips,
> Thousands will rue their faith in SCRIPS.[79]

The warnings of an impending crash went unheeded by novice speculators. Prices at the City Tavern soared from $180 on August 9 to between $230 and $300 on the morning of August 11.[80] The mania only accelerated as the day progressed. Two brokers, "Major Franks and a Mr. Anderson…made between 2 and 3000 dollars before one o'clock," Benjamin Rush recorded. "I sold two shares for 450 dollars at 8 o'clock in the

---

[76] Nalbro and John Frazier to Andrew Craigie, "We Presume You Must Have Been Informed of the Rapid Rise and Exorbitant Price Which Have Been Demanded for Bank Script...,'" August 12, 1791, James O. Wettereau Collection, Special Collections, Columbia University.
[77] William Duer to Alexander Hamilton, "From William Duer to AH--'Those Who Impute to My Artifices the Rise of This Speicies of Stock in the Market, Beyond Its True Point of Value Do Me Infinite Injustice.'," August 16, 1791, The Papers of Alexander Hamilton Digital Edition, ed. Harold C. Syrett. Charlottesville: University of Virginia Press, Rotunda, 2011., http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-search-1-7&expandNote=on#match.
[78] Centinel, "Bank Script, Or, South-Sea Bubble--To the Disinterested Part of the Mercantile Interest in New-York.," *New York Daily Advertiser*, August 9, 1791, 2019 edition; C., "PHILADELPHIA. The EDITOR of the GENERAL ADVERTISER.--'Convert Immediately Your Whole Printing Office into Bank-Stock;,'" *General Advertiser*, August 12, 1791, 271 edition, America's Historic Newspapers.
[79] "SPECULATION.," *Gazette of the United States*, August 10, 1791, 30 edition.
[80] "The Bank Scrip Was Yesterday up to 180...," *General Advertiser*, August 10, 1791, 269 edition; Corner, *The Autobiography of Benjamin Rush; His Travels Through Life Together with His Commonplace Book for 1789-1813*, 203–204.; Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'But Scrip Was Sold Yesterday at 300 Dollars.'"

morning, and at night they sold for 315 and 320 dollars a share."[81] US securities also continued their climb, reaching between 120 and 122.5 percent of par in frenzied trading.[82] Brokers and common laborers alike raced through the city, searching for securities and script to purchase. "Many thousand shares were bought and sold," Rush wrote, "to be delivered and paid for at a future day by persons who had neither Script, nor money."[83] Rush recognized, perhaps without full understanding, that the bubble had reached its breaking point.

"The BUBBLE is BURST"

In Philadelphia, the morning of August 12 was dark and rainy, an appropriate symbol for the coming events of the day.[84] Signs of a crash began to appear in the early morning hours. "Was passed soon in the morning by a speculator (a friend of mine) who did not speak to me. I suspected he was in trouble," Benjamin Rush wrote. "Soon afterwards I heard that Script had fallen to 150 dollars." While the official exchange—the City Tavern's noon auction—would not open for hours, brokers and dealers began conducting business early. Off-exchange trading often set the baselines for the day's auctions and in the early morning, script was trading almost 55 percent lower than it had the previous night. As the *General Advertiser* predicted, script had "risen like a rocket—like a rocket it will burst with a crack."[85] As word of the crash crept through the city, no one knew just how far prices would fall.

The BUS script bubble actually burst the previous day in New York. Script opened the morning of August 11 at $250, well below the previous day's peak of $280, and continued to fall throughout the day. While Rufus King, a director of the Bank of

---

[81] Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 203.

[82] "From Another Correspondent. Dr. One Share (400 Dollars) in the Bank of the United States.," *General Advertiser*, August 12, 1791, 271 edition, America's Historic Newspapers; "PRICES OF STOCKS, Yesterday Noon.--'At Mr. Jones's Sale of Publick Paper, Yesterday Bank Script, Sold at 241 Dollars...Six Per Cents Were Sold for 24/. and 24/1 Specie.,'" *Columbian Centinel*, August 13, 1791, 44 edition, America's Historic Newspapers.

[83] Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 206.

[84] "Meteorological Observations, &c.," *Pennsylvania Mercury*, August 16, 1791, 744 edition, America's Historical Newspapers.

[85] "The SCRIPOMANIA Is at Its Full Height," *General Advertiser*, August 12, 1791, 271 edition, America's Historical Newspapers.

New York and close personal friend of Alexander Hamilton, claimed that the "Fall [felt] hitherto gradual," the losses were significant. [86] Script prices bottomed out at $197, a 30-percent decline from the previous day's highs. "The BUBBLE is BURST" the *Journal* proclaimed—the panic was on.[87] At least one express rider immediately departed New York for Philadelphia after the evening auction, riding through the night with word of the crash.[88]

The unnamed rider arrived in Philadelphia very early Friday morning, immediately communicating the events in New York. Armed with proprietary information, those with early knowledge raced to exit their script positions in whatever way possible. "J.F.," an otherwise unidentified broker who heard the news from New York early, called on merchant Robert Smith before breakfast to propose a deal. J.F. had bought 50 scripts for 250 dollars the previous day and offered them back to Smith for 280 dollars. Smith, who would have known that script rose to 320 dollars in the prior night's trading session, readily accepted.[89] The decision was a tragic one. Smith paid $14,000 for assets, which, at the moment he bought them, were worth a mere $7,500.

Unlike Smith, some potential victims narrowly escaped disaster. On the night of August 11, John Swanwick offered Major James Moore 300 scripts for 300 dollars each. Moore countered with an offer of $290 dollars; Swanwick summarily refused. The next morning, after hearing of the crash, Swanwick told Moore that he had reconsidered and would now accept a price of $290, the price he had refused the previous night. Moore requested an hour to consider the matter. Knowing that news of the crash could arrive at any moment, Swanwick demanded an answer on the spot. Moore was put off by the ultimatum and declined, saving, in the words of Benjamin Rush, "his estate and family from ruin."[90]

---

86 Rufus King to Alexander Hamilton, "From Rufus King to AH, 15 August 1791."
87 I-----c DIPDEEP, "FOR THE NEW-YORK JOURNAL, &c. The BUBBLE Is BURST.," *New-York Journal*, August 13, 1791, 64 edition, America's Historic Newspapers.
88 It is reasonable to believe that an express which left New York in the late evening would be able to make it to Philadelphia by the early morning. In *Urban growth and the circulation of information: the United States system of cities, 1790-1840* Allan Pred demonstrates that road conditions and communications networks had improved to the point that express riders could traverse the two cities in as little as ten hours.
89 Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 205.
90 Ibid., 205–206.

While the advantage gained by early knowledge was obvious, the actual reason for the crash remains shrouded in mystery. A rumor quickly spread that "the fall of the price of Scrip [in New York] had been very rapid on Thursday, in consequence of the Bank in that city having declined to continue discounting for some the deep speculators in the Public Paper...."[91] Rush and several others reported hearing this theory the morning of the crash. At least four Philadelphia newspapers repeated it the following week and most historians accept this narrative.[92]

Yet this traditional interpretation has significant faults. Rufus King, a credible source on the Bank of New York's balance sheet, categorically denied rumors that the BONY had stopped discounting notes. "I understand that it has been reported, that the late check has been produced by the bank's having refused their usual discounts," King wrote. "*This has by no means been the case*. The Bank has continued, & will continue, to discount as far as their safety will authorize [emphasis added]."[93] While it is clear that credit contracted sharply after the crash, there is no proof that a sharp pullback by the Bank of New York sparked the panic-inducing sell-off.[94]

What, then, sparked the crash? The best explanation takes seriously reports of a speculative "ruse" or "scheme." The *Columbian Centinel* reported that "[t]he great fluctuation in the price of Scripts the week past is said to have been caused by a powerful combination at NEW-YORK,"[95] a notion supported by many contemporary accounts. On August 9, the New York *Daily Advertiser* reported that "sales, either real or fictitious, have been made at an advance above those enormous prices I have already mentioned, and all for the purpose of deceiving a few innocent and unsuspecting men, who will

---

91 "Philadelphia, August 15.--[Published 17 August 1791]," *New York Daily Advertiser* (Philadelphia, August 15, 1791), http://infoweb.newsbank.com.mutex.gmu.edu/iwsearch/we/HistArchive/?p_product=EANX&p_theme=ahn.

92 Jones, *King of the Alley*, 169, argues "On 11 August, the Bank of New York refused to make any further loans to speculators or renew those coming due; a drop in prices occurred which spread quickly to Boston and Philadelphia." David J. Cowen, *The Origins and Economic Impact of the First Bank of the United States,* 49, though slightly more cautious, nonetheless largely agrees with the traditional interpretation. "When the BONY and other lenders curtailed loans to some extent to the speculators on August 11, a panic set in, for the direct relationship between loan curtailment and security price decreases was logical."

93 Rufus King to Alexander Hamilton, "From Rufus King to AH, 15 August 1791."

94 Unfortunately, the Bank of New York's discount records have been lost. A thorough examination of the balance sheets of prospective BONY borrowers could be very helpful in resolving this question, but such an investigation is beyond the scope of this essay.

95 "Stocks, & C. as in Our Last. Script 158.--High Scrip Volitility," *Columbian Centinel*, August 20, 1791, James O. Wettereau Collection, Special Collections, Columbia University.

unthinkingly purchase in at those advanced prices."[96] Rufus King also alluded to a group of speculators who sold their script too early and proceeded to spread false rumors in hopes of bringing prices down to a level at which they could reestablish their positions.[97]

Regardless of what sparked the crash in New York on August 11, Philadelphia markets were in freefall by midday on August 12. The City Tavern was packed for the noon auction, with merchants, politicians, and grocers alike desperate to cut their losses. Initial auctions confirmed that script had indeed fallen over 50 percent from the previous day's highs. "Ask prices" between $140 and $160 received virtually no bids.[98] Put simply, the market for script was completely frozen. Philadelphia's Nalbro Frazier wrote to Andrew Craigie in Boston,

> Bank Script was sold at the Coffee House last Evg. at public auction for 312 Dollars cash and this day no price is offered…We believe it co'd be obtained for 100 Dollars cash, it was sold at the Coffee house at noon at public sale for 142 Dollars cash, which we have no doubt was a sham sale from the circumstances attending it.[99]

Reports of sham sales—orchestrated transactions in which collusive parties staged sales at higher than true market-rate prices—were widespread as desperate speculators tried to prop up their rapidly depreciating script. By mid-afternoon, Rush reported that the crisis "has spread distress and consternation through our city. Never did I see so many long faces in our streets and at the coffee house."[100]

The panic gained force as speculators came to grips with the insolvency of their portfolios. Walter Stewart, the Revolutionary War general and "new adventurer," "had so much Script on hand that he came to the Secretary of the Treasury and wept, and said he should be ruined if [script] did not rise." The stress affected other men physically. Isaac Franks, another veteran of the Revolution who served under Washington at the Battle of

---

[96] Centinel, "Bank Script, Or, South-Sea Bubble--To the Disinterested Part of the Mercantile Interest in New-York."
[97] Rufus King to Alexander Hamilton, "From Rufus King to AH, 15 August 1791."
[98] "[From] Philadelphia, August 13 [Published 24 August 1791.]," *The City Gazette or The Daily Advertiser*, August 13, 1791, 1864 edition, America's Historic Newspapers.
[99] Nalbrp and John Frazier to Andrew Craigie, "From Nalbro' and John Frazier to Andrew Craigie--'We Presume You Must Have Been Informed of the Rapid Rise and Exorbitant Price Which Have Been Demanded for Bank Script...'"
[100] Benjamin Rush to Julia Rush, "To Mrs. Rush," August 12, 1791.

Long Island, "had no appetite, had a pain in his breast, and started up when half a sleep, his pulse was weak and quick."[101]

Despite the physical consequences, the psychological ramifications of the Panic may have been the most damaging. A correspondent in Philadelphia reported, "that, in the present speculations about script, through which some have turned raving mad, and other are so agitated that they appear on the borders of insanity…" The newspaper urged distressed speculators to sleep if at all possible, and "to be temperate in eating and drinking…[using] some but little wine."[102] That men drink excessively to cope with crisis is not new, but this and other reports suggest that the level of intoxication during the Panic reached atypical levels. Unfortunately, some were unable to handle the stress at all. Several young men, having missed out on massive profits and owing immense debts, hung themselves.[103] Even Benjamin Rush, an ardent patriot and signer of the Declaration of Independence, wondered, "whether the vices they had introduced into our country had not made our liberties and independence too dear a purchase."[104]

As the Panic moved into the weekend, the threat of an all-out financial crisis became an ever-increasing reality. When the market crashed, script's equity potential collapsed and few speculators were able to refinance their massive amounts of short-term debt. Cashless and desperate to reduce their debt burden, many speculators began passing bad checks.[105] Merchants, even those exclusively involved with commercial trading, no longer trusted purchasers. Importers refused credit to their wholesalers, not knowing if they too had speculated too deeply in securities. As a result, distrust and uncertainty spread to the general economy. By Monday, August 15, Rufus King, Mordecai Lewis, and Bank of New York cashier William Seton all reported severe cash shortages in both

[101] Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 204.
[102] Chron.Free.d, "A Correspondent, Who Is Not Ignorant of Medicine or Philosophy, Says, That, in the Present Speculations about Script, through Which Some Have Turned Raving Mad, and Other Are so Agitated That They Appear on the Borders of Insanity...," *New-York Journal*, August 17, 1791, 65 edition, America's Historic Newspapers.
[103] Benjamin Rush to Julia Rush, "To Mrs. Rush."
[104] Corner, *The Autobiography of Benjamin Rush; His Travels through Life Together with His Commonplace Book for 1789-1813*, 204.
[105] Ibid.

New York and Philadelphia.[106] Credit and liquidity markets in the nation's largest commercial centers were frozen.

Even more detrimental to the long-term health of the American financial system, US securities came under significant pressure as script prices collapsed. After reaching highs of 112.5 percent of par (22/4 £) in Philadelphia on the morning of August 12,[107] US 6s tumbled to just over 100 percent (20/2 £) three days later.[108] Declines were similar in Boston, where US 6s fell from 120.5 percent of par (24/1 £) to 110 percent (22/ £).[109] While declines in US securities were less dramatic in New York, they were still steep enough to worry Treasury officials. A collapse in US securities prices posed symbolic and practical threats to the nascent United States. In addition to driving up borrowing costs, a crash in US securities would signal that the United States was not capable of maintaining a modern financial regime. Hamilton feared that, like in France after the Mississippi bubble, public and investor confidence, both economic and political, would evaporate and not return for many years.[110]

Hamilton had reason to fear that a dramatic drop in US securities prices was imminent. While US securities fell significantly, their approximate 10-percent decline was far less than script's 50-percent crash. Many speculators, with contract fulfillment dates quickly approaching, were making plans to liquidate their US securities at fire-sale prices.[111] "[I]t would be much more advantageous for the holders of funded Debt &

---

[106] Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'As with You a Number of Young & Inexperienced Adventurers Have Started up...'"; William Seton to Alexander Hamilton, "From William Seton to AH--' From the Very Sudden Turn That Speculation Has Taken. We Have Only Now Remaining in Bank of the Treasurers Bills on Collectors...'," August 15, 1791, http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-chron-1790-1791-08-15-7; Rufus King to Alexander Hamilton, "From Rufus King to AH, 15 August 1791."

[107] An isolated report that US 6s reached 120 percent of par on August 11 appeared in August 12's Philadelphia *General Advertiser*. This figure is an extreme outlier and has been discounted after an in-depth comparison with the existing data.

[108] Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'Many Are Much Distressed to Comply with Their Engagements Having Bought Scrip High on Time.'"

[109] "PRICES OF STOCKS, Yesterday Noon.--'At Mr. Jones's Sale of Publick Paper, Yesterday Bank Script, Sold at 241 Dollars...Six Per Cents Were Sold for 24/. and 24/1 Specie.'"; "PRICE of STOCKS at Auction. Yesterday Noon. [Published 23 August 1791.]," *New York Daily Advertiser*, August 22, 1791, 2031 edition, America's Historic Newspapers.

[110] Charles Poor Kindleberger, *A Financial History of Western Europe* (London; Boston: Allen & Unwin, 1984), 98. Kindleberger writes, "French experience with John Law was [so traumatic] that there was hesitation even in pronouncing the word 'bank' for 150 years thereafter."

[111] "Philadelphia, Aug. 18," *ClayPoole's Daily Advertiser*, August 18, 1791, 68 edition, America's Historical Newspapers.

scrips in order to raise money to sacrifice 10 P cent [sic] on the former by selling the price than to sink 50 or 100 on the latter," speculator Seth Johnson wrote to Andrew Craigie.[112] A mass liquidation of US securities would have put extreme downward pressure on US securities prices and exacerbate the deflationary spiral.

Hamilton knew that a crash in US securities prices would only exacerbate the credit and liquidity crunch. Because US securities were required tender for BUS stock,[113] the prices of those securities appreciated significantly following the script issuance. In other words, the price of US securities was inflated by abnormal demand. In the scramble for credit in late July and early August, many of these US bonds were pledged as collateral for loans at their inflated market price rather than their face value.[114] If US securities prices returned to more reasonable prices—much less crashed—the market price at which bonds could be liquidated would be lower than the value at which they were pledged as collateral. When faced with serious declines in the value of their collateral, lenders would call for additional loan security, requiring borrowers to post additional collateral or liquidate the outstanding loans. Cash-poor and facing debtor's prison, borrowers would be forced to dump US securities, BUS scrip, and other assets to cover their obligations. Credit would dry up completely and assets would hold little cash value, if cash could be found at all.

Over the weekend of August 13-14, Hamilton formulated a plan to purchase large amounts of US securities on the open market. Hamilton realized that the problem was one of liquidity; thus, in theory, injections of cash would help dealers settle their accounts without resorting to fire sales. Hamilton also hoped to unlock credit markets, which would provide stimulus for general commerce. On the morning of August 15, Hamilton was authorized by the Commissioners of the Sinking Fund to make open-market debt purchases of "between three and four hundred thousand dollars" in New York and

---

[112] Seth Johnson to Andrew Craigie, "From Seth Johnson to Andrew Craigie--'For It Would Be Much More Advantageous...,'" August 20, 1791, Andrew Craigie Papers, III, pg. 68, America's Historic Newspapers.
[113] Cowen, *The Origins and Economic Impact of the First Bank of the United States, 1791-1797*, 41–43.
[114] US 6s were commonly used as collateral for terms deals—"A lot was put up on credit to 3d April, for which six per cents, were to be lodged as security--it was struck off to a private bid at 213."; "New-York, August 19. PRICE OF STOCKS. [Published in the Albany Gazette on 25 August 1791].," *Albany Gazette*, August 19, 1791, America's Historic Newspapers.

Philadelphia.[115] Hamilton quickly tasked William Seton and the Treasurer of the United States, Samuel Meredith, with purchasing US securities. While there are no written directions from Hamilton to the Treasurer—Hamilton most likely gave Meredith verbal instructions—Meredith almost assuredly was ordered to purchase the same $150,000 dollars of securities in Philadelphia that William Seton was ordered to purchase in New York.[116] Writing to Seton, Hamilton said that his principle aim was "to keep the Stock"—Hamilton always referred to US securities as "stock" and BUS script as "script"—"from falling too low in case the embarrassments of the dealers should lead to sacrifices."[117] Preventing the type of deflationary spirals that undercut broader social confidence in the system and government was Hamilton's chief priority.[118]

As Hamilton prepared his liquidity injection program, script prices in Philadelphia fell to $137 on August 15 and then a new low of $131 on August 16.[119] US securities continued their descent as well. "Many are much distressed to comply with their Engagements having bought Scrip high on Time," Mordecai Lewis wrote, indicating the prominence of contracts that were soon to be unfulfilled. However, Samuel Meredith

---

[115] The Sinking Fund was an independent Treasury fund financed by the sales of western lands, and later, postal revenues, which was dedicated exclusively to the retirement of government debt. For more on the Sinking Fund, see Wright, One Nation Under Debt, 142-144 and Garber, *Alexander Hamilton's Market Based Debt Reduction Plan*. The other two commissioners present—Secretary of State Thomas Jefferson and Attorney General Edmund Randolph—were certainly not proponents of the arbitrary exercise of governmental action. Given the unusually large size of the sum Hamilton requested, and Jefferson's skeptical nature, Hamilton likely explained his plan and its implications. The fact that Jefferson and Randolph quickly certified the purchases, and that Jefferson never mentioned the event, suggests that even if the Virginians were not enthusiastic about Hamilton's plan, they saw it as necessary.

[116] Alexander Hamilton to William Seton, "From AH to William Seton--'...I Have Concluded to Apply One Hundred and Fifty Thousand Dollars Towards Purchases in the City of New York and to Ask You to Undertake the Execution of the Business.'," August 15, 1791, http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-chron-1790-1791-08-15-6.

[117] Alexander Hamilton to William Seton, "From AH to William Seton--'A Principal Object with Me Is to Keep the Stock from Falling Too Low in Case the Embarrassments of the Dealers Should Lead to Sacrifices...'," August 16, 1791, The Papers of Alexander Hamilton Digital Edition, ed. Harold C. Syrett. Charlottesville: University of Virginia Press, Rotunda, 2011., http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-chron-1790-1791-08-16-3.

[118] Perhaps the most striking aspect of Hamilton's interventionist policy was his concerted effort to actively combat the short sellers he feared would attempt to torpedo US securities as they had script. "If there are any Gentlemen who support the *funds* and others who *depress* them," Hamilton wrote to Seton, "I shall be pleased that your purchases may aid the *former*. This in great confidence." In essence, Hamilton ordered his agents to undercut short-selling speculators. This move was intended to make a statement—the Treasury would not stand idly by while speculators endangered economic stability. If they did so, they would face a powerful and stalwart foe in the Treasury Secretary.

[119] Mordecai Lewis to Nicholas Low, " 'Many Are Much Distressed to Comply with Their Engagements Having Bought Scrip High on Time.'"; Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'Yesterday the Treasury Gave Notice That HE Would Buy...'"

began purchasing securities on Wednesday, August 17, and the next day prices reversed their downward trend (see Figure 5).[120] "This [was to] be a great Relief to many," Lewis wrote, "and stop[ped] for the present the further decline of stocks."[121] Indebted securities holders didn't need to liquidate their portfolios and script prices jumped from a low of $130 on August 17 to $161-$164 the next day, an approximate 15 percent rebound.[122] Bolstered by Treasury purchases, US securities stabilized and even rose slightly in the following days.[123] While reports of the August 17 floor price varied slightly,[124] the positive impact in Philadelphia of Meredith's capital injections was undeniable. By Friday, August 19, prices of script and US securities had stabilized and the deflationary spiral was stayed.

The Seeds of Change

As asset values in Philadelphia stabilized in direct response to Samuel Meredith's liquidity injections, groups of wealthy New York merchants pounced on depreciated script and US securities. During the last week of August, speculative purchases in the New York market drove script well over $200 for the first time since August 11. On the morning of Monday, September 5, New York's script market again began to collapse.[125]

---

[120] Mordecai Lewis to Nicholas Low, "'Yesterday the Treasury Gave Notice That HE Would Buy...,'" August 17, 1791, Nicholas Low Papers - Box: Philadelphia 1791, Library of Congress; "Philadelphia, Aug. 18."

[121] Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'Yesterday the Treasury Gave Notice That HE Would Buy...'"

[122] "PHILADELPHIA, August 17 [Published on 19 August 1791].--'We Hear That the Secretary of the Treasury Is Buying 6 Per Cents. at 20s. 1 1/2d.'," *New-York Daily Gazette*, August 17, 1791, 827 edition; Mordecai Lewis to Nicholas Low, "Scrips Were Sold Last Night @ 161 @ 164 Dolls. Cash--stock Rather Looks up, and We Are Told the Treasr. Has Not Had Much Offerd to Him.," August 19, 1791, Nicholas Low Papers - Box: Philadelphia 1791, Library of Congress.

[123] The 18 percent calculation was made using the extreme high and low valuations available for August 17 and 18. These values were taken from the sources citied in the previous footnote. The 8 percent calculation is from a comparison of two letters from the same source—Mordecai Lewis. Lewis's low for August 17 is listed at $151, as opposed to the $130 listed in the *New York Daily Gazette*. This discrepancy is responsible for the wide margin of the stated rebound in script prices.

[124] "Philadelphia Price Current. Aug. 17. PUBLIC SECURITIES.," *New York Daily Advertiser*, August 17, 1791, 2029 edition, America's Historic Newspapers.

[125] Evidence clearly reveals that the crash of September 5 was caused by an organized speculative attack. "The truth is that the fluctuations are principally owing to the arts & contrivances of mere jobbers & amongst these our friend Brockholst [Livingston] stands in the foremost ranks," Robert Troup wrote to Alexander Hamilton. "A few days ago a cursed scheme of depression was planned & executed under his immediate patronage as is universally said & believed."[125] The scheme was most likely activated in *sub rosa* trading on Sunday the 4th or Monday morning the 5th. While the exact nature of Livingston's scheme is unclear, it is quite possible that his plan was very modern in nature. Members of Brockholst Livingston's

During the evening auction, script sold for between $140 and $144.25, a nearly 20 percent decline from previous highs.[126] US securities also came under heavy pressure. Burdened with heavy debts, many of New York's key market participants saw their assets' cash potential decline dramatically. William Seton told Hamilton that his liquidity injections of mid-August were "far short of preventing that universal panic & want of money which now prevails." By September 8, script had fallen to $110.25 at the noon auction, its lowest price since the end of July (see Figure 10).[127] Seton nervously reported that brokers were liquidating script and US securities at steep discounts "merely to save credit."[128]

Once again, Hamilton stepped in to prevent systemic collapse. Seton was again instructed to purchase securities on the open market while informing those in New York that Meredith was doing the same in Philadelphia.[129] The added liquidity, and implicit guarantee of further Treasury support, settled markets and unfroze credit. The market experienced a significant hangover, but Hamilton's second round of liquidity injections prevented all-out collapse in New York.

While the second bubble and crash raged in New York, Philadelphians tried to come to terms with the events of the first three weeks of August. While prices of script and US securities gyrated slightly and even slid over the subsequent month, the declines were gradual. Trading activity in Philadelphia came to a virtual standstill as brokers reported low volume and "very dull" sales.[130]

The Panic of 1791 brought speculation into the public limelight and Pennsylvania legislators responded with considerable attention. Within several months of the Panic's

---

inner-circle, including Livingston himself, were practicing wager stock speculation and other modern types of short selling. Yet even if Livingston's method was a more antiquated form of short selling, the effect was still swift and devastating.

[126] "PRICE of STOCKS at AUCTION. [5 September 1791.]," *New York Daily Advertiser*, September 6, 1791, 2043 edition, America's Historic Newspapers.

[127] "PRICE of STOCKS at Auction. [8 September 1791.]," *New York Daily Advertiser*, September 9, 1791, 2046 edition, America's Historic Newspapers.

[128] William Seton to Alexander Hamilton, "From William Seton to AH, 5 September 1791."

[129] Alexander Hamilton to William Seton, "From AH to William Seton--'You May...make It Known That the Treasurer Is Purchasing Here.,'" September 7, 1791, The Papers of Alexander Hamilton Digital Edition, ed. Harold C. Syrett. Charlottesville: University of Virginia Press, Rotunda, 2011., http://rotunda.upress.virginia.edu.mutex.gmu.edu/founders/default.xqy?keys=ARHN-chron-1790-1791-09-07-6.

[130] Mordecai Lewis to Nicholas Low, "From Mordecai Lewis to Nicholas Low--'Disappointment in Not Getting Notes Discounted in New York.,'" August 29, 1791, Nicholas Low Papers - Box: Philadelphia 1791, Library of Congress.

resolution several regulatory bills were presented to the Pennsylvania legislature. The first proposed a one-percent tax on auction sales and a ten-percent penalty on futures and wager contracts. A second bill "to prevent the practice of stock jobbing" was presented to Pennsylvania's lower house soon thereafter. Both bills were eventually narrowly defeated due to fears that Philadelphia's commercial industry would decamp for New York. This was a reasonable concern for a city that would soon lose the nation's political capital. Federalists, who still had a strong presence in the Pennsylvania legislature, would likely have opposed stiff penalties on financial deals.[131] Still, the rapid submission of two anti-speculation bills demonstrates the extent to which the Panic of 1791 affected Philadelphians and their representatives.

After the Panic of 1791 and its sister crisis that took place six months later, many Philadelphians blamed the Federalists for the panics, bankruptcies, and disruptions of trade. Many prominent Philadelphians who had suffered huge losses during the Panic, including John Swanwick, Clement Biddle, Walter Stewart, and many others, adopted strong anti-Federalist principles. Many of these men became the foundation of Philadelphia's Democratic-Republican faction that developed during the mid-1790s.[132]

A stark increase in factionalism also developed amongst Philadelphia's newspapers in the wake of the Panic. Despite their later reputation as fierce factional warriors, Philadelphia print outlets were remarkably impartial before and during the Panic itself.[133] While political events like Washington's Neutrality Proclamation, the Genet Affair, and the Jay Treaty solidified press polarization, careful observation reveals that polarization began in the aftermath of the panics of 1791 and 1792.

A confluence of the political and economic ramifications of the Panic came in 1793 with the chartering of the Bank of Pennsylvania. The bank was widely regarded as a Republican counterweight to the BNA and BUS, the latter of which was still viewed with suspicion by many Philadelphians. In addition to having a Board of Directors dominated by Republicans, historian Roland M. Baumann observes that the Bank of Pennsylvania had several features "which personified anti-Hamiltonianism." The bank "could not buy

---

[131] Baumann, "The Democratic-Republicans of Philadelphia," 322–325.
[132] Ibid., 314–316.
[133] For more on the conduct of the Philadelphia press during the Panic of 1791, see my essay, ""Established upon NATIONAL, INDEPENDENT, and IMPARTIAL PRINCIPLES": A Reevaluation of the Early American Press."

publican securities; establish interlocking directorates; and…its officers, president and cashier, could not deal in stocks and were required to make regular reports of capital debts or face a penalty of $10,000."[134] In many ways, the Bank of Pennsylvania appears designed to alleviate the concerns of Philadelphians still scarred by Scriptomania and its subsequent crash.

The impact of Scriptomania and its subsequent crash is evident in the poetic account of Cornelius Benleather, a pseudonymous New York cobbler who leaves his wife and children to speculate in Philadelphia. Upon arrival in Philadelphia, Benleather begins snapping up script from experienced brokers, widows, and friends on both short- and long-term credit. He ebulliently continues his ravenous accumulation until his inexperience leaves him exposed when the market eventually collapses. His "order[ing of] sham sales for 40 shares, to tickle the market" does nothing to secure his position. He loses everything in hours. By the night of August 12, Benleather can do little more than aimlessly roam the streets of Philadelphia. With his account book and reputation in tatters, Benleather is accompanied only by his friend "Plodd Squath [who was] just brought to town tied up in a crazy shirt, by two insolent farmers, who declare he is mad for wanting to buy all their *stock*, at twenty times its real worth." As Benleather's ruin is confirmed by prices dropping as low as 75 dollars at the City Tavern, he laments, "Alas! My Shoemaker's shop in New York, my custom all lost, myself reduced to a poorer tool than an awl or a peg."[135]

The chaotic events of the Panic of 1791, and its devastating aftermath, affected Philadelphia more deeply than anywhere else in the new United States. Philadelphia's ambitious, innovative, and sophisticated economic community seized on BUS script as a path to instant riches after a decade and a half of relative economic hardship. Once the speculative fever escaped the bounds of the experienced mercantile community, it spread like wildfire. When the bubble burst and the market crashed, panic, both metaphorical and literal, gripped America's queen city. Losses were greater and societal unrest more intense in Philadelphia. In very real ways, the Panic left destitution, madness, and death in its wake. This event, occurring at a formative moment in Philadelphia's history,

---

[134] Baumann, "The Democratic-Republicans of Philadelphia," 339.

[135] Cornelius Benleather, "Philadelphia, Wednesday, August 20, 1791. MY DEAR MATILDA," *Independent Gazetteer*, August 20, 1791, 1354 edition, America's Historic Newspapers.

profoundly shifted its developmental track. In many ways, Philadelphia's financial industry, political structure, and economic culture never returned to its pre-crisis Federalist sympathies. The Panic of 1791 profoundly influenced the Panic of 1791 and in the end, the Panic helped shape Philadelphia itself.

Appendix—Figures

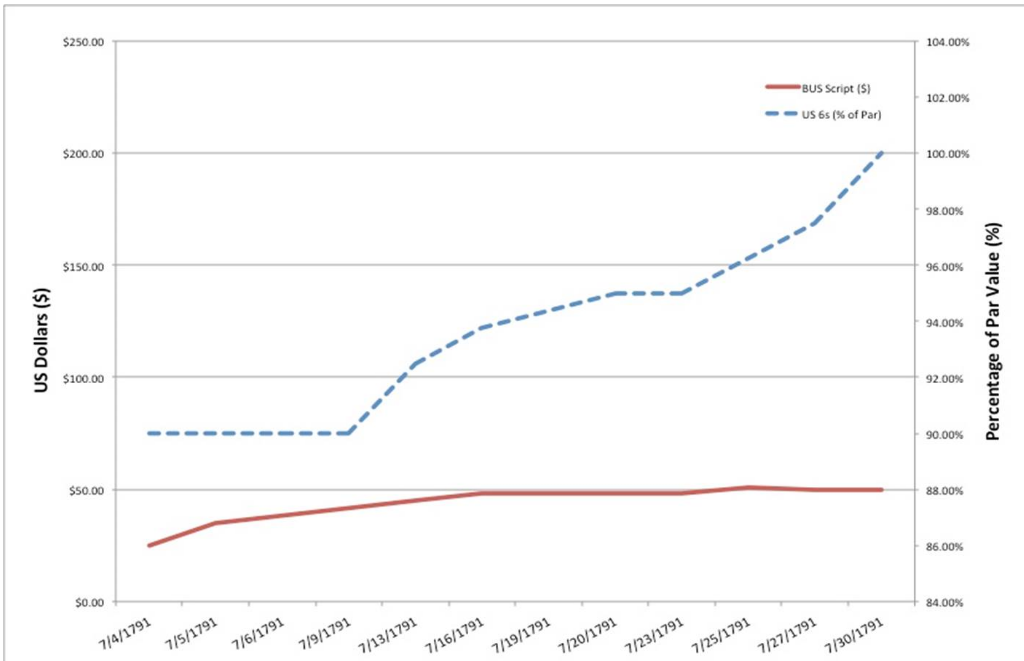

Figure 1: Market Value of BUS Script and US Securities—Philadelphia, July 1791
Source: Sylla, Wilson, and Wright (2006), *Gazette of the United States* (August 1791), *The City Gazette, or the Daily Advertiser* (Charleston, South Carolina), Nicholas Low Collection, James O. Wettereau Collection.

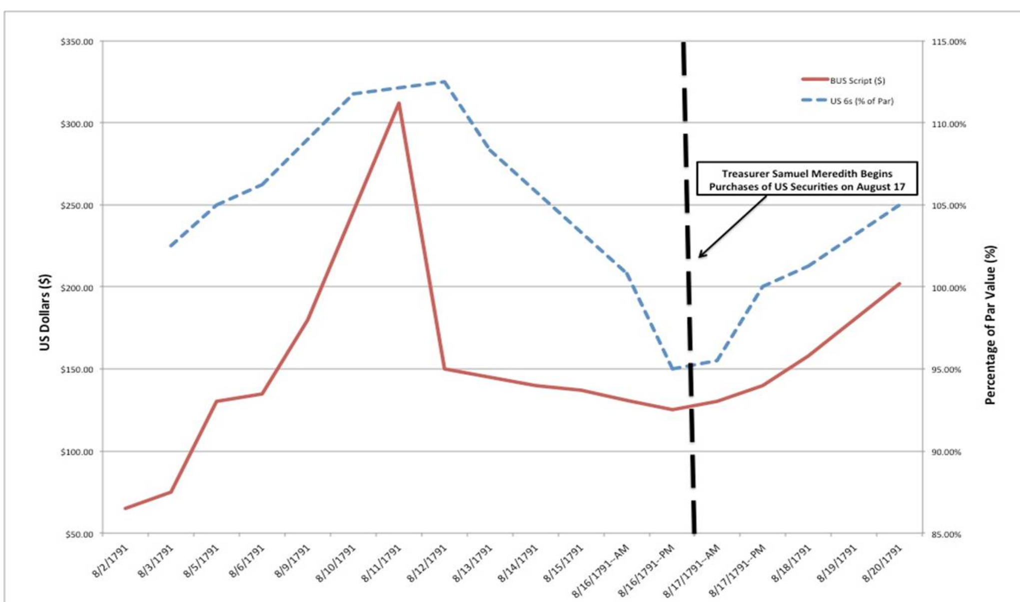

Figure 5: The Impact of Treasury Open Market Purchases on Asset Prices—Philadelphia, August 1791
Source: Sylla, Wilson, and Wright (2006), *Gazette of the United States* (August 1791), Philadelphia *General Advertiser* (August 1791), *Federal Gazette* (August 1791), New York *Daily Advertiser* (August 1791), *The Mail, or Claypoole's Daily Advertiser* (August 1791), *New York Daily Gazette (August 1791)*, The Papers of Alexander Hamilton Digital Edition (2011), Nicholas Low Papers, Andrew Craigie Papers, and James O. Wettereau Collection.

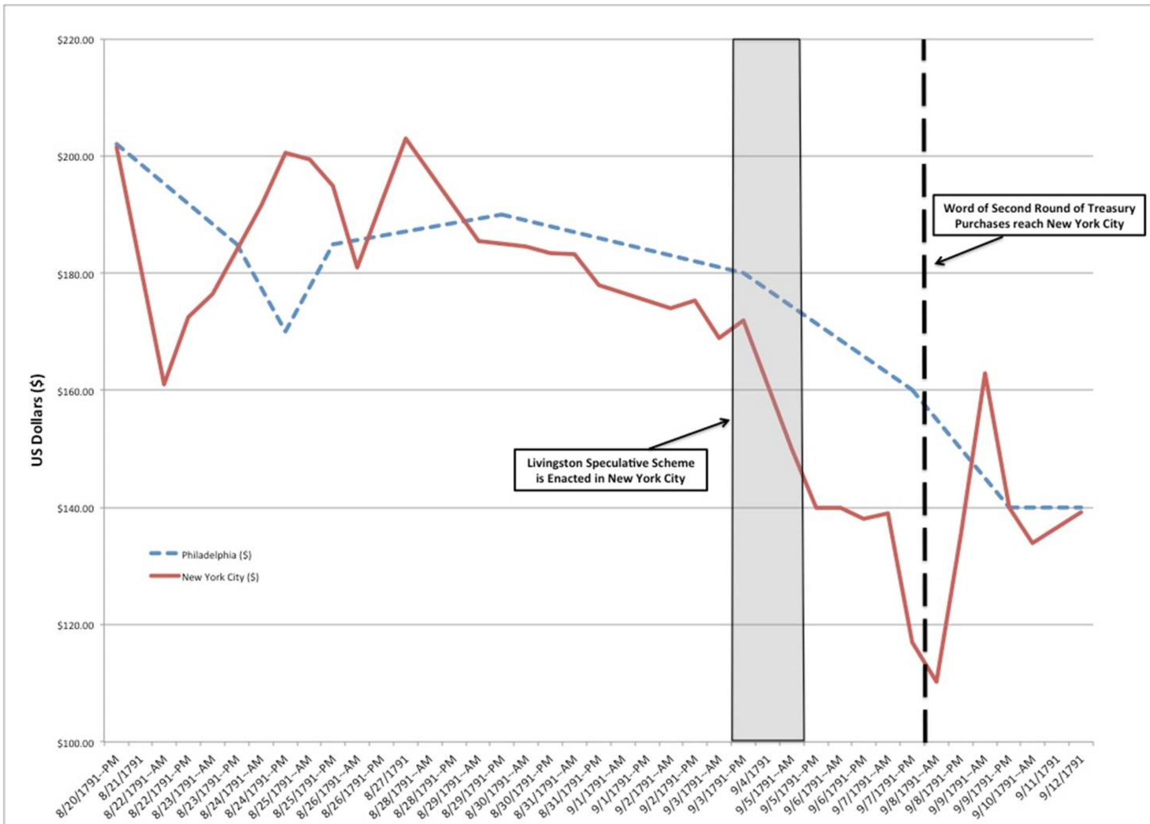

Figure 10: Progression of Second Market Crash—New York City, August 20-September 12, 1791
Source: Sylla, Wilson, and Wright (2006), New York *Daily Advertiser* (August 1791), Jeremiah Wadsworth Collection, Nicholas Low Papers, Andrew Craigie Papers, and James O. Wettereau Collection.

References

BOOKS, ARTICLES, AND DATABASES

Baumann, Roland Milton. “The Democratic-Republicans of Philadelphia: The Origins, 1776-1797.” Ph.D., The Pennsylvania State University, 1970.

Burrows, Edwin G. *Gotham: a History of New York City to 1898*. New York: Oxford University Press, 1999.

Butterfield, L. H. *Letters of Benjamin Rush. 1761-1792*. Memoirs of the American Philosophical Society 30/1. Princeton, N.J: Princeton University Press published for the American Philosophical Society, 1951.

Chernow, Ron. *Alexander Hamilton*. New York: Penguin Books, 2005.

Clark, Allen Culling. *Greenleaf and Law in the Federal City*. Press of W.F. Roberts, 1901.

Cook, William Wilson. *A Treatise on Stock and Stockholders, Bonds, Mortgages and General Corporation Law*. Callaghan and Company, 1894.

Cooke, Jacob Ernest. *Alexander Hamilton*. New York: Scribner’s, 1982.

Corner, George Washington, ed. *The Autobiography of Benjamin Rush; His Travels Through Life Together with His Commonplace Book for 1789-1813*. Westport, Conn: Greenwood Press, 1970.

Cowen, David J. “The First Bank of the United States and the Securities Market Crash of 1792.” *The Journal of Economic History* 60, no. 4 (December 1, 2000): 1041–1060.

——. *The Origins and Economic Impact of the First Bank of the United States, 1791-1797*. Financial Sector of the American Economy. New York: Garland Pub, 2000.

Cowen, David L. "Craigie, Andrew,” http://www.anb.org/articles/12/12-00176.html, *American National Biography Online* Feb. 2000.

Davis, Joseph Stancliffe. *Essays in the Earlier History of American Corporations*. Harvard Economic Studies v.16. Cambridge: Harvard University Press, 1917.

Doerflinger, Thomas M. *A Vigorous Spirit of Enterprise: Merchants and Economic Development in Revolutionary Philadelphia*. Chapel Hill: Published for the Institute of Early American History and Culture, Williamsburg, Va. by the University of North Carolina Press, 1986.

Edling, Max M. *A Revolution in Favor of Government: Origins of the U.S. Constitution and the Making of the American State*. New York: Oxford University Press, 2003.

Flaumenhaft, Harvey. *The Effective Republic: Administration and Constitution in the Thought of Alexander Hamilton*. Durham: Duke University Press, 1992.

Freeman, Joanne, ed. *Alexander Hamilton: Writings*. The Library of America. New York: Library of America: Distributed to the trade in the U.S. by Penguin Putnam, 2001.

Garber, Peter M. *Alexander Hamilton's Market Based Debt Reduction Plan*. Working Paper. National Bureau of Economic Research, January 1991. http://www.nber.org/papers/w3597.

Gordon, John Steele. *Hamilton's Blessing: The Extraordinary Life and Times of Our National Debt*. New York: Walker, 1997.

Graham, Robert Earle. "The Taverns of Colonial Philadelphia." *Transactions of the American Philosophical Society* 43, no. 1 (January 1, 1953): 318–25.

Hartigan-O'Connor, Ellen. *The Ties That Buy: Women and Commerce in Revolutionary America*. Philadelphia: University of Pennsylvania Press, 2009.

Hamilton, John C. *The Life of Alexander Hamilton*. New York: D. Appleton, 1840.

Holton, Woody. *Unruly Americans and the Origins of the Constitution*. 1st ed. New York: Hill and Wang, 2007.

Hunt, Freeman. *Lives of American Merchants*. Vol. III. New York: Derby & Jackson, 1858.

Irvin, Benjamin H. "The Streets of Philadelphia: Crowds, Congress, and the Political Culture of Revolution, 1774-1783." *The Pennsylvania Magazine of History and Biography* 129, no. 1 (January 1, 2005): 7–44.

Johnston, Louis and Samuel H. Williamson. "What Was the U.S. GDP Then?" MeasuringWorth, 2011.

Jones, Robert Francis. *The King of the Alley: William Duer, Politician, Entrepreneur, and Speculator, 1768-1799*. Memoirs of the American Philosophical Society v. 202. Philadelphia: American Philosophical Society, 1992.

Justia US Supreme Court Center. "LIVINGSTON V. SWANWICK - 2 U.S. 300 (1793)."http://supreme.justia.com/cases/federal/us/2/300/case.html.

Ketchum, Richard M. *Divided Loyalties: How the American Revolution Came to New York*. 1st ed. New York: Henry Holt, 2002.

Kindleberger, Charles Poor. *A Financial History of Western Europe*. London; Boston: Allen & Unwin, 1984.

Lindert, Peter H., and Jeffrey G. Williamson. *American Incomes before and after the Revolution*. Working Paper. National Bureau of Economic Research, July 2011. http://www.nber.org/papers/w17211.

Mann, Bruce H. *Republic of Debtors: Bankruptcy in the Age of American Independence*. Cambridge, MA: Harvard University Press, 2002.

McCraw, Thomas K. *The Founders and Finance: How Hamilton, Gallatin, and Other Immigrants Forged a New Economy*. Cambridge, Mass: Belknap Press of Harvard University Press, 2012.

McCusker, John J. "Sources of Investment Capital in the Colonial Philadelphia Shipping Industry." *The Journal of Economic History* 32, no. 01 (1972): 146–57.

McDonald, Forrest. *Alexander Hamilton: a Biography*. Norton paperback [ed.]. New York: Norton, 1982.

Miller, John Chester. *Alexander Hamilton: Portrait in Paradox*. 1st ed. New York: Harper, 1959.

National Park Service, "Colonel Walter Stewart," *Yorktown Battlefield*, accessed January 7, 2013, http://www.nps.gov/york/historyculture/stewartbio.htm

Officer, Lawrence H. and Samuel H. Williamson. "Annualized Growth Rate and Graphs of Various Historical Economic Series." MeasuringWorth, 2011.

Patrick, Sue C. **"**Low, Nicholas.**"** http://www.anb.org/articles/10/10-02149.html. *American National Biography Online* Feb. 2000.

Pencak, William, and Conrad Edick Wright, eds. *New York and the Rise of American Capitalism: Economic Development and the Social and Political History of an American State, 1780- 1870*. New York, N.Y: New-York Historical Society, 1989.

Perkins, Edwin J. *American Public Finance and Financial Services, 1700-1815*. Historical Perspectives on Business Enterprise Series. Columbus: Ohio State University Press, 1994.

The Philadelphia Directory, vol. 1791. Philadelphia: The City of Philadelphia, 1791. http://archive.org/details/philadelphiadire1791phil.

Pred, Allan. *Urban Growth and the Circulation of Information: The United States System of Cities, 1790-1840*. Cambridge: Harvard University Press, 1973.

Rush, Benjamin. *Benjamin Rush's Lectures on the Mind*. American Philosophical Society, 1981.

Scharf, John Thomas, and Thompson Westcott. *History of Philadelphia, 1609-1884*. L. H. Everts & Company, 1884.

Sobel, Robert. *Panic on Wall Street: a Classic History of America's Financial Disasters with a New Exploration of the Crash of 1987*. New York: Truman Talley Books/Dutton, 1988.

Smith, Adam. *An Inquiry into the Nature and Causes of the Wealth of Nations, Volume 1*. At the Clarendon Press, 1869.

Sylla, Richard. "Alexander Hamilton and Money." *C-SPAN Video Library*, January 31, 2004. http://c-spanvideo.org/program/AlexanderHa.

——. "Financial Systems and Economic Modernization." *The Journal of Economic History* 62, no. 2 (June 1, 2002): 277–92.

——. "Forgotten Men of Money: Private Bankers in Early U.S. History." *The Journal of Economic History* 36, no. 1 (March 1, 1976): 173–88.

——. "The Transition to a Monetary Union in the United States, 1787–1795." *Financial History Review* 13, no. 01 (2006): 73–95.

——. "U.S. Securities Markets and the Banking System, 1790-1840." *Federal Reserve Bank of St. Louis Review* 80, no. 3 (June 1998): 87–89.

Sylla, Richard, Robert E. Wright, and David J. Cowen. "Alexander Hamilton, Central Banker: Crisis Management During the U.S. Financial Panic of 1792." *Business History Review* 83, no. 1 (Spring 2009): 61–86.

Vitiello, Domenic, and George E Thomas. *The Philadelphia Stock Exchange and the City It Made*. Philadelphia: University of Pennsylvania Press, 2010.

Waldstreicher, David. *In the Midst of Perpetual Fetes: The Making of American Nationalism, 1776-1820*. Chapel Hill: Published for the Omohundro Institute of Early American History and Culture, Williamsburg, Virginia, by the University of North Carolina Press, 1997.

Wettereau, James O. “New Light on the First Bank of the United States.” *The Pennsylvania Magazine of History and Biography* 61, no. 3 (July 1, 1937): 263–285.

——. *Statistical Records of the First Bank of the United States*. American Economic History. New York: Garland Pub, 1985.

Wood, Gordon S. *Radicalism of the American Revolution*. New York: Vintage Books, 1993.

Wright, Robert E. *The First Wall Street Chestnut Street, Philadelphia, and the Birth of American Finance*. Chicago, IL: University of Chicago Press, 2010.

——. “Hamilton’s Modern Conception of Money.” *Financial History* (Winter 2007): 13-16.

——. *Hamilton Unbound: Finance and the Creation of the American Republic*. Contributions in Economics and Economic History no. 228. Westport, CT: Greenwood Press, 2002.

——. *One Nation Under Debt: Hamilton, Jefferson, and the History of What We Owe*. New York: McGraw-Hill, 2008.

——. *Origins of Commercial Banking in America, 1750-1800*. Lanham, MD: Rowman & Littlefield, 2001.

NEWSPAPERS

Albany Gazette. 19 August 1791. Albany, New York. Accessed at http://infoweb. newsbank.com.

City Gazette or The Daily Advertiser. 20 July-24 August 1791. Charleston, South Carolina. Accessed at http://infoweb.newsbank.com.

Claypoole’s American Daily Advertiser. 4 August- 19 August 1791. Philadelphia, Pennsylvania.Accessed at http://infoweb.newsbank.com.

Columbian Centinel. 2 July-10 September 1791. Boston, Massachusetts. Accessed at http://infoweb.newsbank.com.

Dunlap’s American Daily Advertiser. 6 July-29 August 1791. Philadelphia, Pennsylvania. Accessed at http://infoweb.newsbank.com.

Federal Gazette and Philadelphia Evening Post. 5 July 1791-18 August 1791. Philadelphia, Pennsylvania. Accessed at http://infoweb.newsbank.com.

General Advertiser. 11 July-30 August 1791. Philadelphia, Pennsylvania. Accessed at http://infoweb.newsbank.com.

Gazette of the United States. 30 April-14 September 1791. Philadelphia, Pennsylvania. Accessed at http://infoweb.newsbank.com.

Independent Gazetteer. 20 August 1791. Philadelphia, Pennsylvania. Accessed at http://infoweb.newsbank.com.

Massachusetts Spy. 21 July 1791. Boston, Massachusetts. Accessed at http://infoweb. newsbank.com.

New-Jersey Journal. 10 August-27 August 1791. Elizabethtown, New Jersey. Accessed at http://infoweb.newsbank.com.

New-York Daily Gazette. 24 June-10 September 1791. New York, New York. Accessed at http://infoweb.newsbank.com.

New York Journal and Patriotic Advertiser. 3 August-30 1791. New York, New York. Accessed at http://infoweb.newsbank.com.

New-York Packet. 7 July-12 September 1791. New York, New York. Accessed at http://infoweb.newsbank.com.

MANUSCRIPTS

Andrew Craigie Papers. American Antiquarian Society. Copied James O. Wettereau Papers, Rare Book and Manuscript Library, Columbia University.

Henry Knox Papers. Massachusetts Historical Society.

James O. Wettereau Papers. Rare Book and Manuscript Library, Columbia University.

Jeremiah Wadsworth Papers. Connecticut Historical Society. Copied James O. Wettereau Papers, Rare Book and Manuscript Library, Columbia University.

Nicholas Low Papers. Library of Congress. Copied James O. Wettereau Papers, Rare Book and Manuscript Library, Columbia University.

Oliver Wolcott Jr. Papers. Connecticut Historical Society Museum and Library.

Robert R. Livingston Collection. New York Historical Society. Copied James O. Wettereau Papers, Rare Book and Manuscript Library, Columbia University.

William Constable Papers. New York Public Library. Copied James O. Wettereau Papers, Rare Book and Manuscript Library, Columbia University.

PERSONAL PAPERS—DIGITAL EDITIONS

The Papers of Alexander Hamilton Digital Edition, ed. Harold C. Syrett. Charlottesville: University of Virginia Press, Rotunda, 2011.

The Papers of James Madison Digital Edition, J. C. A. Stagg, editor. Charlottesville: University of Virginia Press, Rotunda, 2010.

The Papers of Thomas Jefferson Digital Edition, ed. Barbara B. Oberg and J. Jefferson Looney. Charlottesville: University of Virginia Press, Rotunda, 2008.