

THE
BANKERS' MAGAZINE,

AND

State Financial Register,

DEVOTED TO THE DISSEMINATION OF BANK STATISTICS, STATE STATISTICS, SOUND PRINCIPLES OF BANKING AND CURRENCY, ENGLISH AND AMERICAN LAW DECISIONS IN REFERENCE TO THE BUSINESS OF BANKS AND BANKERS, PRINCIPLES AND POLICY OF LIFE INSURANCE, SAVINGS BANKS, ETC.

~~~~~  
"No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation."

"The Revenue of the State is THE STATE: in effect, all depends upon it, whether for support or reformation."



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VOLUME FIRST.

FROM JULY, 1846, TO JUNE, 1847, INCLUSIVE.

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# GENERAL INDEX

TO THE BANKERS' MAGAZINE, — VOLUME FIRST.

*From July, 1846, to June, 1847, inclusive.*

|                                                                     | PAGE.                       |
|---------------------------------------------------------------------|-----------------------------|
| Accounts—curiosities of,.....                                       | 197                         |
| Archbishops and Bishops of England,—their incomes, &c.....          | 561                         |
| Austria—public debt of,.....                                        | 184                         |
| Bank Statistics—Maine,.....                                         | 73, 372                     |
| Rhode Island,.....                                                  | 74                          |
| Connecticut,.....                                                   | 73, 180                     |
| Massachusetts,.....                                                 | 293, 295, 463, 670          |
| New York,.....                                                      | 42, 56, 448, 518, 524       |
| Pennsylvania,.....                                                  | 517, 568                    |
| Maryland,.....                                                      | 465, 466                    |
| Virginia,.....                                                      | 374                         |
| North Carolina,.....                                                | 251, 529                    |
| South Carolina,.....                                                | 30, 74, 177, 447            |
| Ohio,.....                                                          | 55, 72, 528                 |
| Indiana.....                                                        | 529, 531                    |
| Kentucky,.....                                                      | 70, 526                     |
| Missouri,.....                                                      | 532                         |
| Louisiana,.....                                                     | 379                         |
| Bankrupts in Massachusetts,.....                                    | 573                         |
| Bank failures,.....                                                 | 41, 517                     |
| Bank of the United States,.....                                     | 506                         |
| Bank capital of the U. S. 1814, 1817,.....                          | 245                         |
| Bank of England—Officers of, April, 1846,.....                      | 61                          |
| Financial position of,.....                                         | 700                         |
| Descriptive account of,.....                                        | 147, 627, 693               |
| Circulation and Bullion of, for 6 years,.....                       | 231                         |
| Clerks' holidays—Salaries, &c.....                                  | 234, 613                    |
| Alleged loan to, by the Bank of France,.....                        | 533                         |
| Bank of France,.....                                                | 22, 276, 576, 614, 615, 729 |
| Bank of the State of South Carolina,.....                           | 30                          |
| Banking—General principles of, by J. R. McCulloch,.....             | 77, 147                     |
| Curiosities of, in Ireland,.....                                    | 55                          |
| In the U. S.; History of,.....                                      | 113                         |
| System—utility of, by Crawford, Hamilton, Gallatin and Dallas,..... | 167                         |
| Banks—Their importance illustrated,.....                            | 49                          |
| Joint Stock,.....                                                   | 694                         |
| Their aid in the war with Mexico,.....                              | 58                          |
| Incorporated from 1781 to 1812, list of,.....                       | 119                         |
| Savings'.....                                                       | 91, 182, 273, 461           |
| Scotch,.....                                                        | 164, 697                    |

|                                                                           | PAGE.                                       |
|---------------------------------------------------------------------------|---------------------------------------------|
| Banks—Frauds upon,.....                                                   | 323, 335                                    |
| And Bankers, in London,.....                                              | 488                                         |
| Recently established,.....                                                | 60, 734                                     |
| Utility of, by J. R. McCulloch,.....                                      | 77                                          |
| Bankers—Leisure hours of,.....                                            | 61                                          |
| Bankers of Europe, Asia and Africa,.....                                  | 88                                          |
| Biographical Sketches—Preserved Fish,.....                                | 133                                         |
| Alexander Baring, (Lord Ashburton,).....                                  | 406                                         |
| William Lowndes,.....                                                     | 407                                         |
| William H. Crawford,.....                                                 | 407                                         |
| Nicholas Biddle,.....                                                     | 409                                         |
| Sir Mark J. Brunel,.....                                                  | 410                                         |
| Lord Brougham,.....                                                       | 411                                         |
| William Gaston,.....                                                      | 411                                         |
| Robert Morris,.....                                                       | 620                                         |
| Bills of Exchange—Law of, &c.....                                         | 289, 537                                    |
| Boston—Finances of,.....                                                  | 252, 732                                    |
| British Cabinet—History and Functions of,.....                            | 295, 486, 636                               |
| Capital and Labor—Combinations of, by W. Howitt,.....                     | 501                                         |
| Cities of Europe—Edinburg, London, Liverpool, St. Petersburg, Lyons,..... | 413                                         |
| Coins—Historical description of,.....                                     | 535                                         |
| Original Introduction of into use,.....                                   | 535                                         |
| Cotton—History of,.....                                                   | 625                                         |
| Statistics of,.....                                                       | 201                                         |
| Copper trade of Great Britain,.....                                       | 75                                          |
| Credit—Public, Importance of,.....                                        | 174, 266                                    |
| Currency and Banking,—Remarks on by N. Appleton,.....                     | 24                                          |
| Illegal, in Missouri,.....                                                | 238                                         |
| National,.....                                                            | 245                                         |
| and the Exchanges,.....                                                   | 248                                         |
| Deaths,.....                                                              | 125, 190, 254, 317, 383, 453, 509, 670, 738 |
| Dividends,.....                                                           | 49, 126, 190, 318, 382, 505, 668, 739       |
| Domestic Manufactures—Importance of, by Richard Rush,.....                | 217                                         |
| European States—Debts of,.....                                            | 183, 210, 212                               |
| Exchanges—between England and the Continent,.....                         | 50                                          |
| Exchange—Principles of, by J. R. McCulloch,.....                          | 284                                         |
| Rates of, for each month, from 1822 to 1846,.....                         | 485                                         |
| Forgery—Forged checks, &c.....                                            | 726                                         |
| Foreign Banking Establishment—Amsterdam,.....                             | 242                                         |
| Berlin, Bank of,.....                                                     | 240                                         |
| Bordeaux, Bank of,.....                                                   | 22                                          |
| Brussels, Bank of,.....                                                   | 22                                          |
| Copenhagen, Danish National Bank at,.....                                 | 241                                         |
| Genoa, Bank of,.....                                                      | 21                                          |
| Hamburg, Banks of,.....                                                   | 20                                          |
| Havana, Royal Bank at,.....                                               | 243                                         |
| Leipsic, Discount Bank of,.....                                           | 21                                          |
| Munich, Bavarian Bank at,.....                                            | 241                                         |
| St. Petersburg, Imperial Loan Bank of,.....                               | 20                                          |
| Stockholm, Banks of,.....                                                 | 21                                          |
| Warsaw, Bank of,.....                                                     | 20                                          |

General Index.

v

|                                                                                    | PAGE.         |
|------------------------------------------------------------------------------------|---------------|
| France—Receipts, Expenditures, and Public Debt,.....                               | 183, 561      |
| Funding System of Great Britain,.....                                              | 473           |
| Gallatin—(A.) Sketch of the administration of,.....                                | 481           |
| Gold—Mines of Russia and Siberia,.....                                             | 206           |
| Coins,.....                                                                        | 536           |
| Government—Comparative cost in Europe and America,.....                            | 629           |
| Great Britain—Cabinet of,.....                                                     | 296, 486, 636 |
| Commercial Finances of,.....                                                       | 109           |
| Foreign Loans, contracted in, from 1818 to 1838,.....                              | 250           |
| Funding System of,.....                                                            | 473           |
| and America, Common Interests of, by W. J. Fox,.....                               | 498           |
| Loans of 1793 to 1818,.....                                                        | 452           |
| Royal Family and ministry of,.....                                                 | 486           |
| National Debt of,.....                                                             | 83, 556       |
| Public Revenues, Excise, Customs, &c.....                                          | 81, 486       |
| Railways of,.....                                                                  | 490           |
| Colonies of, their cost, settlement, &c.....                                       | 552           |
| House of Commons, House of Lords, Revenue, &c.....                                 | 689           |
| Interest—Proposed reduction of,.....                                               | 545           |
| Illinois and Michigan canal,.....                                                  | 368           |
| Imprisonment for debt,.....                                                        | 713           |
| Life Insurance, Principles of, &c.....                                             | 254, 495, 704 |
| Leisure hours of Bankers,.....                                                     | 67            |
| Legal Miscellany—Bank Checks,.....                                                 | 145, 354, 664 |
| Accommodation Endorsers.....                                                       | 563           |
| Authority, &c., of Bank Officers,.....                                             | 101           |
| Agency,.....                                                                       | 401           |
| Bankers' acceptances,.....                                                         | 230           |
| Bills of Exchange, 228, 289, 306, 353, 401, 402, 564, 565, 566, 567, 569, 721, 723 |               |
| Banks, liability of,.....                                                          | 325, 563      |
| Brokers' Commissions,.....                                                         | 306, 567      |
| By-laws and customs of a Bank,.....                                                | 103           |
| Bank trials, State of Maryland <i>v.</i> Turner,.....                              | 560           |
| Bill of lading,.....                                                               | 725           |
| Cashiers and Clerks' Bonds and remedy thereon,.....                                | 140           |
| Construction of bank acts,.....                                                    | 92            |
| Corporations,.....                                                                 | 355, 405      |
| Common carriers,.....                                                              | 721           |
| Commercial guarantee,.....                                                         | 723           |
| Foreign law,.....                                                                  | 354           |
| Freight,.....                                                                      | 725           |
| Garnishee liable for interest,.....                                                | 18            |
| International law,.....                                                            | 230, 354      |
| Injunction,.....                                                                   | 351           |
| Insurance,.....                                                                    | 349, 403, 496 |
| Illegal Issues,.....                                                               | 19, 227       |
| Letters of credit,.....                                                            | 721           |
| Legal tender in cents,.....                                                        | 306           |
| Life Insurance,.....                                                               | 349, 495      |
| Liabilities of sub-treasurers,.....                                                | 405           |
| Liabilities of Banks for neglect to protest,.....                                  | 225, 13       |

|                                                                   | PAGE.                                  |
|-------------------------------------------------------------------|----------------------------------------|
| Legal Miscellany—Protest, where demand is to be made,.....        | 14                                     |
| Demand, Law merchant, &c.....                                     | 223                                    |
| Mississippi Rail Road Company—Charter,.....                       | 567                                    |
| New England Bank, v. Bank of the Metropolis,.....                 | 220                                    |
| Notaries,.....                                                    | 14, 225, 226, 306, 564                 |
| North American Trust and Banking Co.,.....                        | 227, 303                               |
| New Orleans, Municipality Loan,.....                              | 405                                    |
| Rights, Authority and Liability of Banks,.....                    | 104                                    |
| Stockholders, Rights and Liabilities of,.....                     | 137, 355, 662                          |
| Special agreement,.....                                           | 359                                    |
| Statutes respecting banks and bankers,.....                       | 97                                     |
| Stock liable to by-laws of a company,.....                        | 18                                     |
| Transfer of,.....                                                 | 355, 401                               |
| Notes,.....                                                       | 565                                    |
| State of Illinois v. Delafield,.....                              | 351                                    |
| Sub-treasurers, Liabilities of,.....                              | 404                                    |
| Stamp Duties,.....                                                | 721                                    |
| Tax upon banks,.....                                              | 139, 404, 405                          |
| Usury,.....                                                       | 356                                    |
| London—Banks and Bankers of,.....                                 | 488                                    |
| Mississippi,—Valley of the, by John C. Calhoun,.....              | 213                                    |
| Mexico—Debts, Resources and Revenue of,.....                      | 235, 444                               |
| and Massachusetts, by Waddy Thompson,.....                        | 49                                     |
| Money Market, (The).....                                          | 510, 513, 574, 607, 609, 673 735       |
| New York Life Insurance and Trust Company, Condition of,.....     | 349                                    |
| New Orleans—Exports of Cotton, Tobacco, Sugar, Molasses,.....     | 214                                    |
| Netherlands—(The) Revenues, Expenditures and Public Debt of,..... | 184                                    |
| Population of the world,.....                                     | 580                                    |
| Prussia—Revenues, Expenditures and Public Debt of,.....           | 186                                    |
| Railways of Great Britain,.....                                   | 490, 494                               |
| Repudiation—Origin of, in Mississippi,.....                       | 337                                    |
| Effects of, by J. J. Speed,.....                                  | 309                                    |
| Savings Banks,.....                                               | 91, 182, 461, 462, 553                 |
| Stamp Duties in Great Britain,.....                               | 450                                    |
| in Maryland,.....                                                 | 450, 728                               |
| State Finances,—Maine,.....                                       | 46                                     |
| Vermont,.....                                                     | 370                                    |
| Massachusetts,.....                                               | 385, 519                               |
| New York,.....                                                    | 324, 467, 582                          |
| Pennsylvania,.....                                                | 330, 469                               |
| Maryland,.....                                                    | 271, 308, 332, 394, 457, 548, 661, 728 |
| Virginia,.....                                                    | 421, 443                               |
| North Carolina,.....                                              | 439                                    |
| South Carolina,.....                                              | 427                                    |
| Ohio,.....                                                        | 433                                    |
| Tennessee,.....                                                   | 364                                    |
| Missouri,.....                                                    | 418                                    |
| Illinois,.....                                                    | 45, 367                                |
| Michigan,.....                                                    | 47, 468                                |
| Indiana,.....                                                     | 166, 262, 730                          |
| Arkansas,.....                                                    | 429                                    |

|                                                           | PAGE.                        |
|-----------------------------------------------------------|------------------------------|
| Spain—Public Debt of,.....                                | 210                          |
| State Banks—Policy of, .....                              | 30                           |
| Statistics—Commercial,.....                               | 201, 215                     |
| Stocks—American,.....                                     | 127, 191, 256, 319, 455, 671 |
| Fluctuations in,.....                                     | 503, 504                     |
| in Europe,.....                                           | 199                          |
| Foreign,.....                                             | 63                           |
| Stock Exchange—Account of,.....                           | 694                          |
| Suffolk Bank System,.....                                 | 65                           |
| Sub-treasury—Considerations upon the,.....                | 1, 129, 156, 193             |
| Switzerland—Savings' Banks in,.....                       | 274                          |
| Treasury Notes—Act to authorise the issue of,.....        | 163                          |
| United States—Deposits in Banks,.....                     | 62, 328                      |
| Finances of,.....                                         | 36, 135, 193, 321            |
| Comparative view of the Imports and Exports of,.....      | 5, 398, 559, 635             |
| Loans to, by the Banks,.....                              | 244                          |
| Loans from 1789 to 1843,.....                             | 446                          |
| Loans to, during the war 1812,.....                       | 258                          |
| Loans of, 1846, 1847,.....                                | 624                          |
| Defaulting States of,.....                                | 337, 521, 657                |
| Revenue of,.....                                          | 398, 635                     |
| Debts of the,.....                                        | 659                          |
| War—Its causes, cost and consequences, by W. J. Fox,..... | 582                          |
| West—Trade of the,.....                                   | 195, 213                     |

ENGRAVINGS.

Coins.—Two hundred and seven engraved gold and silver coins of Europe, Asia, Africa and North and South America.





# THE BANKERS' MAGAZINE

AND

## State Financial Register.

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VOL. I.]

JULY, 1846.

[NO. I.

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### THE CONSTITUTIONAL TREASURY SYSTEM.

*[Communicated for the Bankers' Magazine.]*

Your bank men appear to have very inaccurate views of the ground taken by those who are desirous to effect a separation of bank and state. I will, therefore, with your consent, present to your readers a few short articles on the subject.

Our first objection to this union is that it is unconstitutional. Whether banks of issue, incorporated by the states, are constitutional or not, is a question which need not here be discussed. We maintain that even if they are, the design of the framers of the constitution is utterly frustrated by using banks as fiscal agents.

The framers of the constitution evidently had in view a substantive treasury, substantial treasure, and a real treasurer; else why did they say, "no money shall be drawn from the treasury but in consequence of appropriations made by law."

The members of the first Congress as evidently intended to follow up the design of the framers of the constitution, for they, by the act to establish a Treasury department, passed in 1789, declared that "it shall be the duty of the Treasurer to receive and keep the moneys of the United States;" and by their first act for raising a revenue, they declared that dues to the government shall be paid in "gold and silver coin only."

It is much to be regretted that these wise provisions were ever departed from. As matters stand at present, we have neither treasure, treasury, nor treasurer, in the sense intended by the constitution. A mass of debts due to government by banks and individuals, and which may or may not be paid, cannot, with any propriety, be called a treasure. Neither can a four-story building with empty vaults be called a treasury, without a gross violation of the proprieties of language. Nor can the worthy gentleman who

occupies one room in that building, and has no money to keep, be regarded as a treasurer. He is a mere clerk.

Will you maintain that the treasury of the United States is wherever there is money to *the credit* of the treasurer, consequently that the deposit banks are *de facto* the treasury of the United States, and that all the money in these banks to the credit of the treasurer, is money in the treasury? Then, I ask you, what becomes of that clause of the constitution which declares that "no money shall be drawn from the treasury but in consequence of appropriations made by law?" Has Congress, in any of its appropriation bills, introduced a clause authorising these agents of the treasurer, i. e. the officers of the deposit banks, to loan from ten to twenty millions of the public money to dealers in fancy stocks and other speculations?

So far is this from being true, that even these deposits in banks by the treasurer have no direct sanction by law. They have little but custom to plead in their favor. And the lending of the money thus deposited is in direct contravention of the spirit of an act passed at the special session of 1841, by which it is made a high crime and a misdemeanor in any public officer to loan the public money or apply it to private uses.

You bank men ought not to object to this law, for it was passed by your own people, with Henry Clay at their head, immediately after the repeal of the sub-treasury act of July 4, 1840.

The Chamber of Commerce of New York have, in their late memorial to Congress, declared that they are opposed to the application of public funds to private uses. The Chamber of Commerce of New York have thus, (whether they intended it or not,) taken a very decided stand against both the National Bank and the Pet Bank systems, and in favor of the Independent Treasury.

But suppose the provisions of the act of 1841 to apply only to collecting and disbursing officers, and not to officers of banks acting as agents of the treasurer. It is evident that under existing usages this act must prove a mere nullity. A collecting or a disbursing officer deposits public money in bank, and immediately afterwards the bank lends him that very money to apply to his private uses. Thus the wise and just intentions Mr. Clay and his friends had in passing this act, are entirely frustrated.

There is another provision of the constitution, which the connection of bank and state renders it impossible, under certain circumstances, to carry into effect, or not, at least, without greatly increasing the burden imposed on individuals. The provision to which I allude is that which declares that "no state shall make any thing but gold and silver a legal tender in the payment of debts." In ordinary times, bank notes are the practical tender, and so long as the banks pay specie no sensible inconvenience is felt therefrom. But banks are liable to suspensions of specie payments: and then if contracts are brought before the courts for adjudication, the judges are, by

the constitution, bound to enforce the discharge of such debts in gold and silver, although it may take twice as much labor, or twice as many commodities, to purchase the requisite quantity of gold and silver that it would have taken when the debts were contracted.

The United States government, by its sanctioning the use of bank paper, aids in driving gold and silver out of circulation, and thus aids in producing this crying injustice. If it, by its abundant deposits with the banks, lends to an inflation of the currency, which is necessarily followed by a revulsion, (as was the case in 1837,) it is instrumental in causing the ruin of thousands and tens of thousands.

You may see from this, Messrs. Editors, that the ground which we have taken is one which we cannot easily be persuaded to abandon. Some of us have taken oaths to support the constitution, and others among us do not think that oaths are necessary to impose on us this obligation. We have got the faith of the democratic party pledged to separate bank and state, and we mean to hold it to its plighted faith. We may sustain temporary defeats from you, but these will not cause us to abandon our purpose.

In other communications, I shall endeavor to show that the separation of bank and state will be equally beneficial to the government and the people, and to *well constituted* and *well conducted* banks.

#### A CONSTITUTIONALIST.

WASHINGTON, *May 16th*, 1846.

P. S. You must not think from this that the bill lately passed by the House of Representatives, receives my unqualified approbation. I think it is, in many of its details, very objectionable.

*Remarks.*—The objection to the use of banks by the general government, on the ground of unconstitutionality, we consider fallacious: Banks have been created by the general government, and have been sustained by the opinions of Messrs. Madison, Hamilton, Crawford, Webster and Calhoun, than whom we need not require any higher authority. The use of state banks as depositories of the funds of the general government, was urged and supported by Presidents Jackson and Van Buren, and although these are not to us equally high authorities with those of Madison and Hamilton, yet the principle was adopted by Congress, and became the law of the land.

“A substantial treasury, substantial treasure, and a real treasurer.” These terms are arbitrary, and may be used in various ways. The most substantial treasury that we can conceive of is a place of deposit for public funds, where they will be safe and available at all times; and those funds substantial, which are convertible at will into gold or silver.

“The government, by sanctioning the use of bank paper, aids in driving gold and silver out of circulation.”

In a legal sense, the government does not recognise bank paper as a cur-

rency or medium of payment. The custom-house receipts and the public deposits are in *dollars*, and the public depositories acknowledge the receipts to be in *legal money*. For the convenience of the government and the people, a substitute is used, and that substitute will provide to the holder gold or silver if he wants it, but he takes care to provide himself with paper currency in preference.

Bank paper, or a paper medium, must *necessarily* be used in the ordinary business transactions between the people and the government—*specie is utterly out of the question for such transactions*. Every man, in his daily business, whether it be one hundred or one thousand dollars, prefers to receive and pay paper money rather than coin: how much more important and desirable is it then, in the ordinary receipts and disbursements of the general government, amounting, on an average, to a *million of dollars per week throughout the year*. The same rule of expediency, economy of time and labor, which influences individuals in the regulation and details of their business, should and will influence the government in its own business. The general government is only a mass of individuals, or the whole people acting in a concentrated form, and liable, unfortunately for us, as experience has shown, to the same variableness of purpose, uncertain principles of action and weakness of design which we see in small communities and in individuals.

The general government, in its money dealings, should and *will* adopt that plan which will facilitate the business transactions between itself and the people—one that will involve the greatest convenience, economy and safety to both parties.

If we turn our eyes to England and France, and other European countries, where the governments look mainly to their own interests, without consulting the convenience or views of their people, we will find that even there the idea of a specie currency is never thought of.

The immense government revenues and expenditures of Great Britain, amounting together to a million and a half dollars per day, are mostly paid *in paper*. The entire paper issues of the Bank of England are based upon coin and public securities, amounting to upwards of twenty millions sterling, and those issues are made simply for the *convenience* of the people.

There is one thing which the general government has overlooked entirely, and if it be taken in hand, the presumed or really existing evils of our present paper currency may be obviated. The constitution confers upon Congress the duty of *coining money and regulating the value thereof*, while the states are forbidden to issue bills of credit. The framers of the constitution probably intended that these clauses should embrace the sole issues of *all money*, and the entire control of the currency.

If Congress would assume these powers, and restrain the state authorities from the exercise of such privileges, a *really constitutional* currency could be provided, by the issue of the requisite amount of government paper, receivable for all public dues, and based upon the precious metals.

We are not inclined to occupy any further our time or that of our readers in the discussion of the sub-treasury question. That scheme we consider utterly impracticable and indefensible; but, at the same time, our pages are open for the reception of any communications from the friends of the measure. It is possible that Congress may pass such a law as contemplated by "A Constitutionalist;" but it cannot be in force for six consecutive months, nor will it be, in our opinion, strictly complied with for forty-eight hours.

## ANNUAL TREASURY REPORT OF COMMERCE AND NAVIGATION OF THE UNITED STATES.

THIS important document has been this year transmitted to Congress at a much earlier date than for several years past. The early production of this document is an evidence of the *industry* of the officers attached to the bureau from which it emanates. We have exceptions to make, however, (which for the present we defer,) to the contents of the document, and the manner in which they have been arranged, with reference to the facility with which the information which it does contain may be obtained from it. Our present object is to lay before our readers the following tables, which have been prepared by us with great care, and, we trust, will be found acceptable, if not useful:

STATISTICAL VIEW OF THE COMMERCE OF THE UNITED STATES,  
For the year ending 30th June, 1845; showing the amount of Exports and Imports to and from each Foreign Country—Compiled from the Official Documents.

| Countries.                         | Value of Exports. | Value of Imports. |
|------------------------------------|-------------------|-------------------|
| Russia, . . . . .                  | \$ 727,337        | \$1,492,262       |
| Prussia, . . . . .                 | 567,121           | 31,082            |
| Sweden and dependencies, . . .     | 363,667           | 640,057           |
| Denmark and dependencies, . . .    | 1,139,596         | 783,238           |
| Holland and dependencies, . . .    | 3,610,602         | 1,897,623         |
| Belgium, . . . . .                 | 1,851,073         | 709,562           |
| Hanse Towns, . . . . .             | 4,945,020         | 2,912,537         |
| England and dependencies, . . .    | 61,044,535        | 49,903,725        |
| France and dependencies, . . .     | 16,143,994        | 22,069,914        |
| Spain and dependencies, . . .      | 7,790,442         | 10,590,544        |
| Portugal and dependencies, . . .   | 247,180           | 501,734           |
| Italy, Sicily, and Sardinia, . . . | 1,419,010         | 1,850,929         |
| Trieste, &c. . . . .               | 1,801,878         | 321,550           |
| Turkey, Levant, &c. . . . .        | 165,099           | 781,517           |
| Hayti, . . . . .                   | 1,405,740         | 1,386,367         |

*Annual Treasury Report.*

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| Texas, . . . . .                  | 363,792               | 755,324               |
| Mexico, . . . . .                 | 1,152,331             | 1,702,936             |
| Central Republic of America, . .  | 67,649                | 65,269                |
| New Grenada, . . . . .            | 78,977                | 171,921               |
| Venezuela, . . . . .              | 725,130               | 1,268,275             |
| Brazil, . . . . .                 | 2,837,950             | 6,084,599             |
| Cisplatine Republic, . . . . .    | 157,136               | 20,573                |
| Argentine Republic, . . . . .     | 503,006               | 1,750,698             |
| Chili, . . . . .                  | 1,548,191             | 1,123,690             |
| Peru, . . . . .                   | 33,424                | 336,112               |
| China, . . . . .                  | 2,275,995             | 7,285,914             |
| West Indies generally, . . . . .  | 182,976               |                       |
| South America generally, . . . .  | 85,239                |                       |
| Europe generally, . . . . .       | 21,573                |                       |
| Asia generally, . . . . .         | 312,748               | 106,110               |
| Africa generally, . . . . .       | 605,106               | 572,126               |
| South Seas and Pacific Ocean, . . | 473,089               | 135,565               |
| Northwest Coast of America, . .   |                       | 245                   |
| Sandwich Islands, . . . . .       |                       | 1,566                 |
|                                   | <u>\$ 114,646,606</u> | <u>\$ 117,254,564</u> |
| Total Exports, . . . . .          | \$ 114,646,606        |                       |
| Total Imports, . . . . .          | 117,254,564           |                       |
| Balance, . . . . .                | \$ 2,607,958          |                       |

*The Exports and Imports stated in the foregoing table were shipped from and received into the various States, &c. as follows :*

|                                 | Exports.     | Value of Imports. |
|---------------------------------|--------------|-------------------|
| Maine, . . . . .                | \$ 1,255,105 | \$ 855,645        |
| New Hampshire, . . . . .        | 2,384        | 22,689            |
| Vermont, . . . . .              | 542,607      | 81,997            |
| Massachusetts, . . . . .        | 10,351,030   | 22,781,024        |
| Rhode Island, . . . . .         | 191,032      | 274,330           |
| Connecticut, . . . . .          | 969,055      | 372,075           |
| New York, . . . . .             | 36,175,298   | 70,909,085        |
| New Jersey, . . . . .           |              | 829               |
| Pennsylvania, . . . . .         | 3,574,363    | 8,159,227         |
| Delaware, . . . . .             | 138,195      | 2,274             |
| Maryland, . . . . .             | 5,221,977    | 3,741,804         |
| District of Columbia, . . . . . | 510,164      | 70,529            |
| Virginia, . . . . .             | 2,104,581    | 267,658           |
| North Carolina, . . . . .       | 379,960      | 230,470           |
| South Carolina, . . . . .       | 8,890,648    | 1,143,158         |

|                        |                       |                       |
|------------------------|-----------------------|-----------------------|
| Georgia, . . . . .     | 4,557,435             | 206,301               |
| Alabama, . . . . .     | 10,538,228            | 473,491               |
| Louisiana, . . . . .   | 27,157,465            | 7,354,397             |
| Mississippi, . . . . . |                       | 738                   |
| Tennessee, . . . . .   |                       | 6,929                 |
| Missouri, . . . . .    |                       | 54,429                |
| Ohio, . . . . .        | 321,114               | 78,196                |
| Kentucky, . . . . .    |                       | 17,469                |
| Michigan, . . . . .    | 251,220               | 41,952                |
| Florida, . . . . .     | 1,514,745             | 107,868               |
|                        | <u>\$ 114,646,606</u> | <u>\$ 117,254,564</u> |

Table showing the BALANCE OF TRADE for or against the United States for the year 1845.

| Countries.                     | In favor of<br>United States. | Against the<br>United States. |
|--------------------------------|-------------------------------|-------------------------------|
| Russia, . . . . .              |                               | \$ 764,925                    |
| Prussia, . . . . .             | \$ 536,039                    |                               |
| Sweden and dependencies, .     |                               | 276,390                       |
| Denmark and dependencies, .    | 356,358                       |                               |
| Holland and dependencies, . .  | 1,712,979                     |                               |
| Belgium, . . . . .             | 1,141,511                     |                               |
| Hanse Towns, . . . . .         | 2,032,483                     |                               |
| England and dependencies, .    | 11,140,810                    |                               |
| France and dependencies, . .   |                               | 5,925,920                     |
| Spain and dependencies, . .    |                               | 2,800,102                     |
| Portugal and dependencies, .   |                               | 254,554                       |
| Italy, Sardinia, and Sicily, . |                               | 431,919                       |
| Trieste, &c. . . . .           | 1,480,328                     |                               |
| Turkey, Levant, &c. . . . .    |                               | 616,418                       |
| Hayti, . . . . .               | 19,373                        |                               |
| Texas, . . . . .               |                               | 391,532                       |
| Mexico, . . . . .              |                               | 550,605                       |
| Central America, . . . . .     | 2,380                         |                               |
| New Grenada, . . . . .         |                               | 92,944                        |
| Venezuela, . . . . .           |                               | 543,145                       |
| Brazil, . . . . .              |                               | 3,246,649                     |
| Cisplatine Republic, . . . . . | 136,563                       |                               |
| Argentine Republic, . . . . .  |                               | 1,247,692                     |
| Chili, . . . . .               | 424,501                       |                               |
| Peru, . . . . .                |                               | 302,688                       |
| South America generally, . .   | 85,239                        |                               |
| West Indies generally, . . .   | 182,976                       |                               |
| China, . . . . .               |                               | 5,009,919                     |

|                                       |                      |                      |
|---------------------------------------|----------------------|----------------------|
| Europe generally, . . . . .           | 21,573               |                      |
| Asia generally, . . . . .             | 206,638              |                      |
| Africa generally, . . . . .           | 32,980               |                      |
| South Sea and Pacific, . . . . .      | 336,524              |                      |
| Northwest Coast of America, . . . . . |                      | 245                  |
| Sandwich Islands, . . . . .           |                      | 1,566                |
| Uncertain places, . . . . .           |                      |                      |
|                                       |                      |                      |
|                                       | <u>\$ 19,849,255</u> | <u>\$ 22,457,213</u> |

The preceding table shows what, according to custom-house entries, has been the balance of trade, for and against the United States, during the year 1845. This is not, however, our idea of what really constitutes that important item of a nation's commercial statistics. The balance of trade is, according to our conceptions, that amount which a nation has to pay to, or receive from, all other countries with which it has commercial dealings. Or, in other words, the balance of trade is the difference between the total amount *received* for all which it sells, and the total amount *paid* for all which it purchases; it being evident that the *money capital* of any people must be diminished or increased annually by this amount.

We do not complain of the document before us, because it does not show this amount; we know that it is impossible that it should show it. There is no even proximate mode of obtaining it. We have made these observations, because we do not wish to be mistaken as to our idea of what really constitutes the balance of trade. We have used the phrase, it is true, in the preceding table, but we have used it only agreeably to common parlance, and we accompany its use with this explanation.

But, if we exonerate the Treasury Department from any blame for this mode of stating the question, there is, and has long been, we think, a most important error in its annual statements of the amount of exports and imports; and that is, the practice of regarding specie as an export and an import; thus making it an article of commerce, when, in fact, it is used merely as a means of making commercial purchases, or to pay commercial obligations already incurred. It may be said that specie has its price; that the premium upon it is continually fluctuating, and that it is always in the market for sale. This is true; but have not bills of exchange also a price; is not the rate of exchange thereon continually fluctuating, and are not they always in the market? Yet, who ever thought of ranking mercantile bills among exports and imports? But specie, which is precisely in the same category, being merely a medium of payment, has stood for years, and still stands in our annual Treasury reports, along with cotton and tobacco, and sugar and spices, as an export and an import! Let us take the specie from the annual statements of the last three years, and see how the "balance of trade," as derived from custom-house returns will then appear. It will at

least be an approximation, though a small one, towards the truth. The results for the fiscal year, ending June 30, 1843, were, viz.

|                                                  |               |
|--------------------------------------------------|---------------|
| Exports, domestic and foreign, 1843, . . . . .   | \$ 84,346,480 |
| Imports, . . . . .                               | 64,753,799    |
|                                                  | <hr/>         |
| Balance in favor of the United States, . . . . . | \$ 19,592,681 |

Now, what was the specie exported and imported ?

|                                               |              |
|-----------------------------------------------|--------------|
| Coin of the United States exported, . . . . . | \$ 107,429   |
| Coin of other countries, . . . . .            | 1,412,912    |
|                                               | <hr/>        |
|                                               | \$ 1,520,341 |

This sum of 1,520,341, deducted from the entire amount of exports for the year, makes it \$ 82,826,139

Coin imported \$22,077,301: deduct this from the total amount of imports, and it makes it . . . . . 42,676,498

Making the balance of trade, according to the reports, . . . . . \$ 40,149,641

But the fallacy of such a supposition is evident; the specie sent here was either to provide for obligations previously contracted, or it was to make investments in our public or private stocks, or it was for future trading and commercial purposes generally. It certainly formed no part of the *bona fide* commercial business of the year, excepting so far as its receipt by us, in part payment for the goods and produce which we had sent abroad during that year, diminished the amount which would have been due to us upon that year's business, had it not been so received. Let us apply the same examination to the year which ended on the 30th of June 1844:

|                                                  |               |
|--------------------------------------------------|---------------|
| Exports, domestic and foreign, 1844, . . . . .   | \$111,200,046 |
| Imports, . . . . .                               | 108,435,035   |
|                                                  | <hr/>         |
| Balance in favor of the United States, . . . . . | \$ 2,765,011  |

The specie exported was—

|                                      |             |
|--------------------------------------|-------------|
| Coin of the United States, . . . . . | \$ 183,405  |
| Coin of other countries, . . . . .   | 5,270,809   |
|                                      | <hr/>       |
|                                      | \$5,454,214 |

This, deducted from the entire amount of exports for the year, makes it . . . . . \$105,745,832

Coin imported, 5,538,585; deduct this from the total amount of imports for the year, and it leaves . . . . . 102,896,450

Making the balance, according to the report, . . . . . \$2,849,382

Again, for 1845:

|                                                |               |
|------------------------------------------------|---------------|
| Exports, domestic and foreign, 1845, . . . . . | \$114,646,606 |
| Imports, . . . . .                             | 117,254,564   |
|                                                | <hr/>         |
| Balance against the United States, . . . . .   | \$ 2,607,958  |
|                                                | <hr/> <hr/>   |

The specie exported was—

|                                      |              |
|--------------------------------------|--------------|
| Coin of the United States, . . . . . | \$ 844,446   |
| Coin of other countries, . . . . .   | 7,762,049    |
|                                      | <hr/>        |
|                                      | \$ 8,606,495 |

|                                                                                                                 |                |
|-----------------------------------------------------------------------------------------------------------------|----------------|
| This, deducted from the entire amount of exports for the year, makes it, . . . . .                              | \$ 106,040,111 |
| Coin imported \$ 3,962,864; deduct this from the total amount of imports for the year, and it leaves, . . . . . | 113,291,700    |
|                                                                                                                 | <hr/>          |

|                                                                                                  |              |
|--------------------------------------------------------------------------------------------------|--------------|
| Making the balance against the United States, according to the Treasury report, to be, . . . . . | \$ 7,251,589 |
|                                                                                                  | <hr/> <hr/>  |

Now, although we are certain that the balances of trade for the years 1843, 1844, and 1845, were *not* \$40,149,641, \$2,849,282, and \$7,251,589, respectively, the two first in favor of the United States, and the last against them; yet we are equally certain that the custom-house entries and the annual statements of the Treasury Department would represent them as such if properly stated, and not as they are shown to be at present by the introducing specie among the exports and imports. We hold this to be another and an important defect in this document. It does not, as it purports to do, give a correct statement of the annual exports and imports of the country. That the error is of long standing is no argument for its continuance.

The preceding remarks are from the National Intelligencer.

We agree with the editors that a different exhibit is required from the Treasury in order to convey to the people a correct idea of the foreign business relations of the country.

The figures at present may be strictly correct, and yet, convey a false impression.

Specie as an item, should be included among the exports and imports in order to show the aggregate of indebtedness for or against us: and we cannot arrive at a fair conclusion, without adding the imports and exports of specie to those of merchandise, and the difference, one way or the other, will show the balance of indebtedness, at least as closely as a public document can of this kind.

But in order to distinguish the amount of *wealth* which leaves the country or comes into it, as distinguished from the amount of *property*, it is neces-

sary to exhibit clearly and separately the imports and exports of both merchandise and specie.

The imports and exports of the United States for any one year might, nominally, and according to the Treasury report, be the same, and yet the result as a precedent be ruinous. For instance, assuming the business of the year to be, viz.

|                                   |                |  |
|-----------------------------------|----------------|--|
| <i>Imports.</i> —Merchandise, &c. | \$ 90,000,000  |  |
| Specie,                           | 10,000,000     |  |
|                                   | \$ 100,000,000 |  |
| <i>Exports.</i> —Merchandise, &c. | \$ 80,000,000  |  |
| Specie,                           | 20,000,000     |  |
|                                   | \$ 100,000,000 |  |

This result, being stated in one line, without separating the items, would induce a casual observer to suppose that the imports and exports were about equal: while such a state of things for 10 years would reduce us to bankruptcy.

Specie is, in a *commercial* sense, an article of merchandise, bought and sold at every commercial point, and entering largely into the channels of foreign trade. It is almost as much an article of trade as a barrel of pork: with this difference, that the former has a value approaching a fixed value while the latter has a variable value.

Specie may be considered in Europe and America as an article of merchandise, forming one of the items of an ordinary price current: ever variable in value, commercially and legally, its value ascertained by the same standard as a barrel of flour, viz. *its weight*—worth more at one point than another, but *finally*, it is the basis of wealth, the measure of value of all property, its exportation lessening our real wealth; and its importation (and it can be imported only upon two grounds, 1st, as the adjusting weight in the balance of trade, or 2dly, as capital, for investment) adding to our actual national wealth.

The practical or business results of the trade of the United States for the last three years, may be summed up as follows:

|           | Goods Imported. | Specie Imported. | Goods Exported. | Specie Exported. |
|-----------|-----------------|------------------|-----------------|------------------|
| 1843,     | \$ 42,676,498   | \$ 22,077,301    | \$ 82,826,139   | \$ 1,520,341     |
| 1844,     | 102,896,450     | 5,538,585        | 105,745,832     | 5,454,214        |
| 1845,     | 113,291,700     | 3,962,864        | 106,040,111     | 8,606,495        |
| Total for | \$ 258,864,648  | \$ 31,578,750    | \$ 294,612,082  | \$ 15,581,050    |
| 3 years,  | \$ 258,864,648  | \$ 31,578,750    | \$ 294,612,082  | \$ 15,581,050    |

These figures show, so far as custom-house valuations are correct criteria, that the exports of produce, goods, &c., for the three years, 1843, 1844 and 1845, were . . . . . \$294,612,082  
 And the imports of goods for the same periods, . . . . . 258,864,648

Actual balance of trade in favor of United States, \$ 35,747,434

Has this resulting balance of debits and credits been adjusted?

The specie clause will say how much:

|                                                      |               |
|------------------------------------------------------|---------------|
| Imports of specie for three years, . . . . .         | \$ 31,578,750 |
| Exports of specie " . . . . .                        | 15,581,050    |
|                                                      | <hr/>         |
| Excess of imports,                                   | \$ 15,997,700 |
| Deduct this sum from amount before stated, . . . . . | 35,747,434    |

Will show existing credits amounting to, . . . . . \$ 19,749,734  
yet in our favor abroad, equivalent to specie; and an actual addition to our precious metals, within the same time, of \$ 15,997,700.

We are, as a nation, better off now than we were three years since, in a business view, to the amount of thirty-five millions of dollars and upwards. This highly favorable condition of things is daily becoming less so, if we judge by the actual imports and exports of the current year. This accumulated balance of nineteen millions due us on June 30, 1845, (without reference to balances existing for or against us on June 30, 1842,) is apparently becoming liquidated, and rapidly too, by the heavy imports of foreign silks, satins, and other high priced goods.

|                                                                                                                                            |               |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Based upon prudence, economy and (then) late experience, our trade with France in 1843 showed a nominal balance in our favor of, . . . . . | \$ 4,636,316  |
| While in 1845 the balance against us was, . . . . .                                                                                        | 5,925,920     |
|                                                                                                                                            | <hr/>         |
| Difference for one year,                                                                                                                   | \$ 10,562,236 |

|                                                                                                                            |               |
|----------------------------------------------------------------------------------------------------------------------------|---------------|
| In 1843 our trade with the whole world showed an <i>actual</i> balance in our favor, (in goods and produce,) of, . . . . . | \$ 40,149,641 |
| While in 1845 the <i>actual</i> balance against us was, . . . . .                                                          | 7,251,589     |

Difference between the year 1843 and the year 1845, \$ 47,401,230

§3—Is it necessary to tell our fair countrywomen that this difference arises mostly in *mere finery*—in decorations for the person, for the toilet, for the parlor, &c., not in books, instruments of science, or aids to the attainment of accomplishments.

The *primary* lessons of political economy could be well engrafted upon the system of education, inculcating the lesson that the consumption of ten millions of dollars of domestic goods does not lessen or depreciate national wealth; but that the consumption of foreign embroidery and other goods, to the amount of ten millions, does, in fact, lessen our national wealth that sum.

**LEGAL MISCELLANY.****LIABILITY OF BANKS FOR NEGLECT TO PROTEST DRAFTS FORWARDED FOR COLLECTION—DISCHARGE OF ENDORSERS, ETC.**

IN the Court of Common Pleas, Boston, February 23d, 1846, before Judge Washburn. Joseph Ballister, et al., *vs.* The Farmers and Mechanics' Bank. This was an action on the case, brought against the Farmers and Mechanics' Bank of Philadelphia, for negligence in not protesting in proper time a draft forwarded to them for collection.

It appeared in evidence that a draft on John Rinewalt of Philadelphia, for \$500, payable sixty days after sight, was deposited in the State Bank at Boston, by the plaintiffs, and by the State Bank forwarded to the Farmers and Mechanics' Bank at Philadelphia. It was received by the latter bank on the 23d of August, 1844, and presented to and accepted by Rinewalt on the 24th. Consequently it matured on the 26th of October. On the 25th of October it was handed by the bank to their notary, and by him protested on that day, and notices forwarded. The notary returned the draft to the Farmers and Mechanics' Bank on the 26th, before 9 A. M., and it was enclosed and forwarded to Boston by the mail of that day. The plaintiffs refused to receive the draft, and returned it to the Farmers and Mechanics' Bank, and claimed to have it passed to their credit. The bank refused to do this, and the plaintiffs afterwards, on the 4th of December, sued Rinewalt, the acceptor, and obtained judgment and execution, but could find no property on which to levy the same. Evidence was introduced by the defendants, tending to show that Rinewalt, the acceptor, was a partner of the drawers, and that he (Rinewalt) was now able to pay the draft. There were endorsers on the draft, as to whose pecuniary responsibility no evidence was put in by either party.

It was contended for the plaintiffs—1st. That the bank, having received the draft, were bound to take all the necessary and usual steps to secure its acceptance and payment at maturity, and, in case of non-payment, to protest it on the day of its maturity. 2d. That the bank were guilty of negligence in handing the draft to the notary on the day before it was due, as they thereby misled him—it being the universal custom of this bank, as was proved, to hand their notes to their notary to be protested at the close of banking hours on the day on which they fell due. 3d. That the draft having been returned to the bank on the morning of the 26th, the day it matured, it was the duty of the bank to keep it at its counter for payment till the close of business hours, and then to have it protested—and that it was carelessness in them not to do so.

It was contended for the defendants—1st. That the bank and the notary were distinct agents, and that the bank, by delivering the draft to the notary, relieved themselves of all responsibility, and that the duty of protesting the draft at the proper time, devolved upon the notary. 2d. That the jury

could give no damages, because there was no evidence that Rinewalt, the acceptor, who was still liable on the draft, was good for that amount. 3d. That if Rinewalt was not good, still the plaintiffs could not recover, because they had not proved that the endorsers and drawers, who were discharged by want of protest on the proper day, were able to pay the debt had they not been discharged. It was further contended that there being evidence that the drawers and acceptors were partners, the drawers were not discharged, because they were not entitled to notice.

Washburn, J., instructed the jury that it was admitted that the draft was not protested at the proper time, and that thereby the endorsers were discharged, and also the drawers, unless they were partners of Rinewalt, and drew on partnership account, but without funds in Rinewalt's hands—that this was the result of negligence somewhere—that it could not be charged upon the bank, if they had given the draft to a proper Notary at a proper time—but if they gave it to him at such a time as to mislead him, and the effect was to mislead him, they would be liable—that if the draft came back to them during the business hours of the 26th, and they knew it matured on that day, which they were bound to know, if it was in their possession, then their duty was to send it back to the notary, to be protested on that day—that if they found the bank guilty of negligence, then the plaintiffs were entitled to a verdict—that in making up the amount of damage, they were to assess the actual damage the plaintiffs had sustained—that the question, whether the draft was now of any, and, if so, what value, was open for their consideration.

The jury found a verdict for the plaintiffs, and assessed damages at \$539.

C. T. & T. H. Russell for the plaintiffs. C. G. Loring and Geo. W. Phillips for the defendants. *Merch. Mag.*

#### LIABILITIES OF ENDORSERS.

Supreme Court, New-York. *Anderson vs. Drake.* Where a note is not payable at any particular place, and the maker has a known and permanent residence, within the State, the holder is bound to make a demand of payment there, in order to charge the endorser.

As where a note was dated at New-York, but the maker before it was payable, removed to Kingston, in Ulster Co., and this was known to the holder, a demand of payment or inquiry for the maker in the city of New-York, was held not to be sufficient to charge the endorser.

But where a note was dated at Albany, and the maker, had removed to Canada, a demand of payment at Albany was held sufficient.

*Anderson vs. Drake.* This was an action of assumpsit brought against the defendant, as endorser of promissory note, stated to be made on the 29th of Nov. 1814, at New-York, by one Benj. Dickenson, by which he promised to pay to the defendant, or order, six months after date, \$300. The declaration contained two counts; the first count stated, that on the first of June, the plaintiff "showed and presented, and caused to be shown and presented,

to the said Benjamin Dickenson, the said note, &c., and required him, then and there, to pay the same, which he refused," &c. The second count stated, that on the first day of June, &c. "diligent search and inquiry was made after the said Benjamin Dickenson at New-York, &c., in order that the note might be shown and presented to him for payment, and that the said B. Dickenson, could not, on such search and inquiry, be found, nor could any person be found to pay the same," &c.

The defendant pleaded, 1st. Non-assumpsit. 2d. To the second count specially, that the maker of the note on the 7th of December, 1814, removed from the city of New-York, to the town of Kingston, in the county of Ulster, where he has ever since continued to reside; that the plaintiff well knew at the time the note became due, and during all the time from the 7th of December, 1814, until the commencement of his suit, that the maker did so reside in Kingston; yet the plaintiff did not, and would not demand payment of the note of the maker, at the time it was payable, though he was often requested by the defendant so to do, to wit, on the 28th of May, and on the 1st of June, 1815.

To this plea, there was a general demurrer and joinder.

J. Strong, in support of the demurrer, contended, 1st. That as the note was dated in New-York, and the parties resided there at the time it was made, it must be presumed, no particular place being designated for the payment, that it was payable in New-York.

That the removal of the maker from New-York to any other place, did not render it necessary for the holder to follow him for the purpose of demanding payment; and he relied on the case of *Stewart vs. Eden*, for the support of these positions.

Anthon and Slossom, contra. The note declared on, was not payable at any particular place. The averment in the declaration is, that the maker was not found in the "city of New-York, in the third ward of the said city." The plaintiff ought to have averred that the maker was not to be found in the city of New-York, nor elsewhere in the State of New-York. Such are the precedents.

Notice to the endorser, without a previous demand upon the maker, is a nullity. Bayley lays down the rule to be, that if the maker has removed, the holder must endeavor to find out to what place he has removed, and make the presentment there. If the maker removes out of the state, the holder is excused from seeking him farther than his last place of residence.

Here, the holder says, the maker has removed to Kingston, within the State. He knew, therefore, where he was to be found; and it was his duty to have followed him and demanded payment of him personally, or at his actual place of residence. It is part of the contract that the holder is to use due diligence to get the money of the maker, before he calls on the endorser. The distinction is between the case where the maker or drawer has never lived, at the place where the note or bill states him to be, or has ab-

scinded, and the case where he has removed; and unless he has removed out of the state, the holder must endeavor to find him out and make the presentment. The acceptor or maker is liable every where, and the bill or note may be presented where ever he can be found, where it is not expressly made a part of the contract that it should be paid at any particular place.

Chief J. Thompson delivered the opinion of the court. This case comes before the court on a demurrer to the second plea. The defendant being sued as an endorser of a promissory note, pleads specially, that the maker of the note had, shortly after the making thereof, and before it became payable, removed from the city of New-York to Kingston, in Ulster Co., there permanently to reside, which was well known to the plaintiff, and that no demand had been made upon the maker. The demurrer admits the truth of these allegations. And the question presented is, whether a demand upon the maker at Kingston was necessary in order to charge the endorser.

It does not appear from the declaration, that the note was made payable at any particular place; nor is there any allegation, from which we are to infer, that the note, upon the face of it appears to have been made in New-York. The case, however, was argued by the defendant's counsel, upon the admission of that fact; and our opinion is founded upon the supposition, that the note appears, on the face of it, to have been drawn in New-York, that being, at the time, the place of residence of the drawer, though, before the note fell due, he removed to Kingston, in Ulster County, there permanently to reside.

Whether under such a state of facts, a demand on the maker at Kingston was necessary, or whether it was sufficient if made in New-York, when the note was drawn, is the point to be decided. Had the note expressly been made payable in New-York, a demand there would have been sufficient, notwithstanding the removal of the drawer. Livingston, J. in delivering the opinion of the court, in *Stewart vs. Eden*, (2 Caine's, Rep. 127,) says, the note being dated in New-York, the maker and endorser are presumed to have contemplated payment there. This, however, was not the point directly before the court, and it is evident from a subsequent part of the opinion, that he did not intend to be understood that New-York would have been the place to demand payment of the maker, or to give notice to the endorser, in case of a permanent removal from the city. In *Thompson vs. Ketchum*, (4 Johns. Rep. 285,) the note was dated at Montego Bay, yet, it was not deemed payable there, otherwise parol evidence would have been inadmissible to prove that it was payable at New-York. Such evidence would have been repugnant to the written note, if the inference of the law was, that it was payable at Montego Bay. This court was, in some measure, before the Supreme Court of Pennsylvania, in *Fisher vs. Evans*, (5 Binney's Rep. 542.) It was there contended, in argument, that the place where the bill was drawn and dated, must be taken to be the residence of the drawer, and the holder was not bound to look for him elsewhere. But the Chief Justice said he knew of no such principle, and that the proper

place to give notice to the person entitled to receive it, was at his permanent residence.

Bailey, in his *Treatise on Bills*, (58,) states the rule to be, that if the drawer or maker cannot be found at the place where the bill or note is payable, and it appears that he never lived there, or has absconded, the bill or note is to be considered as dishonored, but if he has only removed, the holder must endeavor to find out to what place he has removed, and make the presentment there. This is, in some measure, supported by the case of *Collins vs. Butler*, (Stra. 1087.) This rule, I apprehend, cannot be correct to the extent laid down. The settled law now is, that a demand of payment at the place where the note is made payable, is enough to charge the endorser. This is so decided in the case of *Saunderson vs. Judge*, (2 H. Black, 509,) and in this court in the case of *Stewart vs. Eden*; but, according to Mr. Bailey, the holder must follow the maker to the place of his removal.

The general rule is, that the holder of a note is bound to make use of all reasonable and proper diligence to find the maker and demand payment, where no particular place is appointed for such payment. And in determining what shall be considered reasonable diligence, due regard must be had to the security of endorsers, as well as to the unembarrassed circulation of negotiable paper. The laying down precise rules, however, on this subject, is attended with some difficulty. In a case decided in this court, (but which is not reported,) the drawer of a note had removed to Canada, the note was drawn and dated in Albany, though not made payable at any particular place; and it was held that a demand at Albany was sufficient to charge the endorser. I can find no distinction in the books, as to the places being within the jurisdiction of the court, which varies the rule on this subject; nor do I see any substantial reason for any such distinction. It is necessary, however, that some rule should be settled, and I am inclined to think, that where a note is not made payable at any particular place, and the maker has a known and permanent residence within the state, the holder is bound to make a demand at such residence in order to charge the endorser. Whoever takes such a note, is presumed to have made inquiry for the residence of the maker, in order to know where to demand payment, and to assume upon himself all the inconvenience of making such demand, and the risk of the maker's removing to any other place, before the note falls due. As the demurrer, therefore, in this case admits the permanent residence of the maker to have been in Kingston, when the note fell due, and that known to the plaintiff, he was bound to demand payment of the note at that place; and not having done so, the endorser is discharged. The defendant, must, accordingly, have judgment upon the demurrer.

Judgment for the defendant.

[*Johnson's N. Y. Rep. vol. 14.*

## GARNISHEE LIABLE FOR INTEREST.

*Supreme Court of Georgia, at Milledgeville, May Term, 1846.* The Georgia Insurance and Trust Company, plaintiffs in error, *vs.* James S. Oliver, defendant in error. From Richmond Superior Court. Judgment below affirmed.

Held that a garnishee is liable for interest upon the debt due by him to the attachment debtor upon a liquidated demand, when he takes no steps to pay the fund in his hands, or place it subject to the order of the court—and where such garnishee resists the claim of his creditor, as in this case he is liable to all interest accruing upon such claim.

## GUARANTEE OF A SLAVE.

*Supreme Court of Georgia, at Milledgeville, May Term, 1846.* Broughton, plaintiff in error, *vs.* Badget, defendant in error. Covenant from Greene Superior Court. Judgment below reversed.

Held that a bill of sale of a slave containing a warranty of soundness, cannot be transferred by *endorsement* so as to vest in the transferee the right to sue in his own name on a breach of warranty.

The act of '99 respecting the negotiability of bonds, and other specialties, and promissory notes and other liquidated demands, whether for money or other thing, (Prince, 426,) by endorsement, has no application to bills of sale or other mere conveyances, with or without warranty, but must apply to such instruments only as are intended to secure the payment of a demand either in money or other thing liquidated. Agreed on and settled by the parties to it.

## STOCK LIABLE TO BY-LAWS OF A COMPANY.

*Supreme Court of Georgia, at Milledgeville, May Term, 1846.* Tuttle *vs.* Walton. From Richmond Superior Court. Judgment below affirmed.

Held by the court, that a by-law of the Insurance and Banking Company of Augusta, (an institution incorporated by act of the legislature, with power to make by-laws for the government of the company, provided they are not repugnant to the constitution or laws of this state,) prohibiting a transfer of stock by a stockholder indebted to the institution, was not contrary to the laws of this state, nor against public policy, nor in restraint of trade, so as to defeat a lien created by such stockholder's indebtedness to the company prior to the rendition of a judgment under which the stock was sold and purchased by the plaintiff in error at sheriff's sale with notice of such lien—though such purchaser was the judgment creditor.

That such lien was valid and binding, as between the stockholder and the company; and a purchaser at sheriff's sale, with notice of the lien, only acquired such title as was in the defendant in execution.

*Nisbet*, Judge, dissenting.

## ACTION AGAINST A GUARANTOR OF AN USURIOUS TRANSACTION.

*Supreme Court of New York.* A case was decided in favor of J. D. Beers, in the Supreme Court of New York. The action was brought against Beers as the guarantor of a note issued by the North American Trust and Banking Company, after the act of May 14th, 1840, the fourth section of which act is in these words :

“§ 4. No banking association or individual banker, as such, shall issue or put in circulation any bill or note of said association or individual banker, unless the same shall be made payable *on demand* and without interest; and any violation of this section, by any officer or member of a banking association or by any individual banker, shall be deemed and adjudged a misdemeanor punishable by fine or imprisonment, or both, in the discretion of the court having cognizance thereof.”

The North American Trust and Banking Company being indebted to Swifts & Co. in the sum of \$3,700, gave to Swifts & Co. a promissory note in the following words :

“NEW YORK, 30th June, 1841.

Dolls. 3,700.

“Sixty days *after date* The North American Trust and Banking Company promise to pay to the order of Messrs. Swifts & Co. thirty-seven hundred dollars for value received, *with interest*, having deposited with them as collateral security seven bonds of this company secured under the *YATES TRUST*, three for one thousand dollars each, and four for five hundred dollars each : Nos. 717, 718, 719, 720, 353, 354, 355.

(Signed) THOS. G. TALMAGE.”

At the foot of the above note was a guaranty in the following words :

“For value received I guarantee the payment of the above note at the time mentioned.

(Signed) J. D. BEERS.”

The Supreme Court, immediately upon the closing of the argument, decided that the note was illegal and void, and no action could be maintained thereon—and the note being illegal, no recovery could be had against Beers, upon his guaranty—and judgment was accordingly rendered for the defendant. We understand that the officers of the North American Trust and Banking Company, after the act of 1840, issued and put into circulation notes or obligations, payable on time to bearer or to the order of the tellers, clerks or cashiers, to an amount exceeding \$ 2,000,000.

## FOREIGN BANKING ESTABLISHMENTS.

*From the London Banking Magazine.*

## ST. PETERSBURGH.

Accounts are kept here, and for the most part throughout Russia, in rubles of 100 copecks.

The Banks at St. Petersburg are—

1. *The Imperial Loan Bank*, established in 1786, among the statutes of which are the following:—the capital of the bank shall consist of thirty-three millions of rubles, twenty-two millions for the nobility, and eleven millions for the towns. The bank shall be immediately under the emperor. It shall lend money at 5 per cent. interest, and pay  $4\frac{1}{2}$  per cent. interest on deposits. It shall grant assurances on houses, &c., at  $1\frac{1}{2}$  per cent. premium, on three-fourths of the value of the property as fixed by sworn appraisers. It shall discount bills, but not at a higher rate than  $\frac{1}{2}$  per cent. per mensem.

2. *The Assignment Bank*, which is a Bank of issue. And—

3. *The Commercial Bank*, established in 1818, which is, to a certain extent, a *transfer deposit bank*, as it receives in deposit gold and silver bullion, and keeps a current account of it at an annual charge of  $\frac{1}{2}$  per cent. and transfers such bullion in sums not less than 500 rubles from one account to another, also at a charge of  $\frac{1}{2}$  per cent.

These banks have agencies in all the most important places of trade throughout Russia.

## WARSAW: CAPITAL OF POLAND.

Accounts are kept here in florins, (zlots,) at 30 groschens, at 10 pfennigs, formerly at 18 pfennigs.

*The Bank of Warsaw*, established in 1830, issues notes of 5, 10, 50, 100, 500, and 1000 florins. The capital consists of mortgages on domains, amounting to forty millions, and of sixteen millions of paper money. It is a loan and discount bank, and its principal object is to keep down the extraordinary high rate of interest which generally prevails throughout Poland.

## HAMBURGH.

Accounts are kept here in marks, at 16 schillings, at 12 pfennigs.

*The Bank of Hamburg* was established in 1619, and consists of—

1.—*A Transfer Deposit Bank*, at which payments of 100 marks are made by transferring from one account to another. It is the common bank of all the merchants, and the medium of payment is bars of silver, valued according to weight at certain fixed prices. A fine of three per cent. is levied on those who transfer more bullion than stands to their credit. Depositors may

inspect their stock of bullion every morning till nine o'clock. The bank is closed every year from 1st to 14th January, and on Sundays and holydays.

2. *A Loan Bank*, at which money is advanced on gold and silver articles to the extent of three-fourths of their value, at 6 per cent. per annum, interest. If the articles pledged contain pearls and precious stones, they are weighed merely as gold, and reckoned accordingly; if the interest be not regularly paid every six months, but remains in arrear eighteen months, they are put up to auction after the expiration of that period.

As the bank is closed from 1st to 14th January, no transfers of bullion can be made until the 15th January.

There is also an association of several of the chief commercial houses, by which advances are made upon imperishable property, and bills discounted.

#### LEIPSIK: IN THE KINGDOM OF SAXONY.

Accounts are kept here, and throughout the kingdom of Saxony, in dollars, at 24 groschens, at 12 pfennigs.

*The Discount Bank* of Leipsic, with a capital of 250,000 specie dollars, in 500 shares of 500 dollars each, in addition to discounting bills, and transacting other banking business, issues notes of 100 specie dollars each, which freely circulate in trade, as they are payable on demand. One half of the profits of the bank is divided among the shareholders, and with the other half the expenses are paid, and a reserve fund formed.

#### GENOA.

*The Bank of Genoa* was established in 1407, under the name of the *St. George's Bank*; its transactions were, however, suspended in 1746, in consequence of several untoward events arising from war, and entirely ceased on the annexation of Genoa to France: but were renewed in 1814, and are still continued. The shares of the bank, for which the customs, salt, and other duties of the present Duchy of Genoa are assigned, are of variable value, and bear interest at from 2 to 2½ per cent.

The four *Deposit Banks* receive money, without, however, paying interest on it, and return it in the same description of coin in which it was deposited, or in bank notes, which circulate as hard cash. No embargo can be placed on monies deposited in any of the banks.

#### HAVANNAH.

Accounts are kept here in piasters, at 8 reals, at 34 maravedis; also in piasters (dollars, pesos,) at 100 cents.

A bank was established here in 1833, with a capital of one million of dollars.

#### STOCKHOLM.

Accounts are kept here and throughout Sweden, in rix dollars, at 48 skillings, at 12 pfennigs.

The paper money has consisted, since 1777, of bank notes of one rix dollar, which have borne a variable value in exchange for silver coin; for instance, in 1829, one rix dollar in silver, was worth 123 skillings in bank notes; or 100 rix dollars in silver, were worth 266 rix dollars in bank notes.

The bank was established in 1657.

Accounts are kept throughout Norway in specie dollars, at five orts; or in marks, at 24 skillings.

The paper money, in which payments are for the most part made, consists of notes of 100, 50, 10, 5, 1,  $\frac{1}{2}$ , and one-fifth specie dollars, which are issued by the bank at Drontheim, but which lose about 40 per cent. in exchange for coin.

#### BRUSSELS.

Accounts are kept here, and throughout Belgium, either in florins, at 100 cents, as in Holland; or in francs, at 100 centimes, as in France.

The *Bank of Brussels* has a capital stock of fifty millions, in 100,000 shares of 500 florins each. It receives deposits, discounts bills, and transacts the monetary business of the government; and has various branches. The shares bear an interest of five per cent. in addition to the dividend.

Since 1827, a bank has existed in Antwerp, at which a credit may be opened on a deposit of bullion, and payments made by a transfer of such bullion from one account to another. In addition to transacting other banking business, the bank issues notes of 500 to 1,000 florins.

#### BORDEAUX: CAPITAL OF THE DEPARTMENT OF THE GIRONDE.

Accounts are kept here as in the other parts of France.

The *Bank of Bordeaux* is a private establishment, in 2,000 shares of 1,000 francs each. It discounts bills on Bordeaux and Paris, at 4 $\frac{1}{2}$  and 5 per cent. and issues notes of 500 to 10,000 francs each.

Accounts are kept here in francs, at 100 centimes, and in retail trade also in francs, at 20 sous, at 5 centimes.

#### PARIS.

The *Bank of France*, at Paris, was chartered in 1803, with privileges, at first, for fifteen years, but in 1806, they were extended till 1843. Its capital consists of one hundred and eight millions of francs, in 90,000 shares, of 1,200 francs each, which bear interest at 6 per cent. Only 67,900 shares can be transferred from one individual to another, as the remaining 22,100 shares belong to the bank. The price of a share is generally from 1,600 to 2,000 francs. The bank is privileged to issue notes payable to bearer on demand, to discount bills, to make advances on government paper, bullion, and precious stones, and to transact other usual banking business. In addition to the ordinary dividend, two-thirds of the clear profits are divided half-yearly among the shareholders, the other third being carried to a reserve fund. The court of directors is composed of twenty members. The gov-

error must be a proprietor of 100 shares at least, and each of the deputy governors must be a proprietor of 50 shares at least.

The *Discount Bank* at Paris, is also a joint stock bank, with a capital of thirty millions of francs, in 20,000 shares of 1,000 francs each, and 20,000 shares of 500 francs each. The notes issued by this bank are of 500, 400, 300, 200 and 100 francs each, and are readily received, as they are at all times convertible.

#### THE BANK OF FRANCE.

The following is the quarterly account, ending the 31st of December last, published by the Bank of France, in pursuance of the law of the 30th of June, 1840:—

| DR.                                             | Francs.     |
|-------------------------------------------------|-------------|
| Bank notes outstanding, . . . . .               | 269,498,980 |
| Treasury account current, . . . . .             | 81,849,739  |
| Pieces of 1f. 50c. and 75c., . . . . .          | 13,300,000  |
| Sundry accounts current, . . . . .              | 118 470,005 |
| Receipts payable at sight, . . . . .            | 1,751,000   |
| Capital of the bank, . . . . .                  | 67,900,000  |
| Reserve, . . . . .                              | 10,000,000  |
| Landed property, . . . . .                      | 4,000,000   |
| Dividends payable, . . . . .                    | 5,189,424   |
| Draughts of branch banks outstanding, . . . . . | 873,390     |
| Sundry demands outstanding, . . . . .           | 1,424,918   |
|                                                 | <hr/> <hr/> |
|                                                 | 574,257,456 |

| CONTRA.                                      | Cr.<br>Francs. |
|----------------------------------------------|----------------|
| Cash on hand, . . . . .                      | 187,334,862    |
| Commercial bills discounted, . . . . .       | 192,323,985    |
| Ditto, discounted by branch banks, . . . . . | 37,417,485     |
| Advanced on deposits of bullion, . . . . .   | 6,013,100      |
| Advanced on public securities, . . . . .     | 16,888,695     |
| Accounts current debtor, . . . . .           | 46,387,542     |
| Capital of the branch banks, . . . . .       | 22,000,000     |
| Reserve, . . . . .                           | 10,000,000     |
| Vested in government securities, . . . . .   | 50,250,340     |
| Hotel and furniture of the bank, . . . . .   | 4,000,000      |
| Sundry credits, . . . . .                    | 1,641,447      |
|                                              | <hr/> <hr/>    |
|                                              | 574,257,456    |

## REMARKS ON CURRENCY AND BANKING.

BY NATHAN APPLETON, OF BOSTON.

[Extracts from a pamphlet published by the author in 1841.]

THE general consent of mankind has established gold and silver as the common measure of the value of all other commodities, and has given them in the state of coin, the name of money. Some nations making use of one of these metals, some of the other, and some of both.

Coinage may be considered as merely the affixing a certificate of the government to the quantity of pure silver or gold contained in each coin respectively, on which alone its value depends. The fitness of gold and silver for the medium of exchanging all other commodities, arises from their containing much value in small bulk, from the difficulty of their quantity being materially increased, from their easy divisibility and their indestructibility.

It is usual to consider these precious metals as the *common measure* of other property; but they have another quality essential to their performance of the function of money. Their intrinsic value makes them also the *common equivalent*. They not only measure the value of other commodities, they replace it; this is an important distinction.

The laws of the United States establish the coinage and currency of both metals. By the law of 1792, gold was estimated to be worth fifteen times its weight in silver, which was, at that time, perhaps, an accurate estimate of the actual relative value of the two metals. Since that period a decided and permanent change has taken place in that respect in favor of gold; and by the law passed in 1834, our gold coinage and several foreign coins are made current in the proportion of sixteen times their weight of silver.

The effect of this law is, to make an important change in our metallic currency. Previous to its passage, our whole currency consisted of silver; gold was merely merchandise, worth about five or six per cent. above its legal valuation. Since 1834, gold has been constantly displacing silver, and is becoming the basis of our bank circulation.

Banks are establishments for the purpose of carrying on a trade or traffic in money, or in contracts or obligations for the payment of money.

Bank notes are promises to pay on demand a given quantity of coin; they are promises to pay *money*, but they are not *money* in themselves. This is an important distinction, and the not making it, is the source of most of the popular errors on the subject of currency.

Bank notes, payable in coin on demand, in the common transactions between man and man, are generally preferred to the coin which they represent. They thus perform all the functions of money, and in common parlance are called money. But there is an important distinction, and in strictness bank notes can with no propriety be called money. A bank note gives a *power* to command the coin, the money which it promises, at the plea

sure of the holder. This *power* is more convenient, therefore more valuable to the possessor, than the *thing*, the coin itself. This preference is the true basis of bank circulation. It is founded in the nature of things. It is essential, however, that this power should be real; that it should exist, in fact; that the coin can be had on asking for. It is not perhaps, surprising, that superficial observers, seeing the facility with which bank notes perform all the functions of money, without this power to command coin being put to the test, should become insensible to its existence, or disbelievers in its necessity. They see a *faith* in this power supersede the use of the power, and sanguine and visionary spirits are led to believe that the same *faith* may be built on some other basis, or something else less expensive than gold and silver. This is doubtless the origin of the various projects for furnishing a currency of paper not convertible into coin, to which every age gives rise, and which always find favor with the debtor class of mankind, but which are sure to end in chagrin and disappointment.

Bank credits, commonly called deposits, are of precisely the same general character as bank notes; they arise from the deposit of coin or bank notes, from the collection of individual notes, or from bills of exchange, or from discounts made by the bank for the parties to whose credit they are placed. However originating, the bank admits them to be a debt payable in gold and silver on demand.

They remain to the credit of the party owning them, because a bank credit, like a bank note possessing the power of commanding the coin at any moment, is preferable to the possession of it in specie. Bank notes and bank credits are convertible into each other at the pleasure of the possessor. They are essentially the same. It has been sometimes made a question whether bank credits can properly be termed *currency*. It is a question about words, and of little importance, according to the sense in which the term *currency* is used. Bank credits consist chiefly of the money kept on hand by merchants and others for their daily use. Were there no banks, it would be kept at home in iron chests; and if so kept, whether in coin or bank notes, the question might be equally raised, whether these deposits in large masses should be said to be in circulation.

*Preference* is then the only basis of a sound paper circulation, and it is not difficult to perceive the grounds on which this preference rests; facility of counting, facility of transportation or transmission, and security against loss or robbery. To these general advantages must be added a full assurance that the money will be paid *when* wanted and *where* wanted.

The place where a bank note is payable is of the utmost importance in order to secure its general circulation at par with specie. That place must be the commercial centre of the district through which it is to circulate.

The constant demand for remittances to this central point will give to bank notes payable there, a constant equality with or preference over specie, through all the region drawing their supplies from that centre. Thus, a

bank note payable in Boston, will have a natural circulation through all that part of New England drawing their supplies from thence; but the moment the line is passed into the district drawing their supplies from New York, bank notes payable in that city, can alone supply a pure circulation, and so of the other great cities. Large towns or cities in the interior have a certain limited circle of their own, but for general circulation, bank notes must be payable in the great commercial cities.

The currency of depreciated paper, issued by banks paying specie, is owing to a departure from correct principles in this particular. The bank note is not payable at the *place* where the money is wanted. Previous to 1824, the currency of Boston and New England consisted mostly of country bank notes, subject to a discount varying at different times, but generally about one per cent. In 1824, what is called the Suffolk bank system, was adopted, by which the bills of all New England banks are virtually redeemable in Boston at par. The system is this: Certain banks in Boston have contributed a sum agreed on, to a common fund, and in consideration of the use of that fund, one of them, the Suffolk, undertakes to receive all bills of New England banks as cash, and collect them from the country banks. The mode of doing it is as follows: The country banks are invited to keep a fund in deposit at the Suffolk bank for the redemption of their bills. If they decline, the bills are sent home for payment, in which case nothing but a legal payment in coin will be received. The trouble attending this mode of payment, soon induces the bank to yield to its true interest and keep up the deposit, since it can, by doing so, keep a larger amount of bills in circulation than it would otherwise be safe to attempt. Under this system the whole currency, centering at Boston, is convertible at pleasure into legal coin, without any loss whatever—a state of things which does not probably exist in any considerable city.

Money or currency is an instrument of the first necessity to a nation. No trade or commerce can be carried on without it. A nation using a currency wholly metallic may feel a scarcity of money, but cannot be drained of it, any more than a mechanic can be made to part with the tools necessary to carry on his daily business. Overtrade may take place in such a community. An excessive importation of foreign commodities may cause an exportation of the precious metals, to a degree of inconvenience. The scarcity of money resulting from such exportation reduces prices, the effect of which is to check importation, and promote the exportation of all commodities, and thus the evil soon cures itself, by the return of the coin necessary to its trade. No other considerable importation will take place until it has in this way recovered what is of all things most important to it, *its tools of trade*.

Precisely the same thing takes place under a well-regulated bank currency. It seems to be the opinion of the best writers on the subject, that the most perfect bank circulation would be one which should be precisely

equal in amount to what the circulation of the same country would be in the precious metals, were no other circulation permitted.

The great evil of the modern system of banking is the great fluctuation which it is liable to produce in the quantity of the circulating medium. This is easily understood. Bank notes being, as already shown, *preferable* for common uses to coin, and costing nothing to make; the process of increasing the circulating medium is very easy, and is certain to go on until it meets the necessary check in a demand for payment. This check the individual bank will receive in its exchanges with other banks. However individuals may in their transactions consider a bank note as money, the banks themselves take a different view of the matter. A bank balance can only be paid in coin. Here is a check upon an individual bank; but suppose all the banks expand simultaneously, or nearly so, to which there is a natural tendency, this check ceases to operate.

In the same way an expansion in one of the cities may be checked in consequence of balances being created against it, and being demanded in specie. But suppose the cities all expand at the same time, and there is a powerful sympathy between them, the check is only to be found in the rise of the foreign exchanges to a point which induces the exportation of specie. This foreign export of specie is in fact the only check to redundancy, to excess, in bank circulation.

An expansion of the currency tends to an advance of prices—excites commercial enterprise, and finally speculation and overtrade. High prices encourage importation and discourage exportation, a rise in the foreign exchanges follows, which causes an export of specie, which acts as a proper corrective by compelling the banks to call in a portion of their issues. This is done by lessening or suspending their usual discounts. Here is action and reaction, very beautiful, and all very agreeable to the public, *except the last part of the process*. A contraction of the currency causes a pressure on the money market—reduces prices—paralyzes trade—brings out failures. This is all very disagreeable. It makes what is called hard times. But in fact it is always the return from a false position to a true one. It is never necessary to diminish a currency which has not been redundant. The violence of the pressure is in proportion to the extent of the overtrade; and generally the more violent the pressure the shorter the period.

Our banking system is the subject of undeserved abuse. The system is better than the practice under it. The toleration of *abuses* under the system is the great evil. Still there are faults in it which might be remedied. One evil is the multiplicity of banks authorised to issue notes for circulation. All experience shows the necessity of legislative restraint upon the issue of notes for the purpose of circulation. The public security requires it. But under the present system, that security is wholly inadequate in most of the states, where banks with very small capitals, and those frequently nominal, are permitted to issue notes.

No bank should be permitted to issue notes without a solid, paid up capital, greatly exceeding its issues. A capital of half a million of dollars is the very least to which this privilege should be granted. New York has adopted a system of requiring a deposit of stocks as security for the payment of bank notes—but the law is deficient in making no certain capital necessary to carrying on the business of banking, and the public have suffered losses by the failure of the free banks, as they are called, from the circumstance of the depreciation or inadequacy of the stocks deposited. But the New York system has one advantage—its evils cure themselves. The idea that banking can be carried on without capital has been pretty fairly exploded under the experiment.

The great and difficult problem in a currency of bank paper, is the prevention of those fluctuations, to which experience shows such a currency is liable, in a far greater degree than a currency composed wholly of the precious metals. This problem has not been solved. The attention of the British Parliament has been for some time drawn to it. A committee have published a voluminous report of evidence taken at the last session, which certainly does not shed much light upon the matter. Their inquiries are still going on. The writer has thought a good deal on the subject, and is of opinion that no better remedy can be devised against a redundant or excessive circulation, than the levying a tax, by the state, on the privilege or right of circulation, to very near the amount of benefit or profit derivable from it. Nearly all the states require something in the nature of a bonus or tax for the privilege of a bank charter, but on principles wholly capricious or unsettled; whilst in others, the granting them is made a matter of favoritism, under the odious character of monopoly. Many advantages would arise from establishing the principle that every bank chartered with the right of circulation should pay a fixed tax on the amount permitted. The right to regulate the currency of bank notes seems properly to belong to the state, and to be a legitimate source of revenue.

The state of Massachusetts levies a fixed tax of one per cent. per annum upon bank capital. This tax is excessive in amount—is levied upon a false principle, and produces some evils. A tax of three per cent. per annum on circulation, would produce nearly the same amount of revenue, and be wholly unobjectionable in principle. The advantage of a tax upon circulation would be, that it would take away the inducement of profit, which every bank now has, to increase its circulation to the utmost—until the expansion of the currency shows itself in the export of coin—which can only be checked by a suspension of discounts, and a pressure on the money market. The bank, to be sure, has no difficulty itself in this case, if well managed. The whole pressure is thrown on the mercantile community.

But these alternations of bank expansion and nominal prosperity, followed by bank contractions, disappointment, and perhaps failures, are very much to be deprecated. A tax upon circulation might do much in check-

ing undue expansion. A fixed minimum capital, and a fixed rate of tax upon circulation, would take away the character of monopoly from bank legislation—as charters might then be granted to all who would take them, sufficient care being had to see the capital actually paid in.

The law of 1834, by which such a valuation was put upon gold as makes it the essential basis of our circulation, is calculated to have a highly favorable effect in giving steadiness to the currency by enlarging that basis; it being necessary for the banks to maintain on hand a greater quantity of coin, on account of the facility of transfer attaching to that metal as compared to silver. This effect will be increased, should an error, apparently inadvertent, in that bill be corrected, by which too high a valuation is put upon foreign gold, compared to our own coin. The consequence of this error is, that there is a positive loss of about one-fifth of one per cent. in sending foreign gold to the mint, whereas the law should have been so framed as to make it for the interest of the holders of such coin to do it. The reduction of the valuation of sovereigns and napoleons, about one-half of one per cent., would remedy the evil, and give us an actual currency of eagles and half eagles as the payment which banks would find it for their interest to make for demands on them. The effect cannot be doubted—it would add materially to the specie in the country, and thus reduce the disproportion which paper bears to coin, which is the great vice in our system.

Another mode of giving additional security to the currency, would be the establishment of a system of more frequent and rigid settlement of balances between the banks themselves. The safe and prudent banks should use the power which they possess, to keep in check the bolder and weaker banks, by calling for their balances weekly, if not daily, in actual coin. The system which has grown up of letting bank balances lie until a foreign demand for coin appears, should be abandoned. It is liable to abuse, and it is the duty of the strong banks to put an end to it.

A timid apprehension of weakness on the part of certain banks in Boston, with a cautious endeavor to avoid losses in case of explosion, led to much of the expansion in 1836. A different policy might have prevented the panic and suspension of 1837.

*No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation.*

A repeal of the usury laws, so far as relates to notes of hand and bills of exchange, similar to that which took place in England in 1832, would undoubtedly have a highly beneficial effect in lessening the violence of a monied pressure, as there is abundant evidence it has done in that country. The pertinacity with which all the states cling to the usury laws, the remnant of the old feudal opinion that the people cannot be trusted to take care of their own interests, is remarkable—especially after the example has been set by England. In the late report made to Parliament on banks of issue,

we find the testimony of Messrs. Norman, Tooke, and Lloyd, uniform in favor of the effect of the modification made in the law, in relieving the violence of a revulsion in the money market.

A bankrupt law applicable to banks would undoubtedly be the most efficient of measures for preventing suspensions of specie payments, and keeping banks within reasonable limits. Such a law, to go into effect in twelve months, would be the most effectual of measures for restoring and regulating the currency—to apply to a continued suspension of payment for thirty days. Constitutional objections have been suggested, but without much apparent force. Apparently nothing in the power of Congress would be so decidedly effectual as the establishment of such a law.

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## STATE BANKS.

THE expediency or policy of states embarking in banking, has been questioned. The operations of those institutions, whose stock was owned in part or wholly by the states in which they were located, and by whose legislatures, the institutions were, directly or indirectly, controlled, are well worthy a rigid examination.

As a general rule, we think such investments by the states, would, (as they certainly have heretofore,) result with severe losses. We have only to look at Alabama, Missouri, and other states, where these losses have been demonstrated. The combinations of politics and money are always unfortunate. Wherever the direction of a monied institution is left to state legislatures, decided by political parties, the directors selected upon political, not business, considerations, such an institution is almost sure to be mismanaged.

A writer, whom we have before quoted, observes in a pamphlet published in 1841—

“Some of the states have gone into the business of banking on their own account. It requires no great spirit of prophecy to foresee that their banks will be badly managed, and the states become losers by the business. Banks to be useful, must be founded upon real capital, *and to be well managed, must be under the immediate eye of the owners of the capital.*”

There is one exception we are glad to find to this observation, viz. The Bank of the State of South Carolina. The operations of this bank to October, 1843, show a surplus of \$ 116,701, after an allowance of seven per cent. interest per annum, on its general and specific capital: after sustaining two unprofitable branches: and after repeated loans to the state, amounting at one time to \$ 547,000, *without interest.*

The following extracts are from the report of the president of the Bank of the State of South Carolina, to the senate of that state, made in compliance with a resolution, that the “President of the Bank of the State of South

Carolina, and the comptroller general of the state be directed, severally to report such facts and reasons as they may deem best calculated to illustrate the practical effects of any proposed changes or measures in relation to the payment of the public debt, the management of the sinking fund, and the fiscal operations of the treasury, as well as their effect on the credit of the state."

[ Like the Kentucky bank reports, and numerous public documents, this report has neither date of year nor month, nor name of place attached to it. We are left to conjecture these items, and from the appendix to this report, we conclude it was made in the winter of 1848—4.]

#### THE PRACTICAL EFFECTS OF THE FISCAL OPERATIONS OF THE TREASURY.

In considering "the practical effects of the proposed changes and measures in relation to the payment of the public debt and the management of the bank and sinking fund on the fiscal operations of the treasury," it will be necessary to examine: First, what would be their practical effects on the bank itself, and then, by that means their practical effects on the fiscal operations of the treasury. I have before stated my opinion, that the practical effect of the recommendations, if carried into operation, would be to force the bank to go into liquidation, and be wound up. The adoption of any one of these plans, or of any other measure producing a like effect on the bank, would destroy it effectually. Its name may continue to exist, but its vitality, its usefulness, will have been extinguished forever. The question then recurs, What will be the effects on the fiscal operations of the treasury, when the bank is wound up, or in effect abolished by these measures? We must consider this inquiry:

1st. In connexion with the receipt, safe-keeping, and disbursing the treasury funds. In this view, the utility of the bank is of the highest value. The public moneys, are by the collecting officers, paid into it and placed to the credit of the treasury. The treasurer checks for it, and in Charleston his check is countersigned by the comptroller general: this secures against frauds and unfaithfulness. Since its incorporation, there has been collected and paid into the bank to the credit of the treasury, about \$ 12,747,207 11 and there has been paid out on that account about \$ 11,778,057 02, making an aggregate of \$ 24,525,764 13, of receipts and payments, without costing the state anything, or the loss of a cent. For its safety, she had all the securities she had before, besides the checks of daily supervision and settlement, which the organization of the bank affords. Funds are also transferred from one treasury to the other, without risk or cost to the state, and payments are made at the treasuries more easily, rapidly, safely, and satisfactorily than they could be by paying the money itself. The measures recommended, by virtually and practically destroying the bank, would destroy all these advantages to the treasury.

## OF PROFITS OF THE BANK AND PUBLIC DEBT.

To arrive at an exact idea of what profits the bank of the state has made in its operations, we must first settle the definite meaning to be attached to the word profits, and then, again, the principles on which they shall be computed.

Strictly speaking, we understand by the word profits, the clear gains made by the bank, and paid by it as dividends or profits, either into the treasury, or to the public creditors, or carried to the sinking fund; such would be the correct rule here, if it were a private bank; a machine to make the greatest amount of dividends on the capital employed for the stockholders, without regard to the general interests of the state.

But this narrow view has never found favor with the statesmen of South Carolina. And she, contemplating the question from her high position of a sovereign, who was proprietor, both of her people and their property, has felt that she best subserved her own interests by promoting theirs; that whatever bettered their condition, improved hers also; and that when she enabled them to increase their wealth, she was hoarding up riches in her own best treasury, on which, if great emergencies should come upon her affairs, she could make her drafts with the confidence that they would be cheerfully paid by a loyal people devoted to her service. She could not but know that, under the principles she prescribed in the charter for the management of its affairs, if the bank yielded that protection and generous nourishment to the enterprise, industry, and peculiar pursuits of her citizens, which she designed, she must be content with more moderate dividends on her capital, and look for a large share of her real profits, to the convenience and advantages it would afford in the state affairs, and to the improvements which would follow to her agriculture, commerce, and manufactures.

There are, however, some circumstances worthy of being carried along in the mind, which have exercised no little influence on profits, and for which due allowance should be made. In the first place, the expense of the management of this bank is necessarily greater in proportion to its capital and business, than that of any private bank; it being required by law to maintain two expensive branches, which the legislature have established for the convenience and accommodation of the public; the one at Columbia being essentially so to the treasury operations of the state. Again, the funds in the treasury are usually exhausted in December, and during the period of the most active and profitable business of the year, the bank advances, without interest, large sums of its own money, curtailing its own operations, and lessening its profits. These advances have sometimes been very considerable. They reached in May, 1821, to \$547,795 34, and in 1840, when the heaviest burthens the bank has ever felt were accumulated and concentrated upon it, this was one of the most embarrassing sources not merely of difficulty, but of danger and actual loss; for a more full detail of which, I refer to the annual report of that year.

Another fact is also of material bearing on this point. The bonds for debts of the fire loan, amounts to upwards of \$1,000,000. This portion of our capital yields us no profit, but is a source of some expense; because, by the 7th clause of the 4th section of the act of June, 1838, the bank is directed to fix the rate of interest to the borrowers "at as low a rate as will cover the interest to be paid by the state, with the necessary charge of remittance." This large fund, therefore, is administered by our officers without charge, and constitutes no part of a profit making capital; and if it were not for that branch of the business thus assigned to the bank by the law of 1838, we could dispense with one clerk, whom its management makes it necessary to retain, at a salary paid from the general profits.

In the following estimate, the interest is charged on the capital as it was received, at the rate of 7 per cent. The account between profits and interest will then stand thus—

|                                                             |                 |
|-------------------------------------------------------------|-----------------|
| Whole profits of the bank to 1st October, 1843, . . . . .   | \$ 3,672,291 43 |
| Deduct interest on original capital, at 7 per cent. . . . . | 2,208,993 48    |
|                                                             | <hr/>           |
| Excess of profits over interest, . . . . .                  | \$ 1,463,297 95 |

This excess is considerably more than the whole original capital of the bank.

2d. On the original capital, and its profits, the sinking fund.

The sinking fund was, until 1840, composed entirely of the profits of the bank, and the interest set down upon the following computation is, therefore, a profit on a profit. That account stands thus:

|                                                          |                 |
|----------------------------------------------------------|-----------------|
| Whole profits of bank to 1st October, 1843, . . . . .    | \$ 3,672,291 43 |
| Interest on original capital, . . . . .                  | \$ 2,208,993 48 |
| Interest on sinking fund, or profit on profit, . . . . . | 569,124 41      |
|                                                          | <hr/>           |
|                                                          | 2,778,117 89    |

Showing an excess of profits over interest at 7 per cent. of \$ 894,173 54

Or nearly the amount of the original capital.

3d. On the original capital, sinking fund, surplus revenue, and fire loan.

In this computation, we charge ourselves with interest on the fire loan as 6 per cent. because that is the interest actually paid for it out of the profits of the bank. The account then stands thus:

|                                                       |                 |
|-------------------------------------------------------|-----------------|
| Whole profits of bank to 1st October, 1843, . . . . . | \$ 3,672,291 43 |
| Interest on original capital, . . . . .               | \$ 2,208,993 48 |
| “ on sinking fund, . . . . .                          | 569,124 41      |
| “ on surplus revenue, . . . . .                       | 356,221 10      |
| “ on fire loan, . . . . .                             | 421,250 86      |
|                                                       | <hr/>           |
|                                                       | 3,555,589 85    |

Balance of profits over interest, . . . . . \$ 116,701 58

It is also to be remarked, that interest has been allowed at the rate of 7 per cent. on all the capital or funds used in banking by the bank, except the fire loan : a mode of stating the account, which is hard upon the bank, for the funds, as a government operation, could not have been invested by the state in securities, beyond the risk and contingencies incident to individual loans, or bank stocks, which would have yielded her 6 per cent., or perhaps even 5 per cent., free of the cost of agency and management ; while in this bank, it has paid all its losses, and yielded a profit beyond 7 per cent. in all the views, which in fairness to it, could be presented.

It is also to be remarked, that for several years past, bank dividends have been greatly reduced. Heavy losses have been incurred by all, and profits have been considerably lessened. No bank in Charleston has divided for some years more than 6, and several only 5 per cent., and one at no higher rate than \$ 4 44, for the last year.

I am aware that it may be objected, that in the above computations, it is assumed, that the whole capital is safe, while bad debts may exist, and losses be realized on them hereafter. For these, as they occur, deductions are made by taking from the profits to cover them ; but, totally independent of that, it is confidently believed that, besides arrears of interest which will be collected ; the notes of the bank lost in circulation, will more than replace every loss by bad debts, which the bank will realize in years to come. A few facts will show the grounds of this opinion.

From October, 1839, to July, 1840, all the city banks were suspended, except this bank, and the bank of Charleston. Specie was 3 per cent. premium over their notes. The actual payments out of this bank from October, 1839, to June, 1840, had been to the immense amount of a million and a quarter of public debt, fire loans, state expenses, and in redeeming its own bills, which were hunted up, and brought in hourly for specie. The taxes, which had to be paid in specie paying bank notes, had also been gathered, and brought home in June, all of our bills which could be collected in the country.

It is believed, we had got in by these causes, *very nearly the whole of the notes of the bank*, in existence. Our books show, that after charging against the bank, every note it ever issued, upwards of five millions of dollars, the whole amount then outstanding, was only \$ 339,000. That a very large portion of this, perhaps nearly all, has been destroyed and lost, and will never come against the bank, there are many reasons for believing. One instance, taken from the account of our issues, as to the denomination below one dollar, will give some idea of the probable gain on the others.

|                                                                 |                     |
|-----------------------------------------------------------------|---------------------|
| Of small bills under \$ 1, there have been issued in all, . . . | \$ 385,352 18       |
| Returned and cancelled, . . . . .                               | 305,869 18          |
| Leaving unaccounted for, and a probable gain, . . . . .         | <u>\$ 79,463 00</u> |

The governor indicates the opinion, that all banks are evils, and a bank operating like ours, on the funds and credit of the state, especially so; the best proof of the latter being, he says, that all other banks so formed, save ours, have failed.

How far any have been formed or administered as ours, or in what particulars they have differed, I am not now in possession of proper documents to say. My impression is, that most, if not all, established and owned exclusively by a state, have been created in the new states upon plans and principles very different, and where crude ideas of banking, and a very unmanageable temper for speculations, were prevalent; and where the failures of private banks have been more frequent and signal, and would afford, therefore, stronger proofs of the same kind against private banks here; and yet this bank has safely stood the test of 31 years, as our private banks have even a longer trial. But, it is said, it is inconsistent in our state to have connexion with, or to own a bank; for, our people "have for several years past, waged an unremitted warfare against the establishment of a similar, and not more objectionable institution by the federal government."

The similitude of the two cases is faint and unreal, being merely in name while in substance nothing can be more unlike. The connexion of the federal government with banks, whether a United States bank, or those chartered by the states, is neither warranted by the constitution, nor justified by sound policy. The federal constitution has no where granted the government either a right to create a United States bank, or to receive or pay away the notes of one, or of any other bank. Its exercise is a usurpation, tends to consolidation, and is opposed to the rightful powers of the states. The corrupting influence which the federal government might obtain, if permitted to league and ally itself with banks; the use it might make of them, (irresponsible as they are in every way to the people, or to their representatives in that government,) in undermining and subverting the constitution, constitute a part only, of the reasons on which the opposition of our people has rested. But, how can it be maintained that the instances are parallel? Has not our state a right to make a bank? And to receive and pay away its paper in her treasury operations? Or, can it be said of her bank that it is irresponsible to her, while it is, in reality, the only bank that is, or can be made responsible to her. The only one she can examine or regulate, or if she please, continue or abolish by a word. Is it consolidating and opposed to state rights, or in reality an emanation of, and supporter of them.

We oppose the national bank as unconstitutional, and as the most objectionable form of league between bank and state, not only for the reasons stated above, but because of its centralising influence on trade; because, it used the capital of our own citizens who owned stock in it, to divert its commerce from our own state, to build up rival cities and sections, and to render us in trade and finance, tributary and subject to them; to weaken, to

impoverish and to control it. Has this bank carried or driven from South Carolina, her capital, her commerce, her people, or her wealth, to strengthen her rivals, or to be turned against ourselves? So far from it, its whole efforts have been directed with all the energy, zeal, sagacity and power, which it has ever possessed, to retain, extend, multiply and sustain them at home.

F. H. ELMORE, *Pres't.*

## FINANCES OF THE UNITED STATES.

*Debate in the Senate of the United States, on June 2d, 1846, upon the PROSPECTIVE FINANCES OF THE COUNTRY.*

MR. LEWIS, chairman of the committee on finance, introduced the following resolutions; which, by unanimous consent, were adopted:

*Resolved*, That the president of the United States be requested to cause to be furnished to the senate an estimate of the amount of money required during the present and the next fiscal year, for such a prosecution of the existing war with Mexico as will most likely result in its speedy and honorable termination.

*Resolved*, That he also cause to be reported to the senate whether the amount so required is likely to be realised in the present condition of our finances, without a resort to loans, treasury notes, or direct taxes; and, if not, what modifications of the existing tariff are required to furnish ample means for the vigorous prosecution of such war.

MR. CRITTENDEN rose, and asked a reconsideration of the resolutions of inquiry which were adopted by the senate this morning, on motion of the honorable senator from Alabama, chairman of the committee on finance. He desired the reconsideration of these resolutions for the purpose of suggesting an amendment to the second resolution, by inserting these words: "Or what other measures he would recommend as most expedient for," &c.

The resolution, it would be observed, confined the attention of the president exclusively to the modification of the tariff; but there were other sources of revenue besides the tariff, which the president might deem it proper to advert to, as being a proper means of supplying any deficiency.

MR. LEWIS said, as the object of the senator from Kentucky appeared to be merely to widen the scope of inquiry, he could have no sort of objection. The question on reconsideration was then put and carried.

The amendment proposed by the senator from Kentucky was then read.

MR. SPEIGHT said it would be perceived by the senator, that the resolution proposed an inquiry as to whether a reduction of the tariff would be recommended as a suitable means of raising revenue and avoiding direct taxation and the issuing of treasury notes.

MR. WEBSTER said, he, of course, could have no objection to the passage

of these resolutions, though, if an opportunity were afforded, he might be disposed to propose certain amendments; but they were introduced only this morning, and at once adopted.

It would answer his purpose, however, to call the attention of the members of the finance committee, and, if it were practicable, he would also call the attention of the secretary of the treasury, to the state of things now existing in this country, or at least in some parts of it, which was not a little embarrassing—he meant the state of the money market in New Orleans, and the corresponding condition of it in the northern states. It would soon become evident to congress and the whole country, that if New Orleans should become and continue to be a point of large expenditure for the purposes of the war, and there should be no other means except such as at present exist for the transferring of funds from the north to New Orleans, very great embarrassment would be felt, not only at New Orleans, but at the north. Indeed, this was the state of things now existing. He had understood that very large remittances or transfers had already been made on government account, in specie, by internal conveyance. While this state of things existed, while the country continued to be endangered, and the states of the north were called on to furnish supplies, the evils and inconveniences attending it would be severely felt. He was desirous, therefore, while the questions embraced in these resolutions were put to the executive, that the attention of the executive and of the two houses of congress should be especially directed to the consideration of how these funds were to be transferred without great inconvenience to the community. Whether this could best be done by treasury drafts, performing somewhat the same operation as treasury notes, or by some other mode, he would not undertake to say, but it was a matter which, in his opinion, demanded the attention of the secretary of the treasury, whether some provision, if there be none existing, might not be made by law to meet the case.

He offered these suggestions that they might attract the attention of the members of the committee on finance, and also of the proper department of the executive government. Perhaps, however, the honorable chairman of the committee on finance might be prepared to say what facilities they relied upon, and how they expected the transfers to be made.

**MR. LEWIS** said he was not informed.

**MR. CALHOUN** said that the evils to which the senator from Massachusetts had alluded were certainly very great, but his apprehension was that they would prove to be remediless. As long as the exchanges were in favor of New York, there would be no difficulty; but, whenever the expenses of the government were so large at New Orleans as to turn the exchanges, nothing but gold or silver would pass. It was one of those difficulties incident to a country like ours, where the principal points were so remote from each other; and he was inclined to believe that neither a Bank of the United States, or any other contrivance, would entirely overcome the difficulty.

The object of the resolution of the chairman of the committee on finance, as he understood it, was to ascertain whether the expenses necessary for carrying on the war might not be raised out of a modification of the tariff. If the secretary of the treasury should be of the opinion that they could be thus raised, there would, of course, be no other means considered necessary; but if not, it would then be time enough to call upon him to know what other measures it would become necessary to resort to.

MR. WEBSTER said he was unwilling to think that the government might not by law, or by proper administration of the law, make the necessary transfers without the establishment of a bank—at least, that they might not make such arrangements as would greatly facilitate their operations. He felt quite certain that it would be competent for them, if authorised, and if the authority were exercised with care, to make treasury drafts, which would very much alleviate the evil; for it was quite one thing to be drawn upon, and another to remove specie to a distant part of the country. He was very much afraid there would be no avoidance of the evil, but all the operations of business would continue to be greatly checked, unless some provision of this sort were adopted.

MR. CALHOUN said it was very obvious that if the exchanges were favorable to the north, treasury drafts would answer the purpose; but if otherwise, nothing would effectually remedy the inconvenience. It would depend very much upon the amount of expenditures made. He believed that even in ordinary times, within the last few years at all events, exchanges had been, during the winter and spring months, in favor of New York. While this was the case, treasury notes would readily be taken.

MR. WEBSTER said it was well known that exchanges continually fluctuated according to the season of the year. For a part of the year they were in favor of New York, and for another part they were in favor of New Orleans. There was some objection to treasury drafts, and, as he had said, it was not for him to suggest a remedy, but it was a subject well deserving of attention.

MR. CRITTENDEN said that undoubtedly the suggestions of the senator from Massachusetts deserved the attention of the government; but it was a mistake to suppose that exchanges were generally in favor of New York. According to the newspaper accounts, they are five per cent. in favor of New Orleans. It was money that the government wanted there, and not paper. The amendment which he had offered was intended to procure the opinion of the executive as to the mode of raising revenue. Under the resolution originally proposed, it was implied that revenue was to be derived exclusively from the tariff; but it might be that the president did not consider that the most desirable and expedient mode; he might not consider it an adequate means of raising revenue. He did not want the opinion of the executive on any particular point; he wanted an answer that would subserve all practical purposes which they had in view. First, if there was

likely to be a deficit of revenue ; and, secondly, what measures he would recommend to us to supply that deficit. If, in his opinion, a modification of the tariff would be the most efficient and the best remedy, he would, of course, recommend such modification ; but he might be disposed to recommend other measures. He thought, therefore, there was nothing inconsistent with propriety in adding the inquiry suggested by the amendment.

MR. WEBSTER said he was clearly of opinion, with great deference, however, to the opinion of other senators, that the wisest thing congress could do would be to authorise a certain amount of treasury notes, for the purpose of facilitating transfers. That would be his recommendation, if he were in an attitude to recommend measures to the government.

MR. NILES said he was in favor of a system which would entirely separate the finances of the government from the banks and from the commercial interests of the country. This was the only remedy he knew of ; and if this were effected, the embarrassment would be but trifling. From their connection nothing could be expected but annoyance and difficulty. The sub-treasury still slept ; he did not know but it was the sleep of death.

MR. SIMMONS proceeded to observe that the senator seemed to suppose that the word modification was synonymous with reduction. This was an error. The president might suggest any modification, either by raising or reducing the tariff. With regard to the difficulty of making the transfers of money, he approved of the suggestion of the senator from Massachusetts, not by treasury notes but by treasury drafts. There would then be no need of a transfer of coin.

The question was then taken upon the amendment, and it was adopted. The question recurred upon the resolution, as amended.

MR. DAVIS said he was gratified that these resolutions had been offered, and this discussion consequently elicited, by the chairman of the committee on finance, not so much on account of any difficulty existing in regard to exchanges, as in reference to the general policy which it became necessary to pursue, under the changed condition of the country, since their scheme of policy was marked out by this administration. They were informed by the president, at the opening of congress, that it was desirable to enter upon a general scheme of policy ; that it was desirable to pass what was called the sub-treasury bill ; that it was desirable also to modify, to a certain extent, what was called the tariff law ; and he believed it was considered a part and portion of that system of policy that the warehousing system should be adopted. This scheme of policy was devised in a time of peace and ordinary expenditures ; yet he supposed those measures, in the minds of most gentlemen, were viewed as one scheme, one general plan of policy. But circumstances had effected a material change in the affairs of the country ; and he would venture to say that other gentlemen, as well as himself, had felt some embarrassment, and would be somewhat at a loss as to what they were to do, unless informed of the mode by which it was proposed by the

government to raise revenue. The senator from Connecticut seemed to be surprised that the sub-treasury had not been brought forward for consideration. Perhaps it would be worthy of the consideration of that honorable senator, if the government should be obliged to resort to other means than the tariff for raising revenue, what those means should be; and if treasury notes, whether the issue of such notes would harmonise with the existence of the sub-treasury. They ought to know whether it was contemplated to reduce or to increase the tariff; this was a very important matter; and he did not feel exactly prepared to act upon questions of this description until he saw some general system of policy pointed out which would be uniform in its character. He did not feel exactly prepared to take up one of these measures and act upon it, until he saw what was to follow it. It was one of the duties which devolved upon the executive to express to congress the views they entertained in regard to the amount of money that would be requisite for the purposes of government; and it was also a duty devolving upon them to suggest the mode by which that revenue was to be raised. Until they were enlightened as to the course which was to be pursued, they would be constantly embarrassed.

MR. ALLEN said he could perceive no objection to the passage of the resolutions as amended, and he hoped, therefore, the vote would be now taken, that the senate might proceed to the consideration of the orders of the day.

MR. CRITTENDEN said, upon further reflection, he thought his purpose would be better accomplished by another amendment, which he would prepare. And, with this view, he moved that the further consideration be postponed until to-morrow morning.

The motion was agreed to.

The following is the resolution which Mr. Crittenden proposes to offer to-morrow, when the subject comes up:

*Resolved,* That he be also requested to communicate to the senate whether, in the event of the deficiencies contemplated by the preceding resolution, he would recommend a resort to loans, treasury notes, direct taxes, or a modification of the tariff to supply that deficiency, or what other measures, if any, he would recommend for the purpose.

In answer to the resolutions of the senate, the secretary of the treasury replied on the 15th June:

"It is believed, however, that a sum equal to \$5,534,057 of additional revenue may be produced by the modification of the tariff herein proposed—namely, to adopt, as a basis, the bill reducing the tariff reported by the committee of ways and means to the house of representatives on the 14th of April last, together with the augmented and additional duties now proposed and enumerated in schedule A. This change of the bill reported by the committee, omitting the 4th section, would make an addition to the revenue to be produced by that bill, of \$4,034,057.

"If, in addition to the modifications of the tariff above suggested, the warehousing system were adopted, as recommended in my annual report of December last, it would make an addition to the annual revenue from customs of one million of dollars, which, deducted from the above deficit, would leave a deficiency still remaining of \$13,086,046."

## BANK FAILURES.

WE are informed of the failure or suspension of the following banks, since our last publication :

1. Bank of River Raisin, Monroe, Michigan. Capital, \$ 150,000. President, Austin E. Wing; Cashier, Norman R. Haskill. (Assignment made.)

2. Commercial Bank of Macon, Macon, Georgia. Capital, \$ 100,000. President, Briggs H. Moultrie; Cashier, Allen Fleming.

3. Farmers and Drovers' Bank of Erie County, Buffalo, New York. Capital, \$ 11,000. Circulation, according to the comptroller's report, not stated.

4. Lewis County Bank, Martinsburg, New York. Capital, \$ 100,000; circulation, \$ 85,720, May 1, 1846. This is one of the safety fund banks, its circulation payable only out of the safety fund.

5. White Plains Bank, White Plains, (free bank,) New York. Capital, \$ 40,000. President, Elisha Crawford; Cashier, Richard Cadmus. Circulation, May 1, 1846, \$ 26,837; deposits, \$ 58,627; due banks, \$ 21,755; circulation secured by bonds and mortgages, \$ 17,000; New York state stocks, \$ 35,252.

The whole number of free banks in the state of New York, in operation on January 1, 1846, was seventy-two, whose circulation at that time was \$ 6,442,045; and the number of incorporated banks, at the same time, was eighty-five, with a circulation of \$ 20,703,451.

## BANK OF THE RIVER RAISIN.

"The public are hereby notified that the president, directors and company of the Bank of River Raisin have this day made an assignment of all the personal property, notes, bills, credits, accounts, dues, claims and demands due or to become due to said banking company, together with all the real estate of said president, directors and company, for the benefit of the creditors and bill-holders of said bank. Those indebted are notified hereby to make immediate payment to the undersigned, assignees. Those who have claims against said bank, will present them to the undersigned for payment, as provided in said assignment, at the late office of said Bank of River Raisin.

CHARLES NOBLE, }  
H. V. MANN, } Assignees."  
L. A. HALL, }

"MONROE, *May 15, 1846.*"

This bank has undergone various mutations within a few years. In 1838 it was sold by its then stockholders to Gen. L. S. Humphrey and David A. Noble, Esq., of Monroe, who managed it till 1839, when it suspended operations. In 1841 they sold it again to Micajah T. Williams, of Cincinnati, president of the Ohio Life and Trust Company, and Mr. Prentiss

Dow, broker of Cleveland. Mr. Williams died, and Mr. Dow, who is now cashier of one of the Cleveland banks, has ever since his purchase of the bank used and protected large amounts of its circulating notes.

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## BANKS OF NEW YORK.

The following extracts from the last annual report of the comptroller of the state of New York, will give our readers a correct idea of the banking institutions of that state.

The comptroller is by law instructed "to suggest plans for the improvement and management of the revenues."

"The following statement shows the capital and the sums contributed to the bank fund by six of the institutions which have failed, and also the amount drawn from the fund, to pay the debts of each bank, viz.

|                                  | Capital.            | Contribution<br>to Fund. | Drawn from<br>Fund.    |
|----------------------------------|---------------------|--------------------------|------------------------|
| City Bank of Buffalo, . . .      | \$ 400,000          | \$ 4,333 33              | \$ 317,107 00          |
| Bank of Buffalo, . . . . .       | 200,000             | 6,000 00                 | 584,143 22             |
| Commercial Bank of Buffalo, . .  | 400,000             | 12,000 00                | 608,411 87             |
| Commercial Bank of New York, . . | 500,000             | 15,000 00                | 285,685 23             |
| Commercial Bank of Oswego, . . . | 250,000             | 5,308 21                 | 237,495 63             |
| Clinton County Bank, . . . . .   | 200,000             | 4,263 00                 | 111,604 21             |
|                                  | <u>\$ 1,950,000</u> | <u>\$ 46,904 54</u>      | <u>\$ 2,144,447 16</u> |

"In the annual report from this office in 1844, (pages 61 to 63,) some suggestions were presented in favor of compelling all those who issue paper money, and are now allowed to redeem in Albany or New York at half of one per cent., to redeem the same at par in the city of New York. This was recommended, not only as right in principle, but as a necessary measure to correct a palpable and growing abuse on the part of a class of free bankers, who were establishing banks at places remote from the channels of business, as a mere cover for putting notes in circulation in the principal cities, to be redeemed by the issuing parties, at a discount of half of one per cent.

"The legislature of 1844, as a remedy for the evil complained of, passed a law requiring in each case of establishing an individual bank, that at least \$ 50,000 should be deposited with the comptroller. This was not objectionable to the principal bankers referred to. It cut off the small shavers, and gave a monopoly of this new system of banking by shaving their own notes, to the large operators. One free bank, operating exclusively in Wall street, deposited over two hundred thousand dollars in state stocks with the comptroller, and obtained an equal amount of circulating notes; not to be used where the bank was nominally located, but to be loaned to those who

had laborers to pay on Saturday night, in the hope of shaving every one who had need of current funds on Monday morning, out of one half of one per cent., as provided by statute. It certainly would frustrate the arrangements of such a bank, to be compelled to redeem at par in the city of New York.

"It is said to be unjust, to compel one class of banks to redeem at two places. This, however, is done by the existing law; and the question is, whether that redemption shall be made at par, or at a discount of one-half of one per cent. It may be wrong to compel the banks to redeem their notes at two places; but it cannot be right to allow those who make the currency, and who are bound to keep it equal with gold and silver, to secure to themselves a profit by purchasing their own currency at a discount.

"Before the law passed for redeeming in New York or Albany, at half of one per cent., the Revised Statutes imposed a severe penalty on the officers or agents of the banks for purchasing their own paper at a discount. The 29th section, title 2, of chap 18, 1 R. S. declares that:

"No corporation having banking powers, and none of its directors, officers, agents or servants shall, directly or indirectly, purchase or be interested in the purchase of any promissory note, or other evidence of debt, issued by such corporation, for a less sum than shall appear on the face thereof to be then due; and every person violating the provisions of this section, shall forfeit three times the nominal amount of the note, or other evidence of debt, so purchased."

"The apprehension that a redemption at par in New York, would send back the notes upon the bank, and leave their place to be filled by a less valuable currency; or that the banks thus redeeming at par, would be restricted in their circulation and curtailed in their profits, is not borne out by the experience of those banks which have for a long time kept their notes at par in the city of New York."

"So far as the banks are relied on for a currency, there is no marked distinction between those created under the different modes. The incorporated bank issues small bills and large bills, and the free bank does the same; and those interested in each are desirous that the great mass of billholders should become converts to the doctrine, that bank notes are better for the possessor than gold and silver coin. So far, therefore, as relates to the blessings conferred, or the evils inflicted on the people by a paper currency, the free and incorporated banks may be regarded as one system.

"Formerly one class of the incorporated banks, those chartered since 1829, paid a certain sum into the state treasury to secure all the creditors of an insolvent bank against loss; but this feature of the safety fund system was changed by the 5th section of the act, chap. 247, of the Laws of 1842, and now and hereafter the safety fund is security only for the notes in circulation.

"The securities of the free banks in the hands of the comptroller are

pledged only for the indemnity of bill-holders. Here again the two systems are alike, so far as the interests of creditors are concerned.

“In the security of the public under each system, our experience in the failure of ten safety fund banks, and about three times that number of free banks, proves that the contributions of half of one per cent. annually on the capital of the safety fund banks, has thus far afforded as much protection, as the deposit with the comptroller by the free banks, of a sum nominally equal to all the bills issued to them. The loss to bill-holders, on the supposition that all the securities had been stocks of this state and bonds and mortgages, would have been over 16 per cent., while the actual loss has been nearly 39 per cent. The loss to first holders of the safety fund notes was from 20 to 25 per cent., and there has been a loss of about four years’ interest to subsequent purchasers: whereas, in the cases of the free banks, the securities were sold and proceeds paid to bill-holders within a few weeks after the failure of the bank.”

“The only securities on which banks can be established under the free system, are bonds and mortgages, and stocks of the state of New York. If the chartered banks should have no other alternative than to associate under the free bank law, as has been done by the North River, the Fulton and Chemical banks of New York, and the Long Island and Dutchess County banks, it would create such a demand for state stock as might interfere with the extinguishment of the state debt, or render it impracticable to obtain the required security for banking.

“The bill-holders of the safety fund banks might be amply secured, by the payment annually into the treasury of a sum equal to half of one per cent. on the capital, during the life of the charter; this sum to be invested, and the accumulations added to the fund, and held by the state as trustee for the bill-holder. Under the present bank fund law, the payments continue for six years only, and the accumulations are distributed annually among the contributing banks, unless the insolvency of some of them creates a necessity for a different distribution. In addition to this, security might be exacted for the punctual payment of the per centage, on the delivery of the circulating notes to the officers of the banks, and such a provision would effectually protect the bill-holder as well as the associated banks.”

“There are seventy-two associations and individual bankers now in operation, whose aggregate circulation on the 31st December, 1845, was \$ 6,442,045.

“The securities of the above banks in the hands of the comptroller consist of—

|                |                     |           |                 |
|----------------|---------------------|-----------|-----------------|
| New York state | 4½ per cent. stock, | . . . .   | \$ 218,876 56   |
| do.            | 5                   | do. . . . | 2,135,113 53    |
| do.            | 5½                  | do. . . . | 441,000 00      |
| do.            | 6                   | do. . . . | 465,592 00      |
| do.            | 7                   | do. . . . | 544,880 00      |
|                |                     |           | <hr/>           |
|                |                     |           | \$ 3,805,462 09 |

|                           |   |     |           |               |                 |
|---------------------------|---|-----|-----------|---------------|-----------------|
|                           |   |     |           |               | \$ 3,805,462 09 |
| United States,            | 5 | do. | . . . . . | \$ 55,000 00  |                 |
| do.                       | 6 | do. | . . . . . | 50,000 00     |                 |
|                           |   |     |           |               | 105,000 00      |
| Indiana state stock,      |   |     | . . . . . | \$ 158,000 00 |                 |
| Illinois do.              |   |     | . . . . . | 513,000 00    |                 |
| Arkansas do.              |   |     | . . . . . | 499,000 00    |                 |
| Alabama do.               |   |     | . . . . . | 34,000 00     |                 |
| Michigan do.              |   |     | . . . . . | 500,293 60    |                 |
|                           |   |     |           |               | \$ 1,704,293 60 |
|                           |   |     |           |               | \$ 5,614,755 69 |
| Cash deposited,           |   |     | . . . . . | 22,436 10     |                 |
| Bonds and mortgages,      |   |     | . . . . . | 1,655,588 98  |                 |
|                           |   |     |           |               | \$ 7,292,780 77 |
| Circulation on the above, |   |     | . . . . . |               | \$ 6,442,045 00 |

STATE FINANCES.

ILLINOIS.

CIRCULAR TO THE HOLDERS OF ILLINOIS BONDS.

EXECUTIVE DEPARTMENT, }  
 Springfield, Illinois, April 30th, 1846. }

SIR—The frequent inquiries which have been addressed to me by the creditors of the state, in relation to the proceeds of the one mill tax, applicable to the payment of interest on the state debt, have induced me to address you this circular.

It is known that the legislature of this state, at its session of 1844–5, passed a law, levying a tax of one mill on every dollar's worth of property for the year 1845; and one mill and a half for every year thereafter, to be collected in gold and silver coin; and to be applied on the first day of July and January, of each year, to the payment of interest, on all canal and internal improvement bonds, except the bonds hypothecated to Messrs. McAllister & Stebbins. The first payment is to be made on the first day of July next; but it is not known yet how much of the tax of 1845 will be paid into the treasury by the collectors of the several counties by that day.

The auditor of public accounts informs me, that not quite all the assessments for 1845 have been returned to this office; but from the returns which have been received, and estimates from former assessments, the auditor is confident that the whole value of the property assessed for 1845, will amount to eighty millions of dollars; and the assessments for 1846, it is thought will amount to ninety or a hundred millions. The one mill tax for 1845,

when collected, will be \$ 80,000, or more. And the mill and a half tax for 1846, will be at least one hundred and twenty five or thirty thousand dollars.

But the tax for 1845 is not likely all to be collected, as soon as our creditors may expect it to be. As yet, only about 18,000 of this tax has been paid into the treasury.

The revenue laws of this state require that the assessments shall be completed each year, by the month of August. In September, the sheriff of each county commenced collecting. They are to make their first settlement and payment into the treasury by March of the next year. There are ninety-eight counties, ninety-eight assessors, and ninety-eight collectors. Among such a multitude of public agents, there are always some that are slow in making collections, and put off the performance of their duty to the last hour; and a few delinquencies and defalcations occasionally occur. If the collector has not, by the month of March, succeeded in collecting all the taxes due for the preceding year, he is to advertise the lands upon which they are unpaid. At the first circuit court of his county after the month of March, he presents his delinquent list to the court, and gets a judgment and order of sale against the lands, for the taxes, interests and costs. He is then to offer them for sale within four weeks; and if they are not all sold, the residue is stricken off to the state, again to be offered for sale in two years thereafter. The collector, immediately after such sale, is to settle with the auditor, and make his payments into the treasury. The collectors will be coming in now, all the time from this until the first of July. Payments will be made into the treasury during all that time.

Taking our former experience for a guide, I am confident that all of the proceeds of the tax for 1845, will not have been paid into the treasury by the first of July next. It will take two or three years before the proceeds of this special tax will be realized. The balances and deficiencies for 1845, will be paid in 1847: those of 1846, in 1848: and those of 1847, in 1849. So, that it may be, that the whole amount collected in any one year may not equal the whole amount of a year's tax, until 1847, or '48.

I have been requested to give authority to the agents of the state of Illinois, in New-York and London, to pay on the first day of July next, one per cent. for one year. I do not now believe that the sum to be received by the first of June, will be equal to such a payment. On the first of June next, I will ascertain the amount received, and the agencies of the state will be instructed how much to pay.

I have the honor to be, very respectfully,

Your obedient servant.

THOMAS FORD,

Governor of the state of Illinois.

#### MAINE.

The finances of Maine on the 30th April, 1846, are stated as follows by the treasurer—

|                                                                                                |                 |
|------------------------------------------------------------------------------------------------|-----------------|
| The receipts into the treasury, from Jan. 1st, 1845, to April 30th, 1846, inclusive, . . . . . | \$ 610,891 46   |
| Cash in the treasury, Jan. 1st, 1846, . . . . .                                                | 392,422 24      |
|                                                                                                | <hr/>           |
| Total receipts, . . . . .                                                                      | \$ 1,003,313 70 |
| Expenditures for same time, . . . . .                                                          | 634,210 16      |
|                                                                                                | <hr/>           |
| Balance in the treasury, . . . . .                                                             | \$ 369,103 54   |
| The resources of the state, in unpaid taxes and cash in the treasury, was . . . . .            | \$ 641,200 41   |
| The total liabilities of the state on the 30th April, 1846, funded and floating debt, were     |                 |
| Funded debt, . . . . .                                                                         | \$ 1,274,285 00 |
| Floating debt, . . . . .                                                                       | 167,224 21      |
|                                                                                                | <hr/>           |
| Total debt, April 30th, 1846, . . . . .                                                        | \$ 1,441,509 21 |
| The receipts of the ensuing financial year, are estimated at, . . . . .                        | 751,876 46      |
| Estimated expenditures for same period, . . . . .                                              | 306,247 97      |
|                                                                                                | <hr/>           |
| Estimated balance, . . . . .                                                                   | \$ 445,628 49   |
|                                                                                                | <hr/> <hr/>     |

This large amount of cash on hand, was made up as follows :—Received on account of the north-eastern boundary, \$ 142,382 44; from the land agent, \$ 156,871 03. This sum exceeds by nearly one hundred thousand dollars, the amount estimated, and is a larger sum than was ever before paid into the treasury from that department, since the organization of the government of that state. \$ 19,716 23 more has been received as that state's portion of the proceeds of the sales of public lands. All the state scrip due, and 90,000 due in 1848, has been taken up.

## MICHIGAN.

In his annual message for 1845, Gov. Barry said : “*The whole acknowledged indebtedness of the state and its resources are exhibited by the following statement :*”

## FUNDED DEBT.

|                                                                                                                                                                                                   |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Due on bonds issued for five million loan, and for \$ 200,000 borrowed for Ypsilanti and Tecumseh, and Allegan and Marshall Rail Road Companies, including interests to July 1st, 1845, . . . . . | \$ 2,990,000 00   |
| Palmyra and Jacksonburgh Rail Road bonds, . . . . .                                                                                                                                               | \$ 20,000         |
| Unpaid interest on do. to Nov. 1844, . . . . .                                                                                                                                                    | 4,900—24,900 00   |
| Detroit and Pontiac Rail Road bonds, . . . . .                                                                                                                                                    | \$ 100,000        |
| Unpaid interest on do. to July, 1844, . . . . .                                                                                                                                                   | 17,280—117,280 00 |
| University bonds assumed by the state, . . . . .                                                                                                                                                  | 39,212 48         |
|                                                                                                                                                                                                   | <hr/>             |
|                                                                                                                                                                                                   | \$ 3,171,392 48   |

|                                                                                           |                        |
|-------------------------------------------------------------------------------------------|------------------------|
|                                                                                           | \$ 3,171,392 48        |
| General fund bonds, . . . . .                                                             | \$ 100,000 00          |
| Penitentiary bonds, . . . . .                                                             | 60,000 00              |
| Interest on do. not called for, . . . . .                                                 | 8,550 00               |
| Delinquent tax bonds, . . . . .                                                           | 15,000 00—183,850 00   |
|                                                                                           | <u>\$ 3,355,242,48</u> |
| UNFUNDED DEBT.                                                                            |                        |
| Internal improvement, warrants outstanding, \$                                            | 520,457 55             |
| Interest on do. to Dec. 1st, 1844, estimated,                                             | 50,000 00              |
| Land warrants outstanding, . . . . .                                                      | 7,413 89               |
| Scrip, . . . . .                                                                          | 51,000 00              |
| Interest on scrip, estimated, . . . . .                                                   | 9,000 00               |
| Tax bonds to counties, . . . . .                                                          | 12,591 00              |
| Interest on do., estimated, . . . . .                                                     | 1,409 00               |
| Warrants on general and other funds, . . . . .                                            | 8,726 19               |
| Interest on do., estimated . . . . .                                                      | 700 00                 |
| Due for redemption, and surplus money on tax sales, . . . . .                             | 8,858 27               |
| Due principal of primary school fund, . . . . .                                           | 51,779 00—721,934 90   |
|                                                                                           | <u>\$ 4,077,177 38</u> |
| RESOURCES.                                                                                |                        |
| Central rail road cost, to Dec. 1st, 1844, \$                                             | 4,842,308 00           |
| Southern rail road cost, to Dec. 1st, 1844,                                               | 936,295 00             |
| Ten per cent. added for interest paid during construction, and other incidental expenses, | 277,860 00             |
| Palmyra and Jacksonburgh Rail Road cost, including interest, . . . . .                    | 30,000 00              |
| Locomotives and cars on Central Rail Road,                                                | 110,000 00             |
| Locomotives and cars on Southern Rail Road,                                               | 51,000 00              |
| Materials on other works, . . . . .                                                       | 500 00                 |
|                                                                                           | <u>\$ 3,247,963 00</u> |
| Due from Detroit and Pontiac Rail Road Company, . . . . .                                 | 130,000 00             |
| Value of unsold internal improvement lands at minimum price, . . . . .                    | 467,500 00             |
| Salt spring lands, 92 sections, at \$ 2 00 per acre, . . . . .                            | 92,160 00              |
| Taxes uncollected, and cash on hand, . . . . .                                            | 179,000 00             |
| Assets of Michigan State Bank, and other assets, estimated . . . . .                      | 33,377 00              |
|                                                                                           | <u>\$ 4,150,000 00</u> |
| Excess of resources over liabilities, . . . . .                                           | <u>\$ 72,822 62</u>    |

To this statement, Gov. Barry added in substance, that, taking into consideration certain other matters, the resources and liabilities of the state would be about equal.

## THE IMPORTANCE OF BANKS TO THE RISE AND PROGRESS OF STATES.

### A COUNTRY WITH BANKS—AND A COUNTRY WITHOUT BANKS.

THE HON. Waddy Thompson of South Carolina, late Minister to Mexico, in his recently published work entitled, "Recollections of Mexico," makes the following comparison between Mexico and Massachusetts.

"Mexico was colonized just one hundred years before Massachusetts. Her first settlers were the noblest spirits of Spain in her Augustan age, the epoch of Cervantes, Cortes, Pizarro, Columbus, Gonzala de Cordova, Cardinal Ximenes, and the great and good Isabella. Massachusetts was settled by the poor pilgrims of Plymouth, who carried with them nothing but their own hardy virtues, and indomitable energy. Mexico, with a rich soil, adapted to the production of every thing which grows out of the earth, and possessing every metal used by man—Massachusetts with a sterile soil, and ungenial climate, and no single article for exportation but ice and rock. How have these blessings, profusely given by Providence, been improved on the one hand, and obstacles overcome on the other? What is now the respective condition of the two countries? In productive industry, wide spread diffusion of knowledge, public institutions of every kind, general happiness, and continually increasing prosperity; in letters, arts, morals, religion; in everything which makes a people great, there is not in the world, and there never was in the world, such a commouwealth as Massachusetts. 'There she is! look at her!'—and Mexico."

The writer, most appropriately, could have pointed to those important *levers* used in the advancement of Massachusetts, so conspicuous and general in that state; and in which Mexico is so conspicuously deficient, viz.—free schools, domestic industry, internal improvements, *banking institutions*. Point to us a state or country without these important aids, and that country can be shown to be a century behind the age, in civilization, science, and the arts.

## BANK DIVIDENDS.

MAY AND JUNE, 1846.

|                                                        |             |
|--------------------------------------------------------|-------------|
| Bank of Baltimore, Baltimore, . . . . .                | 3 per cent. |
| Bank of Smyrna, Smyrna, Delaware, . . . . .            | 3 " "       |
| Merchants' Bank, New-York, . . . . .                   | 4 " "       |
| Mechanics' Bank, New-York, . . . . .                   | 4 " "       |
| Farmers and Mechanics' Bank, Frederick, Md., . . . . . | 4½ " "      |
| Patapsco Bank, Ellicott's Mills, Md., . . . . .        | 3 " "       |
| Mechanic's Bank, Baltimore, . . . . .                  | 3½ " "      |
| Quinnebaug Bank, Norwich, Conn., . . . . .             | 4 " "       |
| Miners' Bank, Pottsville, Penn., . . . . .             | 3½ " "      |
| Washington County Bank, Williamsport, Md., . . . . .   | 3 " "       |

## EXCHANGES BETWEEN ENGLAND AND THE CONTINENT.

*From the London Economist for April.*

THE causes which have combined for so long a period to maintain the foreign exchanges at rates so favorable to this country, are well deserving the attention both of the merchant and the politician, at this particular time. The investigation of this subject cannot fail to expose the groundless nature of the alarms of some of the opponents to free trade, who appear to associate a derangement of the currency with every considerable importation of grain, without any discrimination of the circumstances under which it takes place. It may also be of the highest utility in enabling the merchant to form a correct estimate of the effects which present and coming events are likely to exercise over this important element in all monetarial calculations.

It may, perhaps, be necessary, in order to render our further remarks more intelligible, that we should refer to the general principles which regulate the exchanges, and to the usual causes of their fluctuations. Every country advanced in civilisation, assumes some commodity as a standard of value, in which the prices of all other commodities are expressed. The commodity assumed as such standard of value in this country is gold, an ounce of which represents 3*l* 16*s* 10½*d* of our money in account. Every sum therefore expressed in sterling money represents as many ounces of standard gold as the sum itself bears a proportion to 3*l* 16*s* 10½*d*—a *pound sterling* being in fact a convertible term for 5 dwt. 3¼ gr. of gold. In France, and in most other countries, the commodity assumed as the standard of value is silver, of which 3 dwt. 5½ gr. represent a *franc*, the French money in account. The *par* of exchange, therefore, between France and England must be determined by the relative value of silver and gold, and the proportion which 3 dwt. 5½ gr. of the former metal, or a *franc*, bears to 5 dwt. 3¼ gr. of gold, or the *pound sterling*. Computed at our mint price, this quantity of gold representing a *pound* is equal to (within an insignificant fraction) *twenty-five* times the quantity of silver representing a *franc*; so that the *par* of exchange between France and England is twenty-five francs to the *pound sterling*.

There are two ways in which this relation of the *franc* to the *pound* may be changed, or, in other words, in which the rate of exchange may be altered: first, a permanent change in the relative value of the two metals, either by being produced or by being consumed for other purposes, in different proportions than formerly, will permanently alter the *par* of exchange. For example, if an unusual production of silver were to take place, and the supply to be materially increased, while that of gold remained stationary, the intrinsic value of silver, in relation to gold as well as other commodities, would fall, and the quantity of silver represented in *twenty-five francs* would no longer be equivalent to the quantity of gold

represented by *one pound sterling*. Or if, on the other hand, the consumption of gold for jewelry, plate, or even for coin, were to increase in a greater proportion than the supply, and also in a greater proportion than silver, the intrinsic value would rise, and the quantity represented in a *pound sterling* would be more valuable than the quantity of silver represented by *twenty-five francs*. In either of these cases, the *par* of exchange upon France would rise, and the *pound sterling* would represent as much more French money in account, as the altered relative value of 5 dwt. 3¼ gr. of gold bore to 3 dwt. 5½ gr. of silver. The second and more usual way in which the rates of exchange fluctuate, is by the changes which take place in the balance of payments between the two countries. The *par* of exchange is fixed by the value of the respective metals in London and Paris; and as long as the exports and imports of the two countries, and claims arising from other sources, exactly balance each other, the exchange will remain at *par*. The amount of bills drawn by one country will exactly balance the amount drawn by the other. But if, from any circumstance, the payments due to England by France become larger than those due to France by England, bills upon England rise to a premium, and the *pound sterling* then represents more than *twenty-five francs*. It must, however, be plain that no greater permanent change would take place from this cause than the cost of transmitting the metals themselves from the spot where the debt is due to that where it is payable. And thus it is, when the balance becomes sufficiently large to raise the premium upon bills so much above *par* that the transmission of bullion would be more profitable, that either merchants remit gold instead of bills, or, which is more usual, bankers and dealers in bills of exchange transmit bullion, and draw bills against it, which are supplied to the merchant. The transmission of bullion is, therefore, seldom for the immediate purpose of making purchases, but for the ultimate balancing of merchants' and bankers' accounts after purchases have been made.

The high rate of exchange which has been maintained so long between this country and the continent of Europe has naturally induced us to inquire if that effect has been produced in any degree by a permanent change in the relative value of the metals. So far, however, we have not been able to discover any evidence that such has been the case. The supply of silver has not been more than usually large; and though the consumption of gold for jewelry and plate has been much on the increase of late years, yet the additional supply, including the new source in Siberia, has probably been quite as great. Mr. M'Culloch, in the new edition of the *Commercial Dictionary*, states the produce of the gold washings in Siberia, which, in 1830, amounted only to *five poods*, to have been, in 1843, no less than 1,342 poods, being equivalent, after adding *one-fifth* as the quantity which it is calculated is not brought to the public account, to 3,298,962*l*. So great an increase of the supply of gold, considered alone, would have led us to expect a diminished value of this metal, and, consequently, a lower permanent rate of



exchange; and, perhaps, no fact could speak more strongly to the great increase of consumption of this metal generally, than that such an effect has not been produced.

We are, however, satisfied that there have been sufficient causes of a mercantile nature in operation during the last few years, satisfactorily to account for the state of the exchanges; and it is these we now propose shortly to investigate.

For some years prior to 1839, the trade between this country and the continent of Europe showed a steady but slow increase. After the American crisis of 1836-37, which materially depressed the foreign exchanges, and caused a severe drain of bullion, a sudden reaction took place, the exchanges were corrected by the great reduction of our imports in 1837, and the bullion in the bank rapidly increased from 4,048,000*l* in March, 1837, to 10,126,000*l* in April, 1838. During the whole of 1838 the exchanges remained steady, and there was every appearance of the trade between this country and the continent of Europe being nearly balanced. For several years, however, prior to the close of 1838, the import of grain from the continent had formed a most insignificant item in that trade; our entire consumption of foreign wheat having been—

|            |             |                  |             |
|------------|-------------|------------------|-------------|
|            | <i>qrs.</i> |                  | <i>qrs.</i> |
| 1832,..... | 825,435     | 1836,.....       | 30,554      |
| 1833,..... | 82,346      | 1837,.....       | 244,619     |
| 1834,..... | 64,653      | first quarter of |             |
| 1835,..... | 28,483      | 1838,.....       | 35,207      |

The whole foreign wheat taken for consumption in those six years and nine months having only been 821,297 quarters. During this period, it is then evident that the trade between this country and the continent of Europe must have been adjusted and balanced, without reference to any important shipments of grain. The wool, tallow, flax, hemp, silk and other produce usually imported by us, were paid for, to a certain extent, by our own manufactures, and the remainder by foreign and colonial produce, such as indigo, coffee and sugar, imported by us in exchange for our manufactures exported to other parts of the globe. In the autumn of 1838, a sudden import of wheat commenced, and continued upon a large scale until the end of 1842. The quantity of foreign wheat imported from that period till the end of 1845 was as follows:

|                         |             |            |             |
|-------------------------|-------------|------------|-------------|
| <i>last 3 months of</i> | <i>qrs.</i> |            | <i>qrs.</i> |
| 1838,.....              | 1,533,878   | 1842,....  | 2,722,305   |
| 1839,.....              | 2,634,557   | 1843,..... | 940,120     |
| 1840,.....              | 1,999,519   | 1844,..... | 1,100,305   |
| 1841,.....              | 2,409,754   | 1845,..... | 871,443     |

The imports of wheat which began in the autumn of 1838 amounted to 4,168,435 *qrs.*, in fifteen months, representing a sum of not less than 12,000,000*l*, which sum was thus added to the value of our imports without any equivalent being exported, and the balance of account was thus sud-

denly turned against us. The payments due by England to the continent were larger than those due by the continent to England; drafts on the continent rose to a premium, and at length it became necessary to transmit bullion to balance these accounts, and to correct the exchanges. On the 5th of January, 1839, the amount of bullion in the bank was 9,336,000*l*.; and on the 5th of December, notwithstanding the loan from the Bank of France, it was reduced to 2,887,000*l*. In 1840 the importation of wheat still continued upon a large scale, but notwithstanding there was an evident tendency for the exchanges to turn in favor of England, by means of the increased exports of manufactures, for which a greater demand was soon experienced, partly in consequence of the reduced prices of our goods, and partly from the additional demand created on the continent by our imports of wheat; and considerable progress would have been made in 1840 towards restoring our bullion, but for a new cause of disturbance which operated for some time in preventing it. The general fear which existed in Europe in the autumn of 1840 of a rupture between France and England induced the continental bankers generally to dispose of securities in the London market, in order to increase their reserves of money. Yet, notwithstanding this circumstance, and a continued large import of wheat, and the partial repayment of the loan from the Bank of France, the bullion in the Bank of England had increased in December, 1840, to 3,511,000*l*. In 1841 the import of wheat was still larger than in 1840, the whole of the advance of the Bank of France was repaid, but yet such was the tendency of our exports to rise up to the amount of our imports, that in December, 1841, the bullion amounted to 4,486,000*l*. In 1842 the largest import of wheat on record took place; but notwithstanding this, our exports had increased so largely, in consequence of low prices at home, and from having created new customers abroad, that at the end of the year the bullion in the bank had increased to no less than 10,330,000*l*. We had thus become able to add to our usual imports from the continent, a large quantity of wheat, without causing any disturbance in the exchanges. We will shortly examine how this was accomplished, by comparing the amount of our exports to those countries in 1837, the last year prior to the commencement of these transactions, with the same in 1842, when they had continued for three years. The following is a comparison of the exports of British manufactures to the chief continental countries at these two periods:

|                         | 1837.             | 1842.             |
|-------------------------|-------------------|-------------------|
|                         | £                 | £                 |
| Russia, . . . . .       | 2,046,592         | 1,885,053         |
| Sweden, . . . . .       | 101,121           | 199,313           |
| Norway, . . . . .       | 72,413            | 134,704           |
| Denmark, . . . . .      | 103,448           | 194,304           |
| Prussia, . . . . .      | 131,536           | 376,651           |
| Germany, . . . . .      | 4,898,016         | 6,202,700         |
| Holland, . . . . .      | 3,040,029         | 3,573,362         |
| Belgium, . . . . .      | 804,917           | 1,099,490         |
| France, . . . . .       | 1,643,204         | 3,193,939         |
| <b>Total, . . . . .</b> | <b>12,841,276</b> | <b>16,839,516</b> |

We thus arrive at the striking fact, that while our entire exports were undergoing a considerable diminution, as they did from 1836 to 1842, our exports to those countries from which we imported grain, increased more than 4,000,000*l.* The exchanges were, in short, corrected by our exports rising to an equivalent to our increased imports.

With the commencement of 1843 we come to the causes which, for the last three years, have operated so strongly in maintaining high exchanges and a large stock of bullion. Independent of the large imports of grain from the continent, our export trade, especially of cotton manufactures, was materially aided by the rapid improvement of machinery, and consequent economy of production, and the low prices of the raw material, which, for the last three years, have created a consumption of those goods without any precedent in extent. In 1843 the import of wheat fell to about *one-third* of the quantity imported in 1842; an extended market having been made for our manufactures was not suddenly lost, and thus the reverse of the operations which took place in 1839 created a large balance in our favor to be remitted from the continent, the exchanges became very high in our favor, and at the end of the year the bullion in the Bank was nearly 14,000,000*l.* During the last two years, (1844 and 1845,) the import of wheat has continued small, compared with the years from 1838 to 1842, while the extreme low prices of our manufactures have enabled us still to sustain an export of those goods, little diminished, to the corn-growing countries, and greatly to increase them to the other markets of the world.

We therefore come to the conclusion that the high rates of exchange which have been maintained for the last three years, have been caused, first, by the sudden reduction of our imports of wheat in 1843 to about 900,000 quarters, after our trade had adapted itself to an annual import considerably exceeding 2,000,000 quarters in each of the four preceding years; secondly, to the great economy obtained in our processes of manufactures by improvements during the last six years; and thirdly, by the extreme low prices of cotton wool, especially during the last two years, the products of which constitute nearly one half of our whole exports; and lastly, to the general prosperity of our customers on the continent, who have been enabled to consume our manufactures to so large an extent. In 1837 the exports of cotton goods amounted to 20,598,000, and in 1844, notwithstanding the great reduction of price, they amounted to 25,805,348*l.* In 1837 our exports of all kinds to the continent of Europe amounted to 19,401,320*l.* and in 1844 to 25,621,185*l.*

The important inquiry in which all are now most deeply interested is, how far the same causes are likely to continue. As far as we can judge from present appearances, we do not think it probable that any such important increase will take place in our imports of grain, as will of itself be calculated materially to affect the exchanges. The supply of cotton continues very large, and the prices fully as low as on any former occasion.

Our manufactures are conducted upon a scale of perfection and economy never before equalled. So far then as these elements of the question are concerned, there would appear at this time little to be apprehended to lead to any reduction in the exchanges. There have, however, been some other symptoms visible of late, which would lead us to fear that some reaction in the course of the present year must be expected. During the last six months our imports of all leading articles have been, and continue to be, very considerable, while at best, our exports up to December last, were stationary; and since then, especially to the continent of Europe, the demand for our leading articles of manufacture, and more particularly for cotton and worsted goods, has been, and continues to be, very limited, compared with what it was a year ago. This is to be attributed to the depressed state of some of the chief markets of Europe, partly in consequence of the scarcity and consequent high price of food, and partly owing to the unwieldy speculations into which they have entered, to construct railways to an extent much beyond their means. These causes threaten to diminish the amount of our exports during the present season; while the large proportion of our labor employed in the construction of railways, will maintain wages comparatively high, promote a large consumption of foreign produce, and in the course of time lead to an extent of importation which our exports will not be adequate to meet. There is no *immediate* danger of such a disturbance as we now allude to, but the whole tendency of our trade, and the distribution of our capital and labor at this time, points to such a result, sooner or later, as highly probable, unless stringent means are used to prevent it.

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## BANK STATISTICS.

## OHIO.

CLINTON BANK, OF COLUMBUS, OHIO, }  
 May 1, 1846. }

*Resources.*

|                                                   |            |
|---------------------------------------------------|------------|
| Notes and bills discounted, . . . . .             | \$ 529,612 |
| Notes and bills in suit, and judgments, . . . . . | 63,659     |
| Real estate, . . . . .                            | 29,122     |
| Due from western banks, . . . . .                 | 8,246      |
| Sight exchange in eastern cities, . . . . .       | 22,458     |
| Short time exchange in eastern cities, . . . . .  | 123,275    |
| Treasurer of the United States, . . . . .         | 40,015     |
| Bank notes and certificates, . . . . .            | 43,433     |
| Ohio stocks and bonds, . . . . .                  | 73,510     |
| Gold and silver coin, . . . . .                   | 143,125    |

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\$ 1,076,458

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## Bank Statistics.

*Liabilities.*

|                                              |            |
|----------------------------------------------|------------|
| Capital Stock, . . . . .                     | \$ 300,000 |
| Contingent fund, . . . . .                   | 35,000     |
| Discounts, premium and profits, . . . . .    | 14,901     |
| Due to banks, . . . . .                      | 6,653      |
| Due to depositors, . . . . .                 | 78,029     |
| Due to treasurer of United States, . . . . . | 89,362     |
| Circulation, . . . . .                       | 552,511    |

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\$ 1,076,458

D. W. DESHLER,  
Cashier.

## BANKS OF THE STATE OF NEW-YORK.—MAY 1, 1846.

148 banks, and two branches—besides 3 banks which have not reported.

*Liabilities.*

|                                             |                            |
|---------------------------------------------|----------------------------|
| Capital, . . . . .                          | \$ 42,829,014              |
| Profits undivided, . . . . .                | 5,115,450                  |
| Old circulation, . . . . .                  | 824,506                    |
| Registered circulation, . . . . .           | 19,991,986                 |
|                                             | <hr/> 20,816,492           |
| Due the state of New-York, . . . . .        | 291,964                    |
| Due the canal fund commissioners, . . . . . | 354,364                    |
| Due depositors and individuals, . . . . .   | 31,720,750                 |
| Due to banks, . . . . .                     | 11,823,784                 |
| Due treasurer United States, . . . . .      | 3,493,622                  |
| Miscellaneous, . . . . .                    | 549,553                    |
| Total Liabilities, . . . . .                | <hr/> <hr/> \$ 116,994,993 |

*Resources.*

|                                                 |                            |
|-------------------------------------------------|----------------------------|
| Discounts, miscellaneous, . . . . .             | \$ 66,807,739              |
| Discounts to directors, . . . . .               | 4,876,216                  |
| Discounts to brokers, . . . . .                 | 907,476                    |
| Due from directors, other than loans, . . . . . | 37,403                     |
| Due from brokers, other than loans, . . . . .   | 417,200                    |
| Real estate, . . . . .                          | 3,515,963                  |
| Bonds and mortgages, . . . . .                  | 3,033,610                  |
| Stocks and promissory notes, . . . . .          | 10,989,417                 |
| Bank fund, . . . . .                            | 172,944                    |
| Over drafts, . . . . .                          | 134,722                    |
| Loss and expense account, . . . . .             | 383,821                    |
| Specie on hand, . . . . .                       | 8,171,624                  |
| Cash items, . . . . .                           | 5,839,700                  |
| Bills of solvent banks, . . . . .               | 2,851,351                  |
| Bills of suspended banks, . . . . .             | 5,162                      |
| Due from banks and bankers, . . . . .           | 8,850,645                  |
| Aggregate resources, . . . . .                  | <hr/> <hr/> \$ 116,994,993 |

§3-The three following banks have not reported to the comptroller, for the quarter ending 30th April, 1846.

- I. Farmers and Drovers' Bank of Erie Co. Buffalo.
- II. Farmers and Mechanics' Bank of Ogdensburg.
- III. Patchin Bank, Buffalo :

The aggregate liabilities of all the banks in New-York, at five different periods, were as follows :

|                             |                |
|-----------------------------|----------------|
| November 1, 1843, . . . . . | \$ 111,614,722 |
| August 1, 1844, . . . . .   | 117,362,775    |
| November 1, 1845, . . . . . | 120,401,997    |
| February 1, 1846, . . . . . | 117,695,527    |
| May 1, 1846, . . . . .      | 116,994,993    |

## MISCELLANEOUS.

FOREIGN COINS.—A bill has passed the Senate of the United States, establishing the value of coins, in all computations thereof at the custom houses, as follows :

|                                                                                                          |            |
|----------------------------------------------------------------------------------------------------------|------------|
| The specie dollar of Sweden and Norway at, . . . . .                                                     | \$ 1 05    |
| The specie dollar of Denmark at, . . . . .                                                               | 1 05       |
| The thaler of Prussia and of the northern states of Germany at, . . . . .                                | 69         |
| The florin of the southern states of Germany at, . . . . .                                               | 40         |
| The florin of the Austrian empire and city of Augsburg at, . . . . .                                     | 48½        |
| The livre of the Lombards Venitian kingdom, and the livre of<br>Tuscany at, . . . . .                    | 19         |
| The franc of France and of Belgium and the livre of Sardinia at, . . . . .                               | 18 6 mills |
| The ducat of Naples at, . . . . .                                                                        | 80         |
| The ounce of Sicily at, . . . . .                                                                        | 2 40       |
| The pound of the British provinces of Nova Scotia, New<br>Brunswick, Newfoundland, Canada, at, . . . . . | 4 00       |

The state of New York advertises for a loan of \$ 300,000 to pay arrearages to contractors on the public works. The proposals are for a five per cent. stock, interest payable quarterly, and the principal reimbursable in 1864. If public events do not take an unfavorable turn, this loan will, we presume, be obtained at *par*.

The annual meeting of the stockholders in the Bank of Cape Fear was holden in May, at their banking house in Wilmington. The directors were instructed to establish a branch of the Bank at Salem, Stokes county, in place of the agency now existing there.

*Directors of the Bank at Wilmington for the ensuing year:—*John Hill A. J. DeRosset, Gabriel Holmes, John Wooster, E. B. Dudley, P. K. Dickinson, Sam'l Shuter, John D. Jones, John Walker, Samuel Black, O. G. Parsley.

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WAR WITH MEXICO—ACTION OF THE BANKS.

KENTUCKY.

At a meeting of the directors of the Northern Bank of Kentucky, held at Lexington, it was resolved, that the sum of \$ 150,000 be tendered to the Governor of Kentucky, to enable him to fulfil the requisition which has been made upon him for troops for the succor of our army in the south ; and he is fully authorised to draw for that amount if he should need it.

MISSOURI.

We learn that Judge Mullanphy made application to the Bank of Missouri at St. Louis, for \$ 5,000, so that the volunteers might receive a month's pay in advance. The Judge produced his authority, but offered his note satisfactorily secured, if the money could be procured no other way. His proposition was lost in the Board of Directors by a vote of six to three. The note was offered at four months, with renewals, and ten per cent. deducted at each renewal.

Resort was had to private subscriptions, with the following result, which speaks well for the patriotism of our capitalists :

J. B. Brant	\$ 1,000	Jas. Glasgow	\$ 200
J. & E. Walsh	500	Benj. Stickney	100
J. H. Lucas	500	A. Meier & Co.	100
B. Mullanphy	500	D. D. Mitchell	200
Robt. Campbell	200	Ferd. Kennett	200
O. D. Filley	200	Woods & Christy	200
J. B. Sarpy	200	Loker, Renick & Co.	100
Alfred Vinton	100	Abbott & Peake	200
William Millburn	200	I. Walker (guar.)	590
K. M'Kenzie	200		
		Total,	\$ 5490

We understand that the Bank of Missouri yesterday resolved to loan the state \$ 10,000, for the benefit of the volunteers, without interest, and to increase the amount, if necessary.

FERDINAND KENNETT, Esq., president of the Bank of the State of Missouri, having accepted a command in the St. Louis Legion, now on its way to Texas, the board of directors of the bank, on Tuesday last, elected **EDWARD WALSH**, Esq. president pro tem.—*St. Louis Repub. May 25.*

OHIO.

EXECUTIVE OFFICE, OHIO, }
Columbus, May 22, 1846, }

SIR:—Under a requisition of the president of the United States for volunteer troops from this state, to engage in the war with Mexico, an effort is now making to raise three regiments.

Troops are now mustering and enrolling themselves for that purpose, and consequently, expenses are daily incurred for their subsistence, removal, &c.

Understanding that the Clinton Bank of Columbus has government funds on deposit, the object of this communication is to inquire whether the executive of this state can draw from the United States government fund, the amount necessary for these current expenses, &c.

A reply at your earliest convenience, is respectfully requested. I have the honor to be yours, &c.

M. BARTLEY.

To D. W. DESHLER, Esq.,

Cashier of the Clinton Bank of Columbus.

CLINTON BANK OF COLUMBUS, O., }
May 23d, 1846. }

SIR:—In reply to your favor of the 22d inst., I have the honor to advise you that this bank has on deposit U. S. government moneys, subject, however, *only* to the order and control of the secretary of the treasury.

Having no authority from that office to appropriate any of the government funds for any purpose whatever, I have ordered to him your communication with a request that he will favor me with an early reply.

Permit me to add that your communication to me has been laid before the directors of this institution, who have instructed me to loan to the executive of the state of Ohio such amount of funds as the present emergency requires, to defray the expenses of the troops now mustering and enrolling themselves under the requisition of the president of the United States for volunteer troops from this state.

I am, very respectfully,

Your obedient servant,

His Excellency,

M. BARTLEY,

Governor of Ohio.

D. W. DESHLER,

Cashier.

TENNESSEE.

UNION BANK OF TENNESSEE.—The Directors of the Union Bank at Nashville, have unanimously adopted a resolution, tendering to the governor of the state a loan of *one hundred thousand dollars*, for the use of the volunteers who may be ordered to the "seat of war."

NEW ORLEANS.

We learn that of the loan of \$ 200,000, authorized by act of the legislature, to aid the volunteers for Texas, but \$ 150,000 will be required. This amount has already been taken as follows :

Canal Bank,	-	-	-	-	-	-	\$ 50,000
Mechanics' Bank,	-	-	-	-	-	-	50,000
City Bank,	-	-	-	-	-	-	50,000

THE ACT OF WAR.—We understand that, by yesterday's mail, General Gaines received full authority to act conformably to the changed aspect of our foreign relations as indicated by the recent act of Congress, and the President's Proclamation declaring that war exists between the United States and the Mexican Republic.—*N. O. Tropic, May 23.*

NEW BANKS.

EXECUTIVE OFFICE, Columbus, May 12, 1846.

PROCLAMATION.—Farmers' Bank of Salem.—In pursuance of an act of the General Assembly of the state of Ohio, passed February 24th, 1845, to incorporate the State Bank of Ohio, and other banking companies, I, M. Bartley, governor of the state of Ohio, being satisfied that the law has in all respects been complied with by the branch of the state bank, called the *Farmers' Bank of Salem*, located in Salem, in the county of Columbiana, and state of Ohio, do hereby make known that said bank having complied with all the preliminary requisitions of the law, is now authorized to commence and carry on the business of banking. M. BARTLEY.

EXECUTIVE OFFICE, Columbus, May 12, 1846.

SANDUSKY CITY BANK.—In pursuance of an act of the General Assembly of the state of Ohio, passed February 24th, 1845, to incorporate the State Bank of Ohio, and other banking companies, I, M. Bartley, governor of the state of Ohio, being satisfied that the law has in all respects been complied with by the Independent Bank called the *Sandusky City Bank*, located in Sandusky city, in the county of Erie, and state of Ohio, do hereby make known that the said bank, having complied with all the preliminary requisitions of the law, is now authorized to commence and carry on the business of banking. M. BARTLEY.

HAVRE DE GRACE BANK—HAVRE DE GRACE, MD.

Notice is hereby given, that books for the subscription of stock in the Havre de Grace Bank, will be opened at the United States Hotel, in the town of Havre de Grace, on Monday, the 6th day of July next, at from 10 o'clock, A. M., until 5, P. M. of that day, and (if necessary) be kept open from day to day between the same hours, until subscriptions for the whole amount of stock in said bank shall be completed. By order of the commissioners,
W. L. NICHOLL, Secretary.

Havre de Grace, June 1, 1846.

BANK OF ENGLAND.

APRIL, 1845.

Governor—John Benjamin Heath, Esq.*Deputy Governor*—William R. Robinson, Esq.

Directors—Arthur E. Campbell, Esq.; William Cotton, Esq.; Bonamy Dobree, Esq.; Charles Pascoe Grenfell, Esq.; Thomas Hankey, jun., Esq.; John G. Hubbard, Esq.; William Little, Esq.; James Malcomson, Esq.; Humphrey St. John Mildmay, Esq.; James Morris, Esq.; Sheffield Neave, Esq.; George Warde Norman, Esq.; John H. Palmer, Esq.; James Pattison, Esq.; Sir J. H. Pelly, Bart.; Christopher Pearse, Esq.; H. J. Prescott, Esq.; David Powell, Esq.; Sir John Rae Reid, Bart.; T. C. Smith, Esq.; William Thompson, Esq. and Alderman; Thomas Tooke, jun., Esq.; Thomas M. Weguelin, Esq.; Francis Wilson, Esq. (*Elected April, 1846.*)

Secretary—John Knight, Esq.*Deputy Secretary*—John Bentley, Esq. *Assistant*—James Stewart, Esq.*Secretary to Committee of Treasury*—Marmaduke Blake Sampson, Esq.*Clerk in Secretary's Office*—Edwin Welsh, Esq.*Chief Accountant*—William Smee, Esq.—*Deputy*, George Earle Gray, Esq.—*Assistant*, John Padmore Noble.

ACCOUNTANT'S OFFICE.

Chief Clerks—William James Jacob, Henry Williams Challis.—*Accountant's Discount Chief Clerks*, John Watson, Micah Corder.—*Accountant's Drawing Office Chief Clerks*, John Search, Thomas Escreet.

STOCK OFFICES.—*Chief Clerks.**Bank Stock Chief Clerks*, John Cooper, William Bentley.*Reduced 3 per cents. &c., Transfer Office*, Edward Close Wilkinson, and James Winn.*Consols, Transfer Office*, William Cuell, and William Jerks.*New 3½ per cents., Transfer Office*, Richard Frederick Clarke, and Thomas Ingall.*Consols, and Reduced Dividend Office*, Joseph Newton.*New 3½ per cents., Dividend Office*, William Jones.*Register Office*, John Edwards.—*Power of Attorney Office*, John Skelton.*Chancery and Exchequer*, John Vaughan.—*Check Office*, Henry C. Long.*Storekeeper*, Samuel Harrison.—*Deputy*, John Ashmore.*Chief Cashier*, Matthew Marshall, Esq.*First Assistant*, Joseph Ravenscroft Elsey, Esq.*Second Assistant*, Thomas Bross, Esq.

Cashiers, James Ballard, Thomas Clayton Turner, William Huges, John Butler, Nathaniel Stock, William Taylor, James Vautin, John Vanderpant, Thomas Donald, Frank Twiss, William Popham Gattie, Francis Bocquet, William Paskin, Zechariah Uwins, Robert Bocquet, John Tilbury, Thomas Roberts, Henry Bock, Joseph Stennet, John Conder, Daniel Champney, Ambrose Nicols, John Williams, John Hawkes, John Luson, Josiah Field, Thomas Slater, William Richter, John Wood Deane.

Bullion Office, William Debonaire Haggard.
First In Teller, John Price.—*First Out Teller*, Edward John Fenemore.
First Inspector, Stephen Catterson.—*Post Bill Office*, Edward Robson.
Cashier's Issue Department, William Stigman.
Dividend Warrant Pay Office, James Lawson.
Drawing Office for Private Accounts, Edward Bryant.
Drawing Office for Public Accounts, Thomas Hodgkinson.
Discount Office, John Green Elsey.
Branch Banks' Office, William Banks, and Richard Andrew Marsden.
Cash Book Office, David Hyett.—*General Cash Book Office*, Sam'l Parish.
Solicitors, Messrs. James and Charles Freshfield.
Standing Counsel, Sir Fitzroy Kelly.
Architect and Surveyor, C. R. Cockerell, Esq.

GOVERNMENT DEPOSITS.

JUNE 1, 1846.

Amount subject to the draft of the Treasurer of the United States, with the amount of collateral security furnished by each institution. (The list of collateral security is from a statement published by the treasury department during the present session of congress.)

Bank of America, New York,.....	\$ 460,000	\$ 1,017,383
Bank of State of New York, New York,.....	525,000	707,400
American Exchange Bank, do.	200,000	274,793
Bank of Commerce, do.	500,000	975,567
Mechanics' Bank, do.	313,000	670,205
Merchants' Bank, do.	400,000	864,091
North River Bank, do.	175,000	446,237
Total, City of New York,.....	\$ 2,573,000	\$ 4,955,696
Albany City Bank,.....	173,540	165,255
Commercial Bank, Albany,.....	205,000	195,000
Mechanics and Farmers' Bank, Albany,.....	78,100	163,681
Brooklyn Bank, Brooklyn,.....	25,000	64,000
Oliver Lee & Co's Bank, Buffalo,.....	50,000	51,710
Canal Bank, Albany,.....		100,000
Total, State of New York,.....	\$ 3,104,640	\$ 5,695,342
Merchants' Bank, Boston,.....	550,000	1,302,737
Philadelphia Bank, Philadelphia,.....	150,000	397,603
Bank of Commerce, do.	150,000	352,537
Exchange Bank, Pittsburgh,.....	150,000	181,214
Bank of Erie, Erie,.....		28,588
Bank of Middletown, Middletown,.....	25,000	45,526
Chesapeake Bank, Baltimore,.....	130,750	305,381
Corcoran & Riggs, Washington,....	408,500	507,500
Bank of Potomac, Alexandria,.....	40,000	8,146
Farmers' Bank of Virginia, Richmond,.....	58,500	57,140
Bank of Virginia, do.	52,500	102,377
South Western R. R. Bank, Charleston,.....	96,555	143,898

Planters' Bank, Savannah,.....	60,000	64,498
Bank of Mobile, Mobile,.....	55,400	150,546
Canal and Banking Co., N. Orleans,.....	100,000	12,456
Life and Trust Company, Cincinnati,.....	209,000	211,260
Firemen's Insurance Co., Cleveland,.....	30,000	28,221
Marine and Fire Ins. Co., Milwaukee,.....	50,000	147,675
Michigan Ins. Co. Detroit,.....	47,000	83,683
Mechanics and Traders' Bank, Portsmouth,.....	5,000	7,325
Arcade Bank, Providence,.....	39,783	32,792
Farmers and M. Bank, Hartford,.....	35,000	31,698
Union Bank of Tennessee,.....	61,000	37,961

Total, Collateral Security,..... \$ 5,608,628

Bank of Burlington, Vermont,.....		6,665
State Bank, at Morris, N. J.,.....		45,000
Bank of Washington, Washington,.....		10,780
Bank of Metropolis, do.		32,999
Patriotic Bank, do.		14,760
Exchange Bank Va., Norfolk,.....		83,521
Bank of Louisiana, New Orleans,.....		20
Louisville Savings Institution,.....		127,830
Branch Bank of Cape Fear, Washington,.....		13,151
Clinton Bank, Columbus,		94,145
Bank of Missouri, St. Louis,.....		367,840
Bank of Mobile, (Alabama notes),.....		5,350
Mint and three Branch Mints,.....		870,000

Total amount, subject to draft of the Treasurer of the U. States, \$ 11,608,064

PRICES OF FOREIGN STOCKS.

APRIL 28TH, 1846—AT LONDON.

Belgian Bonds, 4½ per cent.	99	Ditto, Converted,	57½
Brazilian Bonds, 5 per cent.	82	Russian Bonds, 1822, 5 per cent. in	
Ditto New, 1843,	80	pound sterling,	110½
Buenos Ayres Bonds, 6 per cent.	38	Spanish Bonds 5 per cent. div. from	
Chilian Bonds, 6 per cent.	97	Nov. 184-	25½
Columbian Bonds, 6 per cent.	17	Ditto, Passive Bonds,	5½
Danish 3 per cent.	87½	Ditto, Deferred,	16½
5 per c. Mex. 1837 ex. over due coup		Ditto, 3 per cent. Spanish Bonds,	36½
and deb.	31½	(Dividends on the above payable in	
Ditto, Deferred Stock, 5 per cent.	16½	London.)	
Peruvian Bonds, 6 per cent.	35	Dutch 2½ per cent.	59½
Portuguese Bonds, 5 per cent.	58	Ditto, 4 per cent. loan,	92½

IRISH STOCKS.

APRIL 25, 1846.

3 per cent. Consols,	95½	Grand Debentures, 4 per cent.	57
3½ per cent. Stock,	96½	4 per cent. City Debentures,	85½
Bank Stock,	204½		

FRENCH FUNDS.

APRIL 25, 1846.

5 per cents—divs. due March and	f. c.	3 per cts.—divs. June and Dec.	f. c.
Sept.	120 5	Bank of France—divs. Jan. and	83 55
4½ per cents.	112 40	July,	3415 —
4 per cents.	106 —		

THE
BANKERS' MAGAZINE

AND

State Financial Register.

JULY, 1846.

CONTENTS.

ARTICLE.	PAGE.
I.—THE CONSTITUTIONAL TREASURY SYSTEM: by a Constitutionalist, with Remarks by the Editor,	1
II.—ANNUAL TREASURY REPORT OF COMMERCE AND NAVIGATION OF THE UNITED STATES: with Remarks upon the Balance of Trade,	5
III.—LEGAL MISCELLANY,	13
1. Liability of a Bank for the neglect of its Notary.	
2. Endorsers discharged for want of proper demand.	
3. Garnishee liable for interest upon debt due by him.	
4. Stock subject to the by-laws of a Company.	
5. Action against a Guarantor of an Usurious Transaction.	
IV.—ACCOUNT OF FOREIGN BANKING ESTABLISHMENTS,	20
1. St. Petersburg. 2. Warsaw. 3. Banks of Hamburg.	
4. Leipsic. 5. Genoa. 6. Havannah. 7. Stockholm.	
8. Brussels. 9. Bordeaux. 10. The Bank of France and its condition in 1846.	
V.—REMARKS ON CURRENCY AND BANKING, by Nathan Appleton, of Boston,	24
VI.—STATE BANKS: Extracts from the Report of the Bank of the State of South Carolina,	30
VII.—FINANCES OF THE UNITED STATES: Debate in the Senate, on the Prospective Financial Condition of the Country,	36
VIII.—BANK FAILURES OF 1846,	41
IX.—BANK POLICY OF THE STATE OF NEW YORK, according to the Report of the Comptroller of the State,	42
X.—STATE FINANCES,	45
1. Illinois, and its Bond-holders.	
2. Maine, Revenue and Expenditures for 1845.	
3. Michigan, Public Debt and Revenues.	
XI.—THE IMPORTANCE OF BANKS TO THE PROGRESS OF STATES: A Country with Banks and a Country without Banks,	49
XII.—BANK DIVIDENDS,	49
XIII.—EXCHANGES BETWEEN ENGLAND AND THE CONTINENT,	50
XIV.—BANK STATISTICS,	55
1. Ohio. 2. Banks of State of New York,	
XV.—MISCELLANEOUS,	57
WAR WITH MEXICO—Action of the Banks,	58
1. Kentucky. 2. Missouri. 3. Ohio. 4. Tennessee.	
5. New Orleans.	
XVI.—NEW BANKS: in Maryland and Ohio,	60
XVII.—BANK OF ENGLAND, its Officers for 1846,	61
XVIII.—GOVERNMENT DEPOSITS, and Collateral Securities,	62
XIX.—PRICES OF FOREIGN STOCKS,	63

THE
BANKERS' MAGAZINE,
AND
State Financial Register.

VOL. I.]

AUGUST, 1846.

[NO. 2.

SUFFOLK BANK SYSTEM.

THE voluntary system adopted by the banks of New England, for the redemption of their circulation, at the counter of the Suffolk Bank at Boston, has been for several years in operation, and has been found to work well for all parties—for the country banks, for the people, and for the metropolitan institutions. There is, we think, no system of redemption in any part of the world more complete or more secure, for the bill-holders. A bank there is known to be insolvent, not by the refusal at its own counter to redeem its paper, but by the refusal of the Suffolk Bank to receive it on deposit.

There are now two hundred and forty-three banks in the interior of New England, all of which (with perhaps four or five exceptions) provide a sufficient deposit of specie at Boston for the redemption of their paper. Hence the latter is receivable upon a par with Boston bank bills, and has the same value (or rate of discount) at a distance as that of Boston. The result is, a uniform circulation, known to and by every body, not subject to those variable and uncertain values which we find attached to country paper in other cities; an instance of which (and one that could be remedied) we may mention, that of New York state country paper in Wall street. Such is the variety in the issues of the New York country banks, (127 in number,) and the different rates of discount even on the paper of one bank, that the community is never posted up as to their value, and daily frauds are committed that might be obviated.

The New England system has this decided advantage, the country banks instead of being burdened with, and holding at risk in their own vaults, a large accumulation of coin, place their specie funds at the point where the bills mostly concentrate. These last do not return so much to their own places of emission, but are carried where they are wanted to discharge debts. Besides the saving made from having so little idle capital in the shape of

specie, the banks have greater security in having so little cash in their vaults; safe, however, in their holding large balances among the banks of Boston upon which they can draw whenever occasions require. To show the extent of this combination it is only necessary to refer the reader to the pages of the Bankers' Weekly Circular, where will be found the only correct and authentic exhibit of the banks of New England as well as the other states. The following summary is from the latest official returns.

	Banks.	Capital.	Circulation.	Specie.
Maine,	35	3,009,000	2,240,000	219,000
New Hampshire,	17	1,655,000	1,125,000	136,000
Vermont,	17	1,175,000	1,743,000	92,000
Massachusetts, (interior)	81	12,940,000	8,418,000	583,000
Rhode Island,	61	10,548,000	2,907,000	280,000
Connecticut,	32	8,475,000	4,565,000	481,000
Totals,	243	\$ 37,802,000	\$ 20,998,000	\$ 1,791,000

It is mutually agreed that the circulation above stated shall be received on deposit by the Boston banks; but such is the confidence entertained by the community in the country institutions that the whole amount of specie in the vaults of the 24 Boston banks, in November last, for their own protection, and for the protection of their country correspondents was only \$ 2,773,000 against an aggregate circulation in town and country of \$ 26,920,000.

Here is a commentary upon the attempt by the general government to fasten a specie currency upon the debtors of the government. The aggregate of specie in the six New England states, amounting to \$ 8,694,000 is the basis of *daily* money operations amounting to millions of dollars. The large daily cash transactions in the commercial, manufacturing and other portions of New England are carried on where probably not over one hundred thousand dollars in specie of the banks changes hands per day.

The following remarks from an English paper will further illustrate our meaning :

SPECIE AS A CIRCULATING MEDIUM.—Gold and silver coin simply constitute the *petty cash* of the country, and the idea of carrying on the foreign trade exclusively with it, would be as absurd as if a merchant were to attempt to carry on his business with his petty cash only.

It has been given in evidence before a committee of the House of Commons, that no less a sum than one thousand millions annually is exchanged by 28 only of the principal London bankers, at the clearing room, and all the gold and silver wanted to effect this enormous exchange, is about 20*l.* a day. Here it is petty cash indeed!

As it is with the individual, so it is with the nation, which is simply a number of individuals; and that the coin of the country is merely its petty cash, will be palpable, when we learn from Mr. Jacob, (who wrote on the precious metals,) that the whole amount of coin is only thirty millions, to carry on trading transactions that must amount to many thousand millions.

How many thousand millions it would be impossible to say, but a guess may be hazarded.

We have it in evidence, that 28 banks only exchange bills and checks representing sales (independent of their transactions over the counter, and transfers from one account to another, when two parties bank at the same house,) to the amount annually of 1,000,000,000*l.* Now, take into account the transactions of these 28 bankers over the counter; those of 52 other bankers in London; those of the Bank of England (for she has a clearing room of her own;) those of the Stock Exchange and Share Market; the operations of all the shopkeepers and merchants; the daily expenditure of two millions of individuals for food; and you will not have less in London alone annually, than a further amount of exchanges of 2,000,000,000*l.* Take the rest of the empire at a guess, (and a very rough one it must be, for want of data,) to have the same amount of transactions as the metropolis, 3,000,000,000*l.* Total, 6,000,000,000*l.*

THE CLEARING HOUSE OF LONDON.—From the appendix to the second report on banks of issue, (1841,) we find that during 1839, twenty-nine only of the London bankers, cleared aggregate demands to the amount of 954,401,600*l.*, and that the bank notes employed in these transactions amounted to 66,275,600*l.* The aggregate demands varied from two to six millions daily. These facts not only exhibit the “vast concerns” of commerce, but they show how essentially commerce is carried on by the barter of *goods*, and not by cash payments. To a far greater extent does the barter of goods prevail by means of bills of exchange, &c. in international traffic, wherein money scarcely enters at all.

These observations apply with equal force to the operations and exchanges of Wall and State streets. The large amounts of money which pass from individuals to banks, and from the banks to each other could only be made through drafts and checks. The daily exchanges of the twelve Wall street banks of New York, or of the twenty-one banks of State street, amounting to millions per day, can be effected without the transfer of one box of specie. So it is with the immense customs payable at London and New York, in the former city amounting to about one million sterling per month, and in the latter to twenty millions of dollars per annum. These payments to the government officers can only be made through the medium of checks and bills, and without the intervention of specie, which is appropriately termed the *petty cash* of the country.

LEISURE HOURS.

We rarely find in the same individual, strict habits of business, a close adherence to professional duties or the requisitions of mere business, whether of the bar, the pulpit, the office, or the bank counter, combined with a love for, or a proficiency in, the arts or sciences.

The pursuits of the arts or the sciences, or the mere accomplishments of the world, are, as accomplishments, equally deserving the attention of the business man, as well as of him who pursues them professionally. There

is no reason why the statesman, the jurist, the physician, the theologian, the merchant, or the *Banker*, or many in other spheres of life, should not diverge occasionally from their legitimate and immediate circle of duties, and devote an hour or two a day, as a relaxation or otherwise, to the more elegant and more refined pursuits of music, painting or literature, of chemistry, botany or mineralogy; of arboriculture, floriculture or horticulture. We might mention indeed many, very many studies and employments, which, while they serve to enlarge the powers of the mind, the capacity of enjoyment, and add to the usefulness of the individual himself, they serve also as a relaxation to both the body and the mind by relieving the monotony of every day labors.

A greater good is thereby accomplished than that simply derived by the individual himself. The profession or knowledge of such accomplishments, or a proficiency in any one or more of the arts or sciences, enables him effectually, at will, to promote the same good or disseminate the same knowledge among his children or his friends: to diffuse a taste for, and a love for similar pursuits among the numerous circles and semi-circles of society. Much of this can be done by him either as an individual or as a member of a society of arts; and it is through the means of associations, combinations, clubs, &c. that so much has been done in England, France and our own country towards the diffusion of a general taste for music, painting, and other pursuits to which we have alluded.

This present article is, however, addressed more particularly to *the banker*, the money operator, and the broker, whose daily duties generally terminate at 3 or 4 o'clock; giving them ample time, day after day to devote to some one of those elegant and charming pursuits, a knowledge of which adds so largely to a keen enjoyment of the world. It is here that the banker has a most decided advantage over the lawyer, the physician and the merchant. His duties terminate at a fixed hour, while theirs are controlled in some degree (not so much as they imagine) by their clients, their patients or their dealers.

The banker closes his cash book, letters, &c. at three o'clock and can, if inclination dictate, then close his eyes and his mind's eye to all their contents for the remainder of the day. It is the subsequent hour or hours, which can be appropriately and profitably devoted to the pen, the pencil or the spade. If in a crowded city, the rail road train can in 10 or 15 minutes convey him to a secluded spot at a distance, where he can, in quiet, cultivate either the fields of nature or the fields of literature. Or, in the midst of the city, with hundreds of thousands around him, he can retire to the drawing academy, the school of design, the lecture room of the anatomist, or to the saloon of the musician. These, and many others are within his reach, will afford variety and relaxation to his mind, will furnish a pleasant recreation and pastime for hours which might otherwise be trifled away and will give him more nerve for the scenes of the following day.

That the pursuits of the pen, the pencil or the flute are not un congenial or inaccessible to one whose hours are mainly occupied at the counter, we may see in repeated instances.

We have seen the walls of the "national academy" and of the "art union" graced with the works of one who now fills the post of cashier of one of our prominent institutions. Not merely *graced* either, but his *by-play* selected as the prize for the engraver, and two thousand copies distributed among as many lovers of the fine arts.

In another city we see the post of cashier filled by one who coteremporaneously figures as the author of a poem, delivered before the collected thousands of the wise and the learned: and *curiosity* echoes "where is he."

Again we see in one or more instances the presiding officer of a bank, after having gone through the notes of the day, presiding at a glee club or soiree where a better circulation of harmonious notes is kept up than the engraved notes of the chartered institution. The leader, who has perhaps controlled thousands through the day, takes the *bow* at night and adds life and soul where silence was before.

We have seen too, one who, while he held the reins of the bank with one hand, could hold the pen of the financier and statesman with the other, enlightening the country with pages of history and finance, which none have attempted to controvert. Again, another presiding at the laborious sittings of the *board*, during the early hours of the day, and giving force to their decisions, may be found delving in the ground towards sunset, not for gold or lucre, but improving the soil, pruning the peach or plum, and competing at exhibitions with the gardener and the day-laborer for the prize offered by the society of horticulture.

Even the late Mr. Biddle, occupied closely by political strife on one side, and commercial revulsions on the other, could find leisure hours to apply to his own retreat, cultivate the vine, to add the labors of the hoe and the spade upon works where the fluctuations of change and the javelins of his enemies could not penetrate. We can look even further and find that the author of "Fanny" and the author of the "Pleasures of Memory" both in years gone by have been daily occupants of the counting room. The author of the "Banks of Ayr" at one moment of the day engaged as an officer of excise and at another hour rustivating on the green sward. Even the "Wizard of the North" issuing sheriff's writs in the morning, and in the evening of the *same* day revising the sheets of the "Mintrelsy of the Scottish Border."

In fact, the fixed hours and leisure of an officer of a bank enable him to appropriate a liberal portion of his time to those pursuits, the cultivation of which would relieve his mind essentially, and add much to his enjoyment: pursuits which *humanize* the soul of every man who has a soul for the better things of this world, and who avails himself of his privilege to gain them. He may have a fund of thousands to draw upon to satisfy mere physical

wants; but if he have not a social and intellectual fund, a better fund to draw upon, he may exist but he does not *live*. His bank balances may wither in a day, but there are balances and mines which furnish perpetual feast for reason and a perpetual flow for the soul: not affected either by the fluctuations of change, revulsions of trade, or the failures of friends.

A bank officer or a merchant, and we find thousands of them, who pins his mind down to his ledger, and keeps it there; who never goes beyond his account-books for thought or action, is a *mere machine*. His soul, which was given to him to enjoy rational things, is callous to those pure and elegant sources of enjoyment, which make a man capable of cultivating the "ten talents" which benevolent nature bestowed on him.

BANK STATISTICS.

KENTUCKY.

NORTHERN BANK AND BRANCHES—JUNE 30, 1846.

<i>Means.</i>		
Bills discounted,		\$ 1,714,956 25
Bills of exchange,		1,604,912 02
Notes and bills in suit,		126,382 29
		\$ 3,446,250 56
Bonds of the state of Kentucky 5 per cent.	5,000	
of the city of Lexington 6 " "	35,000	
		40,000
Due from banks,		854,098 04
Real estate, including banking houses,		142,581 89
Protest account,		97 96
Cash on hand—in gold and silver,	916,904 82	
In notes of other banks,	450,579 00	1,867,488 82
		\$ 5,850,512 37
<i>Liabilities.</i>		
Capital stock,		\$ 2,237,600 00
Notes in circulation,		2,153,429 00
Due to banks,		529,285 56
Bills payable,		12,300 22
Deferred interest,		7,754 47
Due to post-office department,		2,151 84
Due to individual depositors,		638,204 40
Unclaimed dividends,		7,623 58
Due to state of Kentucky,		2,438 00
Contingent fund,	45,000 00	
Profit and loss,	214,725 30	259,725 30
		\$5,850,512 37
Profit and loss and contingent fund as above,		\$259,725 30
Deduct dividend of 4 per cent., July, 1846,		89,504 00
		\$170,221 30

M. T. SCOTT, *Cashier.*

Northern Bank of Kentucky and Branches—1846.

	Location.	President.	Cashier.	Capital.
Northern Bank,	Lexington,	John Tilford,	Matthew T. Scott,	867,600
Do. Branch	Covington,	James M. Preston,	Philip S. Bush,	250,000
Do. do.	Louisville,	Chapman Coleman,	Wm. Richardson,	600,000
Do. do.	Paris,	John B. Raine,	Thomas Y. Brent,	370,000
Do. do.	Richmond,	Wm. McClanahan,	Edw. L. Shackelford,	150,000

Total capital at Northern Bank and Branches \$ 2,237,600

Comparative condition of the Northern Bank and Branches, 1844, '45, '46.

	Dec'r, 1844.	Dec'r, 1845.	June, 1846.
Circulation,	1,935,000	2,453,000	2,153,000
Loans,	3,190,000	3,856,900	3,319,000
Specie,	884,000	909,000	916,000
Total Liabilities	5,806,000	6,334,000	5,850,000

Banks of the West and the East.

	Capital.	Circulation.	Specie.
Rhode Island, 61 Banks,	\$ 10,548,000	\$ 2,967,000	\$ 230,000
Maine, 35 " "	3,009,000	2,240,000	219,000
New York, (interior,) 127 do.	19,039,000	14,662,000	898,000
New Jersey, 26 do.	3,672,000	2,394,000	594,000
	<u>\$ 36,268,000</u>	<u>\$ 22,263,000</u>	<u>\$ 1,991,000</u>

Kentucky,	\$ 7,019,700	\$ 6,064,000	\$ 2,536,000
Indiana,	2,087,000	3,527,000	1,080,000
Ohio,	6,511,000	4,505,000	1,374,000

The Northern Bank of Kentucky, (with four branches,) having a circulation of \$ 2,153,000, has specie on hand amounting to \$ 916,000, being a larger amount of specie than is held by the 127 country banks of New York, with a circulation of above fourteen millions of dollars.

BANK OF KENTUCKY AND BRANCHES—JULY 1, 1845.

Resources.

Notes discounted,	\$ 2,896,199 93	
Bills of Exchange,	1,376,391 58	
		<u>\$ 4,272,591 51</u>
Suspended debt, in suit,	145,485 33	
“ Bank balances and stocks,	8,642 19	
Bonds state of Kentucky, for stock in Northern Bank, 5 per cent.	250,000 00	
Bonds city of Louisville, 6 per cent.	200,000 00	
Real estate taken for debt,	149,429 93	
		<u>753,555 45</u>
Commissioners of sinking fund,		2,775 00
Real estate for banking-houses,		87,533 84
Deficiency—for balance of over issue of stock		383,400 00
Due from banks,		688,454 83
Gold and silver on hand,		1,219,551 79
Notes of other banks,		377,231 00
		<u>\$ 7,785,093 42</u>

Liabilities.

Capital stock, (original,)	\$ 3,700,000 00
Stock over-issued by Schuylkill Bank,	\$ 1,318,500 00
Less, amount purchased by this bank,	935,100 00—333,400 00
	<u>\$ 4,083,400 00</u>
Contingent fund reserved by charter,	100,000 60
Fund to cover loss on banking house,	40,670 84
Fund to cover loss on bad debts, &c.	47,808 03—188,478 87
Dividends unpaid,	6,994 86
Stock Fund—to purchase over-issue,	78,674 71
Dividend No. 17, for July, 1846—2½ per cent.	102,085 00
Due individual depositors,	603,366 93
Due to other banks,	477,694 43
Notes in circulation,	2,229,378 00
Due state treasury,	15,020 62
	<u>\$ 7,785,093 42</u>
Nett profits for the last six months,	144,051 91
Dividend for July, 1846—2½ per cent.	102,085 00
	<u>\$ 41,966 91</u>

VIRGIL McKNIGHT, *President.*

GEO. C. GWATHMEY, *Cashier.*
 James Trabue, Thomas Anderson, Levin L. Shreve, Thomas Smith, }
 D. S. Benedict, U. E. Ewing, P. R. Gray, Curran Pope, } *Directors.*

BANKS OF OHIO—MAY 1, 1846.

Resources.	7 Independent B'ks.	16 Branches State B'ks.	8 Old B'ks.
Notes and bills discounted,	968,896	2,423,779	4,639,219
Specie on hand,	159,669	618,049	705,552
Notes of other banks,	146,474	374,577	466,203
Due from banks,	56,484	107,366	435,676
Eastern Deposits,	96,723	357,280	462,023
Bonds deposited with the state as } collaterals,	565,118	207,588	.....
Other resources,	134,259	16,694	937,323
	<u>\$ 2,127,623</u>	<u>\$ 4,105,333</u>	<u>\$ 7,645,996</u>
 <i>Liabilities.</i>			
Capital stock, paid in,	323,720	1,173,450	2,565,376
Circulation,	499,100	1,822,435	2,463,760
Due to banks,	79,488	89,584	807,544
Individual deposits,	644,521	946,563	972,852
Contingent fund,	12,992	26,234	256,687
Bonds deposited with the state trea'r,	494,170	.....	.....
State taxes paid for six months,	1,654	3,773	7,374
Other liabilities,	66,978	42,994	572,403
	<u>\$ 2,127,623</u>	<u>\$ 4,105,333</u>	<u>\$ 7,645,996</u>
Seven Independent Banks,			2,127,623
Sixteen Branches of State Bank,			4,105,333
Eight Old Banks, (charters not expired,)			7,645,996
			<u>\$ 13,878,952</u>
Aggregate Resources or Liabilities,			\$ 13,878,952

MAINE.

An Abstract from the Returns of the Cashiers of the several incorporated Banks in Maine, as they existed on the Saturday preceding the first Monday of May, 1846. Prepared in conformity to the provisions of the Revised Statutes, chapter 77, section 59, and an Act of the Legislature, approved April 7, 1845.

Liabilities.	
Capital stock paid in,	\$ 3,009,000 00
Bills in circulation,	2,240,820 00
Nett profits on hand,	117,222 50
Balances due other banks,	93,708 88
Cash deposited, &c. not bearing interest,	1,058,526 42
Cash deposited bearing interest,	199,120 84
Total amount due from the banks,	\$ 6,718,398 64

Resources.	
Gold, silver, &c. in banks,	219,068 50
Real estate,	191,714 98
Bills of Banks in this state,	76,319 00
Bills of Banks elsewhere,	71,087 82
Balances due from other banks,	769,095 12
Due to the banks, excepting balances,	5,391,113 22
Total amount of resources of the Banks,	\$ 6,718,398 64

Dividends, &c.	
Amount of last semi-annual dividend,	\$ 99,600 00
Amount of reserved profits,	85,118 00
Debts due and considered as doubtful,	4,666 87
Amount of bills in circulation under five dollars,	282,337 00
Amount due from president and directors as principals,	217,738 63
Amount due from president and directors as sureties,	264,804 73
Amount due from stockholders as principals,	214,422 97

CONNECTICUT.

The following abstract will exhibit some of the items of the Banks of Connecticut, for the three periods of 1838—1842—and 1846 :

	1838.	1842.	1846.
Capital stock,	8,754,467	8,876,317	8,475,630
Circulation,	1,920,552	2,555,638	4,565,947
Specie,	535,448	471,238	481,367
Loans and discounts,	9,769,286	10,683,413 †	13,258,587
Aggregate liabilities,	12,302,631	13,465,052	15,892,685

The report of the Bank Commissioners of the state of Connecticut, for the year 1846, has been printed and a copy furnished to us. The report includes the condition of each bank, some in February, others in March, and others in April, 1846. It is singularly deficient in an abstract by which we could learn the aggregate circulation, deposits, bank balances, real estate, and other items of all the banks in the state. The abstract furnished, is not cast up, and to each reader is left the labor of ascertaining these items—a labor which could have been well obviated if the report had been properly prepared.

RHODE ISLAND.

Abstract from the Returns made to the General Assembly at the May Session, A. D. 1846, by the several Banks in the State of Rhode Island and Providence Plantations.

Liabilities.		Resources.	
Capital stock paid in,	10,548,690 50	Debts due from directors,	712,614 23
Bills in circulation,	2,907,490 96	Debts due from stockholders,	563,387 60
Deposits on interest,	269,948 12	Debts due from all others,	12,846,970 53
Deposits not on interest,	1,078,913 88	Specie actually in banks,	280,470 67
Debts due from banks,	757,058 14	Bills of other banks,	460,753 11
Dividends unpaid,	26,005 72	Deposits in other banks,	694,039 18
Nett profits on hand,	510,144 48	Stock in the banks,	48,485 83
		St'k in other b'ks and other st'ks,	202,048 92
		Real estate,	259,704 80
		Furniture and other property,	29,776 93
	\$ 16,098,251 80		\$ 16,098,251 80

Memoranda.

Increase of capital stock since last return,	\$ 233,312 50
Amount of suspended paper,	169,917 58
Reserved profits,	297,552 07
Amount loaned on pledges of stock,	352,276 04
Debts due and not paid,	197,854 00
Largest amount of indebtedness of any one person or firm,	72,589 00

The proportion of specie to circulation, is 1 to \$ 10 $\frac{1}{2}$; specie to circulation and deposits, is 1 to \$ 15.

There are 61 banks in the state, with capital varying from \$ 21,330 to \$ 500,000, each. There are in the town of Providence, 22 banks with an aggregate capital of \$ 7,633,900, being a larger amount, for the population, than is held in any place in the United States.

SOUTH CAROLINA.

Bank of Georgetown, Georgetown, S. C.—June 8, 1846.

Liabilities.

Capital paid in.....	\$ 200,000 00
Circulation.....	322,786 00
Individual deposits.....	30,204 28
Surplus fund.....	13,183 86

Total.....	\$ 566,174 14

Assets.

Notes discounted.....	\$ 200,129 46
Suspended debt.....	10,983 17
Exchange on New York and Charleston.....	198,774 68
Specie on hand and balances in New York and Charleston.....	141,086 83
Bonus and Bank fixtures.....	5,200 00
Real estate.....	5,000 00
Stock, 200 shares this bank taken for debt.....	5,000 00

Total.....	\$ 566,174 14

D. L. McKAY, Cashier.

The Bank of Georgetown was chartered in 1836, and commenced operations in 1837, with a capital of \$ 200,000 paid in full. By its charter the stockholders are liable for double the amount of stock, in case of failure of the institution. It has been managed since 1839 by the same officers who now have charge of it, and has uniformly divided seven per cent. per annum.

The Bank of Georgetown, the Bank of the State of Missouri, the Franklin Bank at Washington, Pennsylvania, are among the few banking institutions in this country which have not *at any period* suspended specie payments. There are several others which maintained specie payments during the severe struggles of 1837—1841, but we are not prepared at this time to furnish a list of the whole; a correct list will be prepared for a future No. of this Journal.

COPPER TRADE OF GREAT BRITAIN.

THE growing importance of this manufacture, to the commercial and manufacturing interests of Great Britain, is duly appreciated in that country: but the subject has been almost entirely overlooked in the United States. Now that there are smelting companies in operation at Boston and Baltimore, it is hoped that capitalists will turn their attention to the article, with a view of deriving for the United States a portion of the trade, for which it enjoys advantages possessed by no other country in the world. Copper can be smelted at a cost of at least 25 per cent. less in this country, than in England, arising from differences in freights between Cuba and England and Cuba and United States. Saving of duty, time in transhipment, &c. all of which are worth a close examination.

We have prepared the annexed tables from recent English papers, and our readers can see at a glance, the aggregate value of the trade.

Imports of Copper.

Quantities of copper ore imported into Great Britain for the year ending January 5, 1846:

Total copper ore imported,	56,697 tons.
Unwrought in pigs,	104 "
In bars, rods, or ingots,	27 "
Fit only for re-manufacture,	58 "
Plates and coins,	5 "
Manufactured copper (valued at £ 3,762)	49½ "

The countries imported from, were as follows:

From Cuba,	41,342 tons.
From Chili,	10,823 "

From Peru and Bolivia,	1,212 tons.
From South Australia,	1,109 "
From America,	701 "
From British West Indies,	646 "
From Italy,	640 "
Not enumerated,	467 "
	56,940 tons.

The amount entered for home consumption was 56,118 tons, and the nett amount of duty paid thereon, £ 58,646, upon the annexed valuations or scale of duty, 21,519 tons, contained 15 per cent. or less, at £ 3 3, duty; 9,054 tons, contained 15 to 20 per cent. £ 4 14 6 duty; 24,576 tons, contained 20 per cent. and upward, £ 6 6 duty; 970 tons, from British Colonies, £ 1 1 duty.

Exports.

The countries to which copper was exported during the same period, by Great Britain were as follows :

To France,	*6,250 tons.	To Holland,	387 tons.
East Indies,	*4,722 "	Brazils,	354 "
United States,	*2,219 "	British West Indies,	288 "
Italy,	879 "	Other W. I. Islands,	224 "
Belgium,	696 "	British N. America,	244 "
Germany,	566 "	Not enumerated,	1,219 "

Total for the year ending January 5, 1846, 18,039 "

Shipped from the following ports :

From London,	5,653	From Llanelly,	467
Swansea,	6,030	Bristol,	242
Liverpool,	5,417	Other ports,	230

Baron Dupin, formerly minister of marine, observes in a late report upon the condition of the navy. "In copper there should always be four years consumption on hand, and France should make as large importations as England, from Cuba, Chili, &c. At present, France has no copper of her own, and imports annually only about 3,000,000 killogrames."

Such has been the rapid increase of the trade in England, that while the total imports of copper for one year to July, 1842, were less than 262 tons, they arose to 55,720 tons in 1844, of which 31,680 tons were from Cuba, and 19,000 tons from Chili. There are upwards of fifty mines in Cornwall, where mining has been increasing since the reign of William III. The earliest copper mines known in England were discovered in the year 1561, and the first copper coins of the kingdom were brought into use in 1609.

* There is no reason why the United States should not possess a fair portion of this trade at the same prices. It is estimated that this country consumes about 2500 tons of copper per annum.

GENERAL PRINCIPLES OF BANKING.

BY J. R. M' CULLOCH, ESQ.

1. *Utility of Banks. Private Banking Companies of London.*—The establishment of banks has contributed, in no ordinary degree, to give security and facility to all sorts of commercial transactions. They afford safe and convenient places of deposit for the money that would otherwise have to be kept, at a considerable risk, in private houses. They also prevent, in a great measure, the necessity of carrying money from place to place to make payments, and enable them to be made in the most convenient and least expensive manner. A merchant or tradesman in London, for example, who employs a banker, keeps but very little money in his own hands, making all his considerable payments by drafts or checks on his banker, and he also sends the various checks, bills, or drafts, payable to himself in London, to his bankers before they become due. By this means, he saves the trouble and inconvenience of counting sums of money, and avoids the losses he would otherwise be liable to, and would no doubt occasionally incur, from receiving coins or notes not genuine. Perhaps, however, the great advantage derived by the merchant or tradesman from the employment of a banker, consists in his relieving him from all trouble with respect to the presentation for payment of due bills and drafts. The moment these are transferred to the banker, they are at his risk; and if he either neglect to present them when due, or to have them properly noted in the event of their not being paid, he has to answer for the consequences.

“This circumstance alone, must cause an immense saving of expense to a mercantile house in the course of a year. Let us suppose that a merchant has only two bills due each day. These bills may be made payable in distant parts of the town, so that it may take a clerk half a day to present them; and in large mercantile establishments, it would take up the whole time of one or two clerks to present the due bills and the drafts. The salary of these clerks, is, therefore, saved by keeping an account at a banker's; besides the saving of expense, it is also reasonable to suppose that losses upon bills would sometimes occur from mistakes, or oversights, from miscalculation as to the time the bill would become due—from errors in marking it up—from forgetfulness to present it, or from presenting it at the wrong place. In these cases the endorsers and drawees are exonerated; and if the acceptor do not pay the bill, the amount is lost. In a banking-house, such mistakes occur sometimes, though more rarely; but when they do occur, the loss falls upon the banker, and not upon his customer.” *Gilbart's Practical Observations on Banking.*

It is on other grounds particularly desirable for a merchant or tradesman to have an account with a banking house. He can refer to his bankers as vouchers for his respectability; and in the event of his wishing to acquire any information with respect to the circumstances, or credit of any one with whom he is not acquainted, his bankers will render him all the assistance in their power. In this respect they have great facilities, it being the common practice amongst the bankers in London, and most other trading towns, to communicate information to each other as to the credit and solvency of their customers.

The Bank of England, and the private banking companies of London, as well as some of the English provincial banks, charge no commission on the payments made and received on account of those who deal with them. But

they allow no interest on the sums deposited in their hands ; and it is either stipulated or distinctly understood, that a person employing a banker, should, besides furnishing him with sufficient funds to pay his drafts, keep an average *balance* in the banker's hands, varying, of course, according to the amount of business done on his account ; that is, according to the number of his checks or drafts to be paid, and the number of drafts and bills to be received for him. The bankers then calculate, as well as they can, the probable amount of cash that it will be necessary for them to keep in their coffers to meet the ordinary demands of their customers, and employ the balance in discounting mercantile bills, in the purchase of government securities, or in some other sort of profitable adventure ; so that their profits result, in the case of their not issuing notes, from the difference between the various expenses attendant on the management of their establishments, and the profits derived from such part of the sums lodged in their hands as they can venture to employ in an advantageous way.

The directors of the Bank of England do not allow any individual to overdraw his account. They answer drafts to the full extent of the funds deposited in their hands ; but they will not pay a draft if it exceed their amount. Private bankers are not generally so scrupulous ; most of them allow respectable individuals, in whom they have confidence, to overdraw their accounts ; those who do so paying interest at the rate of 5 per cent. on whatever sums they overdraw. The possession of this power of overdraw-ing is often a great convenience to merchants, while it is rarely productive of loss to the banker. The money which is overdrawn is usually replaced within a short period ; sometimes, indeed, in the course of a day or two. The directors of the Bank of England decline granting this facility from a disinclination on their part, to come into competition in a matter of this sort with private bankers, who transact this kind of business better, probably, than it could be done by a great establishment like the bank.

The facility which banks afford to the public in the negotiation of bills of exchange, or in the making of payment at distant places, is very great. Many of the banking companies established in different districts have a direct intercourse with each other, and they have all correspondents in London. Hence, an individual residing in any part of the country who may wish to make a payment in any other part, however distant, may effect his object by applying to the bank nearest to him. Thus, suppose A, of Penzance has a payment to make to B of Inverness : to send the money by post would be hazardous ; and if there were fractional parts of a pound in the sum, it would hardly be practicable to make use of the post ; how then will A manage ? He will pay the sum to a banker in Penzance, and his debtor in Inverness will receive it from a banker there. The transaction is extremely simple ; the Penzance banker orders his correspondent in London to pay to the correspondent of the Inverness banker, the sum in question on account of B ; and the Inverness banker, being advised in course of post of what has been done, pays B. A small commission charged by the Penzance banker, and the postage, constitute the whole expense. There is no risk whatever, and the whole affair is transacted in the most commodious and cheapest manner.

By far the largest proportion both of the inland bills in circulation in the country, and also of the foreign bills drawn upon Great Britain, are made payable in London, the grand focus to which all the pecuniary transactions of the empire are ultimately brought to be adjusted. And in order still further to economise the use of money, the principal bankers of the metropolis are in the habit of sending a clerk each day, to the *clearing house* in

Lombard street, who carries with him the various bills in the possession of his house that are drawn upon other bankers; and having exchanged them for the bills in possession of those others that are drawn upon his constituents, the balance on the one side or the other is paid in cash or Bank of England notes. By this contrivance the bankers of London are enabled to settle transactions to the extent of several millions a day, by the employment of not more, at an average, than from 200,000*l.* to 300,000*l.* of cash or bank notes.

In consequence of these and other facilities afforded by the intervention of bankers for the settlement of pecuniary transactions, the money required to conduct the business of an extensive country is reduced to a trifle only, compared with what it would otherwise be. It is not, indeed, possible to form any very accurate estimate of the total saving that is thus effected; but, supposing that 50 or 60 millions of gold and silver and bank notes are at present required, notwithstanding all the devices that have been resorted to for economising money, for the circulation of Great Britain, it may, one should think, be fairly concluded, that 200 millions would, at the very least, have been required to transact an equal extent of business, but for those devices. If this statement be nearly accurate, and there are good grounds for thinking that it is rather under than over rated, it strikingly exhibits the vast importance of banking, in a public point of view. By its means 50 or 60 millions are rendered capable of performing the same functions, and in an infinitely more commodious manner, that would otherwise have required four times that sum; and supposing that 20 or 30 millions are employed by the bankers as a capital in their establishments, no less than 120 or 130 millions will be altogether disengaged, or cease to be employed as an instrument of circulation, and made available for employment in agriculture, manufactures, and commerce.

Promissory notes issued by private individuals or associations, circulate only because those who accept them have full confidence in the credit and solvency of the issuers, or because they feel assured they will be paid when they become due. If any circumstances transpired to excite suspicions as to their credit, it would be impossible for them to circulate any additional notes, and those that they had issued would be immediately returned for payment. Such, however, is not the case with paper money properly so called, or with notes that are declared *legal tender*. It is not necessary, in order to sustain the value of such notes, that they should be payable at all; the only thing that is required for that purpose is, that they should be issued in *limited quantities*. Every country has a certain number of exchanges to make; and whether these are effected by the employment of a given number of coins of a particular denomination, or by the employment of the same number of notes of the same denomination, is, in this respect, of no importance whatever. Notes which have been made legal tender, and are not payable on demand, do not circulate because of any confidence placed in the capacity of the issuers to retire them; neither do they circulate because they are of the same real value as the commodities for which they are exchanged; but they circulate, because, having been selected to perform the functions of *money*, they are, as such, readily received by all individuals in payment of their debts. Notes of this description may be regarded as a sort of tickets or counters to be used in computing the value of property, and in transferring it from one individual to another. And as they are no wise affected by fluctuations of credit, their value, it is obvious, must depend entirely on the quantity of them in circulation as compared with the payments to be made through their instrumentality, or the business they have to perform. By reducing the supply of notes below the supply of coins that

would circulate in their place were they withdrawn, their value is raised above the value of gold; while, by increasing them to a greater extent, it is proportionally lowered.

Hence, supposing it were possible to obtain any security other than immediate convertibility into the precious metals, that notes declared to be legal tender would not be issued in excess, but that their number afloat would be so adjusted as to preserve their value as compared with gold, nearly uniform, the obligation to pay them on demand might be done away. But it is needless to say that no such security can be obtained. Wherever the power to issue paper, not immediately convertible, has been conceded to any set of persons, it has been abused, or, which is the same thing, such paper has uniformly been over-issued, or its value depreciated from excess. It is now admitted on all hands to be indispensable, in order to prevent injurious fluctuations in the value of money, that all notes be made payable, at the pleasure of the holder, in an unvarying quantity of gold and silver. This renders it impossible for the issuers of paper, to depreciate its value below that of the precious metals. They may, indeed, by over-issuing paper, depress the value of the whole currency, gold as well as paper, in the country in which the over-issue is made; but the moment that they do this, gold begins to be sent abroad; and paper being returned upon the issuers for payment, they are, in order to prevent the exhaustion of their coffers, compelled to lessen their issues; and thus, by raising the value of their currency, stop the drain for bullion.

It does, however, appear to us, that it is not only necessary, in order to prevent the over-issue of paper, to enact that all notes should be payable on demand, but that it is further necessary, in order to insure compliance with this enactment, to prohibit any one from issuing notes until he has satisfied the government of his ability to pay them. The circumstances that excite public confidence in the issuers of paper are often of the most deceitful description; and innumerable instances have occurred, of the population of extensive districts having suffered severely from the insolvency of bankers in whom they placed the utmost confidence. In 1793, in 1814, 1815, and 1816, and again in 1825, a very large proportion of the country banks were destroyed, and produced by their fall an extent of ruin that has hardly been equalled in any other country. And when such disasters have already happened, it is surely the bounden duty of government to hinder, by every means in its power, their recurrence. It is no exaggeration to affirm, that we have sustained ten times more injury from the circulation of worthless paper, or paper issued by persons without the means of retiring it, than from the issue of spurious coin. It is said, indeed, by those who are hostile to interference, that coins are legal tenders, whereas, notes being destitute of that privilege, those who suspect them are at liberty to refuse them; but, whatever notes may be in law, they are, in very many districts, *practically* and *in fact*, legal tenders, and could not be rejected without exposing the parties to much inconvenience. It should also be observed, that laborers, women, minors, and every sort of persons, however incapable of judging of the stability of banking establishments, are dealers in money, and consequently liable to be imposed upon. This, then, is clearly a case in which it is absolutely imperative upon government to interfere, to protect the interests of those who cannot protect themselves, either by compelling all individuals applying for stamps for notes, to give security for their payment, or by making sure in some other way, that they have the means of paying them, and that the circulation of the notes will be a benefit, and not an injury to the public.

[To be Continued.]

PUBLIC REVENUES OF GREAT BRITAIN.

Selected from recent English Works.

CUSTOM-HOUSES.

That of London is of early institution, as customs were collected in a regular manner, in the tenth century. A custom-house was erected on a large scale, A. D. 1304; and another on a yet larger scale, was erected in 1559. This last was burnt down in 1666, and a new one was built by Charles II. Again burnt down in 1718, and again rebuilt. The custom-house once more became a prey to fire, Feb. 12, 1814, when it was totally burnt down, and immense property and valuable records were destroyed. The present edifice was opened May 12, 1817. The Dublin custom-house was commenced in 1781, and was opened in 1791. The eastern wing of its warehouse was destroyed by fire, with property to the amount of £ 400,000, Aug. 9, 1832.

EXCISE.

The excise system was established in England by the Long Parliament; was continued under Cromwell and Charles II.; and was organised as at present, in the Walpole administration. It was first collected, and an office opened in 1643, and was arbitrarily levied upon liquors and provisions to support the parliament forces against Charles I. The Excise office was built on the site of Gresham College, in 1774. The officers of excise and customs were deprived of their votes for members of parliament, in 1782.

EXCISE REVENUE OF GREAT BRITAIN IN THE FOLLOWING YEARS.

1744. Great Britain.....	£ 3,754,072	1830. United Kingdom... £ 18,644,385
1786. " "	5,540,114	1834. " " ... 16,877,292
1808. " "	19,867,914	1837. " " ... 14,518,142
1820. " "	26,364,702	1840. " " 12,607,766
1827. United Kingdom	20,995,324	1844. " " 13,922,681

CUSTOMS

Were collected upon merchandise in England, under Ethelred II., in 979. The king's claim to them by grant of parliament, was established 3 Edward I., 1274. The customs were farmed to Mr. Thomas Smith, for £20,000 for several years, in the reign of Elizabeth.—*Stowe*. They were farmed by Charles II. for £ 390,000 in the year 1666.—*Davenant*.

In 1590 they amounted to	£ 14,000	In 1748 they amounted to	£ 2,000,000
In 1592 " "	50,000	In 1808 " "	9,973,240
In 1614 " "	148,000	In 1823 " "	11,498,762
In 1622 " "	168,000	In 1830 United Kingdom	17,540,323
In 1642 " "	500,000	In 1835 " "	18,612,906
In 1720 " "	1,555,600	In 1840 " "	19,915,296

The customs in Ireland were, in the year 1224, viz. on every sack of wool, 3d.; on every last of hides, 6d.; and 2d. on every barrel of wine.—*Annals of*

Dublin. Custom-house officers, and officers of excise, were disqualified from voting for the election of members of parliament, by statute 22, George III., 1782. The customs' business of Ireland was transferred to the London board, Jan. 6, 1830.

PUBLIC REVENUE OF ENGLAND.

The revenue collected for the civil list, and for all the other charges of government, as well ordinary as extraordinary, was £1,200,000 per annum, in 1660, the first after the restoration of Charles II. Raised to £6,000,000 and every branch of the revenue anticipated, which was the origin of the funds and the national debt, William and Mary, 1690—*Salmon's Chronological History.*

PUBLIC REVENUE SINCE THE CONQUEST, BY SIR JOHN SINCLAIR.

1066. William the Conqueror	£400,000	1509. Henry VIII.	£800,000
1087. William Rufus	350,000	1547. Edward VI.	400,000
1109. Henry I.	300,000	1553. Mary	450,000
1135. Stephen	250,000	1558. Elizabeth	500,000
1154. Henry II.	200,000	1603. James I.	600,000
1189. Richard I.	150,000	1625. Charles I.	895,819
1199. John	100,090	1649. Commonwealth	1,517,247
1216. Henry III.	80,090	1660. Charles II.	1,800,000
1272. Edward I.	150,900	1685. James II.	2,001,855
1307. Edward II.	100,000	1689. William III.	3,895,205
1327. Edward III.	154,000	1702. Anne, at the Union	5,691,803
1377. Richard II.	130,000	1714. George I.	6,762,643
1399. Henry IV.	100,000	1727. George II.	8,522,540
1413. Henry V.	76,648	1788. George III.	15,572,971
1422. Henry VI.	64,976	1820. " United Kingdom	65,599,570
1461. Edward IV.		1825. George IV. "	62,871,300
1483. Edward V.	100,000	1830. William IV. "	55,481,317
1483. Richard III.	130,000	1835. " "	50,494,732
1485. Henry VII.	400,000	1845. Victoria "	51,067,856

The following is an exhibit of the revenue for the years ending April 1, 1845 and 1846:

	To April 1, 1845.	To April 1, 1846.
Customs.....	£20,176,731	£17,664,618
Excise.....	12,224,907	11,886,085
Stamps.....	6,714,840	7,095,521
Taxes.....	4,217,748	4,224,039
Property tax.....	5,104,448	5,084,741
Post office.....	679,000	768,000
Crown lands.....	125,000	130,000
Miscellaneous.....	1,067,354	939,747
Total ordinary revenue.....	£ 50,310,028	£47,792,751
Imprest and other monies.....	429,901	170,846
Repayments of advances.....	1,067,774	1,516,887
Total.....	£51,807,703	£49,480,484
Applied to consolidated fund, } (public debt and interest) }	37,362,538	30,453,887
Applied to advances.....	1,003,502	1,406,578
Applied as part ways and means	13,441,663	17,620,019
Total	£51,807,703	£49,480,484

These returns show an increase or decrease for the present year, when compared with the last, as follows :

<i>Increase in 1846.</i>		<i>Decrease in 1846.</i>	
From stamps.....	£ 880,681	From customs.....	£ 2,512,113
“ taxes.....	6,291	“ excise.....	338,822
“ the post office.....	88,000	“ property tax.....	19,707
“ crown lands.....	5,000	Miscellaneous.....	127,607
	<hr/>		<hr/>
	480,972		£ 2,998,249
Repayments... ..	449,113	Imports.....	259,035
	<hr/>		<hr/>
Total.....	930,085	Total.....	£ 3,257,284

The following are the custom duties in gross, received at the chief mercantile ports, during the year 1841 :

1841.		1841.	
London.....*	£ 11,757,262	Newcastle.....	£ 410,076
Liverpool.....	4,140,593	Belfast.....	372,792
Bristol.....	1,046,800	Cork.....	263,364
Dublin.....	977,718	Waterford.....	168,359
Glasgow and Greenock...	949,635	Limerick.....	170,552
Hull.....	712,124	Gloucester.....	123,688
Leith.....	604,098	Plymouth.....	126,727
		Londonderry....	108,607

All the other ports receive less than 100,000*l.*—*From Parl. paper*, dated April 5th, No. 143.

NATIONAL DEBT OF GREAT BRITAIN.

The first mention of parliamentary security for a debt of the nation, occurs in the reign of Henry VI. The present national debt commenced in the reign of William III. It had amounted, in the year 1697, to about five millions sterling, and the debt was then thought to be of alarming magnitude.

In 1702. On the accession of queen Anne, the debt amounted to	£ 14,000,000
In 1714. On the accession of George I. it amounted to.....	54,000,000
In 1749. George II. after the Spanish war, it amounted to....	78,000,000
In 1763. George III. end of the 7 years' war, it amounted to...	139,000,000
In 1786. Three years after the American war, it amounted to..	268,000,000
In 1798. The civil and foreign war, it amounted to.....	462,000,000
In 1802. Close of the French revolutionary war, it amounted to	571,000,000
In 1814. Close of the war against Buonaparte, it amounted to..	865,000,000
In 1814. When the English and Irish exchequers were consolidated.....	848,282,477
In 1830. Total amount of the funded and unfunded debt.....	840,184,022
In 1840. Total amount of “ “ “	789,578,820

LOANS

For the service of the crown of England were generally borrowed at Antwerp, until after the reign of Elizabeth. In 1559, that queen borrowed 200,000*l.* of the city of Antwerp, to enable her to reform her own coin, and

* Being double the amount of duties received at all the ports of the United States, for the same period.

Sir Thomas Gresham and the city of London joined in the security.—*Rapin*.
The amount of the English loans, during four late memorable periods, was, viz.

Seven years' war,	from 1755 to 1763, . . .	£ 52,100,000
American war,	" 1776 to 1784, . . .	75,500,000
French Revolutionary war,	" 1793 to 1802, . . .	168,500,000
War against Buonaparte,	" 1803 to 1814, . . .	206,300,000

Besides the property tax. In 1813, were raised two loans of twenty-one millions and twenty-two millions; and it deserves to be recorded that a subscription loan to carry on the war against France, was filled up in London, in 15 hours and 20 minutes, to the amount of eighteen millions, Dec. 5, 1796.

PUBLIC DEBT OF THE UNITED KINGDOM.

An account of the State of the Public Funded Debt of Great Britain and Ireland on the 5th January, 1845; prepared from the Annual Finance Accounts of the United Kingdom.

GREAT BRITAIN.		1845.	
Debt due to the South Sea Company.....	£ 3,662,784	8s.	6½d.
Old South Sea Annuities.....	3,497,870	2	7
New " ".....	2,460,830	2	10
South Sea Annuities, 1751.....	523,100	0	0
Debt due to the Bank of England.....	11,015,100	0	0
Bank Annuities created in 1726.....	816,140	0	0
Consolidated Annuities.....	366,198,409	4	2½
Reduced Annuities.....	125,641,233	4	7
<hr/>			
Total at 3 per cent.....	513,815,467	2	8½
Annuities at 3½ per cent.....	219,625,256	14	6
New 5 per cent. Annuities.....	430,076	3	2
<hr/>			
Total: Great Britain.....	733,870,800	0	4½
IRELAND.			
Irish Consolidated Annuities, 3 per cent..	5,274,563	15	11
Irish Reduced Annuities, 3 per cent.....	213,929	8	10
Annuities at 3½ per cent.....	29,076,122	18	5
Debt to the Bank of Ireland at 3½ per cent.	2,630,769	4	8
New 5 per cent Annuities.....	3,673	11	2
<hr/>			
Total: United Kingdom.....	771,069,858	19	4½
Capitals transferred to and standing in the names of the National Debt Commissioners on acct. of donations and bequests	307,639	8	4
Unclaimed stock.....	385,174	14	0
Unclaimed Dividends.....	1,183,400	0	0
<hr/>			
Total: unredeemed capitals.....	£769,193,644	17	0½

FUNDS.

To the Venetians is ascribed the origin of the funding system, in A. D. 1171. Public funds were raised by the Medici family at Florence, in 1340. Our funding system, or the method of raising the supplies for the public service in England, by anticipations of the public revenues, (the origin of the national debt,) introduced at the Revolution, 1689.—*Mortimer's Broker*. The funding system is coeval with the commencement of the Bank of Eng-

land.—*Anderson*. The three *per cent.* annuities were created in 1726. The three *per cent.* consols were created 1731. The three *per cent.* reduced 1746. Three *per cent.* annuities, payable at the South Sea-house, 1751. Three and a half *per cent.* annuities created 1758. Long annuities, 1761. Four *per cent.* consols, 1762. Five *per cent.* annuities, 1797 and 1802. Five *per cent.* reduced to four, 1822.

CURIOSITIES OF BANKING.

From the London Bankers' Magazine.

In *Carr's Tour in Ireland*, published in 1806, we find the following description of what then constituted the currency of the country:—

“1st. *A copious effusion of paper*, from a guinea note to several thousand pounds.

2nd. *English guineas*, seldom seen out of the north of Ireland, worth one pound two shillings and nine pence each.

3rd. *Dollars*, worth five shillings and five pence Irish each.

4th. *Silver bank tokens*, of six shillings Irish each.

5th. *Silver bank tokens*, called ten-penny and five-penny pieces, worth so much Irish each.

6th. *Hogs or shillings*, sometimes called *thirteens*, worth thirteen pence Irish each.

7th. *Pigs or testers*, worth seven pence Irish each.

8th *Penny, halfpenny and farthing* pieces, a very recent coinage.”

The following extracts from Mr. Carr's work, will sufficiently illustrate the evils and inconveniences which existed from the imperfect state of the currency before its assimilation to that of England in 1826—only twenty years ago.

“The production of a guinea in many parts of Ireland excites as much curiosity as the display of a *ruble* or a *sicca rupee* would. Upon the arrival of the first of those precious coins in Dublin it speedily finds its way either to the banker's counter, or to shops called “specie shops,” over the doors of which is written “Guineas bought and sold here, and bank notes exchanged for guineas.” Here a guinea exchanged for a bank of Ireland guinea note was some time since resold at one pound three shillings and one pound three shillings and six pence, at present (1806) it is at one shilling, which is low. Small Bank of England notes are at a premium proportionate to guineas.

“The silver coin has always been inferior to the silver coin in England. In the beginning of the year 1804 the silver was so adulterated that, particularly the treasury of the castle refused to take it from the post-office, and in consequence the *postmen* refused to take it from the public, and detained their letters; and the sellers of the necessary articles of life required a higher price for their articles paid for in silver. This distressing difficulty was softened only by permission to the buyer, if he had credit, to keep up a running account with the seller, until the articles sold amounted to a guinea

note when it was paid in paper to that amount! Many persons were obliged to part with what they received as five shillings for wages, for less than half the value in goods.

"The want of good silver coin (says the same writer) is particularly lamentable and embarrassing. Many of the great quantity of base *shillings* in circulation are not intrinsically worth *fourpence*; but if they are of sufficient weight, or what is admitted to be so by tacit consent, viz. two pennyweights and sixteen grains and a half, and do not present too *brazen* an appearance of their felonious origin, they are permitted to descend in to the till, to prevent a total stagnation of trade. Even these shillings are rare, and their rarity is frequently disastrous to business. After having been detained half an hour for change, I have more than once been told by the shopkeeper, with great regret, that he had sent to all his neighbors for change but could not obtain any, and consequently the article purchased resumed its former place upon the shelf. It is worthy of observation, that the mint shilling weighs three pennyweights and twenty-one grains, so that even in *mere weight* an Irish shopkeeper is compelled to submit to a deduction of rather more than one-third.

"The deficiency of silver may perhaps be attributable, in a great degree, to the effusion of silver paper notes during the great circulation of base shillings in the spring of 1804—the former of which the lower class of people preferred; and, in consequence of this cheap substitution, the good silver was sent abroad as the best mode of remittance. After the re-appearance of silver, upon the subsidence of the rebellion, the interest of individuals induced them to export all the good shillings they could industriously procure to England, where twenty-one of them could be exchanged for an English guinea, and in Ireland no less number would be taken for an Irish guinea note; the difference between which, in point of exchange, left a handsome profit to those who engaged largely in the traffic."

Of the manner in which such notes were forced into circulation, we have an amusing account in *Hardcastle's Banks and Bankers* published a short time since.

"The issuers of the small notes resorted to expedients of all kinds for the purpose of forcing a trade. They supplied small traders with their notes, and used to pay a premium to get them into circulation. The bankers themselves were in the habit of attending markets and fairs, like so many hucksters, each putting off his own commodity as best he might. Their favorite issue was not promissory notes, but post bills at ten days sight, which, being generally unaccepted, were paid, if paid at all, at convenience. But the mischief did not rest with the multitude of bankers. Besides the fifty private firms, there were as many as two hundred and ninety-five petty dealers and chapmen, grocers, spirit dealers, apothecaries, and shopkeepers of all sorts, inundating the country with a species of I. O. U. called "silver money," which was a direct violation of the law, and ranged in nominal amount from three halfpence to ten shillings. This fraudulent paper was principally spread

over the south and south-west of Ireland, which further suffered under an enormous distribution of *forged notes*, the unlettered population being in that respect easily imposed upon."

In *Gilbart's History of Banking in Ireland*, he quotes an account of an "old Irish banker" who maintained a "small note" circulation on a capital of such a peculiar character, that we may very properly notice him here. The account is, we believe, by no means an exaggerated example of what frequently occurred. Speaking of the banks which issued such notes as those we give specimens of, the party quoted says:—

"In the town of Killarney was one of those banks; the proprietor of which was a kind of saddler, whose whole stock in that trade was not worth forty shillings; but which forty shillings if even so much, was the entire amount of his capital in the banking concern.

"I once accompanied a large party of English ladies and gentlemen to that enchanting spot; where, having amused ourselves for a few days, we were on the point of returning to Dublin, when one of the party recollected that he had in his possession a handful of the saddler's paper. Accordingly we all set out by way of sport to have them exchanged; one principal object being to see and converse with the proprietor of such a bank.

"Having entered the shop, which barely sufficed to admit the whole company, we found the banking saddler hard at work, making a straddle. One of the gentlemen thus addressed him:—

"'Good morning to you, sir! I presume you are the gentleman of the house.'

"'At your service ladies and gentlemen,' returned the saddler.

"'It is here I understand that the bank is kept?' continued my friend.

"'You are just right, sir,' replied the mechanic; 'this is the Killarney Bank for want of a better.'

"My friend then said—'We're on the eve of quitting your town; and as we have some few of your notes, which will be of no manner of use to us elsewhere, I'll thank you for cash for them.'

"The banker replied, 'cash! please your honour, what is that? is it any thing in the leather line?—I have a beautiful saddle here as ever was put across a horse; good and chape upon my say so. How much of my notes have you sir, if you please?'

"This question required some time for an answer, calculation being necessary; at length my friend counted them out as follows:—

Three notes for 3 <i>d.</i> each,	. . . . .	0 <i>s.</i>	9 <i>d.</i>
Two ditto for 4 <i>d.</i> each,	. . . . .	0	8
Two ditto for 6½ <i>d.</i> each, half a thirteen,	. . . . .	1	1
Three ditto for 8½ <i>d.</i> each, three-fourths of thirteen,	. . . . .	2	1½
Two ditto for 9 <i>d.</i> each,	. . . . .	1	6
One ditto for 1 <i>s.</i> 1 <i>d.</i> , or one thirteen,	. . . . .	1	1

One ditto for 1s. 5d.,	1s. 6d.
One ditto for 3s. 3d., or three thirteens,	3 3
One ditto for 3s. 9½d., or three thirteens and a half,	3 9½

15s. 9d.

“There, sir,” said he, are no less than sixteen of your promises to pay, for the amazing large sum of fifteen shillings and ninepence, sterling money.”

“I should be sorry, most noble sir,” returned the banker, “to waste any more of your lordship’s time, or of those sweet beautiful ladies and gentlemen; but I have an illigant bridle here, as isn’t to be matched in Yoorup, Aishy, Afrikey, or Merikey; it’s lowest price is 15s. 6½d.—we’ll say 15s. 6d. to your lordship. If ye’ll be pleased to accept it, there will be a twopence halfpenny, or a threepenny note coming to your lordship, and that will close the business at once.”

FOREIGN BANKERS.

The following List of Foreign Bankers, has been prepared for the London Bankers’ Magazine from materials furnished by the *London and Westminster Bank* by Messrs. *Herries, Farquhar & Co.*, and the *Union Bank of London*. It may, therefore, be depended on, as accurate up to the latest dates:

TOWNS.	CORRESPONDENTS.	TOWNS.	CORRESPONDENTS
<i>Abbeville</i>	Gavelle & Co.	<i>Bagneres de Bigorre</i>	Villeneuve, Sr. & Co
<i>Aix-en-Provence</i>	Guitton Talamel.	<i>Barcelona</i>	Gerona, Brothers, Clave & Co.
<i>Aix-la-Chapelle</i>	N. Wergifosse.	<i>Bareges</i>	Villeneuve, Sr. & Co.
Do.	Oeder & Co.	<i>Basle</i>	Vischer & Son.
<i>Alexandria</i>	Briggs & Co.	<i>Bayonne</i>	Charles Detroyat &
Do.	Fraser & Co.	Do.	Lanne, Bros. [Corta
<i>Aleppo</i>	Wm. & Rob. Black & Co.	<i>Beirout</i>	Wm. & Rob. Black & Co,
<i>Alicante</i>	Satchell & Co.	Do.	C. Roquerbe & Co.
<i>Almeira</i>	Wm. Barron.	Do.	Lancaster, Watson & Co.
<i>Amiens</i>	Griman & Codeville.	<i>Bergen</i>	Alex. Greig & Son.
Do.	Massey, Sen.	<i>Berlin</i>	Schickler, Brothers.
<i>Amsterdam</i>	Julius Konigswarter.	<i>Berne</i>	Marcuard & Co.
Do.	Hope & Co.	<i>Besancon</i>	Jacquard & Co
<i>Ancona</i>	Fratelli Almagia & Co	<i>Bilboa</i>	Fras. Gaminde.
Do.	G Terni & Son.	<i>Blois</i>	Aucher Bruere.
<i>Antwerp</i>	J. J. Le Grelle.	<i>Bologna (en Italie)</i>	Flavio Perotti.
Do.	Nottebohm, Brothers.	<i>Bombay</i>	Oriental Bank
<i>Anvers</i>	Osy & Co.	Do.	Ritchie, Stuart & Co
<i>Athens</i>	Frederick Strong.	Do.	Bank of Bombay.
<i>Augsbourg</i>	J. A. Susskind.	<i>Bonn</i>	Jonas Cahn.
Do.	P. de Stettin.	Do.	Freid Weerth.
<i>Avignon</i>	Claude Cealis.	<i>Bordeaux</i>	Walter & D. Johnston.
Do.	Thomas, Brothers.	<i>Boulogne-sur-Mer</i>	Achille Adam,
<i>Avanches</i>	F. Hullin.	Do.	Alex. Adam & Co.
<i>Baden-Baden</i>	Aug. Klose.	Do.	Fontaine & Lesage.
Do.	F. S. Meyer.		
Do.	S. Haber & Son.		

<i>Bolzen</i>	J. J. Graff & Co.	<i>Dijon</i>	Drevon & Marion.
<i>Bremen</i>	Erich F. Oelrichs.	Do.	Quinche & Andre, Jun.
Do.	Widow J. Langs, Son	<i>Dresden</i>	H. G. Bassenge & Co.
	& Co.	Do.	M. Kaskel.
Do.	H. Schroder & Son.	<i>Dunkirk</i>	Ch. Carlier.
<i>Breslau</i>	Eichhorn & Co.	Do.	V. D. Morel & Son.
Do.	C. T. Lobbecke & Co.	<i>Dusseldorf</i>	William Cleff
<i>Bruges</i>	Felix du Jardin.	<i>Elberfeld</i>	Von der Heydt Kersten
<i>Brunn</i>	John Herring.		& Son.
<i>Brunswick</i>	Lobbecke, Bros. & Co.	<i>Elsinore</i>	N. & C. Fenwick.
<i>Brussels</i>	Simon Salter.	<i>Emms</i>	Deinhard & Jordan, of
Do.	J. G. Le Grelle.		Coblentz.
Do.	F. Brugmann & Son.	<i>Florence</i>	Maquay & Pakenham.
<i>Cadiz</i>	Loneragan, Brothers &	Do.	Plowden & French.
	Son.	Do.	Em. Fenzi & Co.
Do.	John D. Shaw.	<i>Frankfort-sur-</i>	Gogel, Koch & Co.
<i>Caen</i>	F. Guilbert & Co.	<i>Main</i>	Marcus Konigswarter.
<i>Cairo</i>	Briggs & Co.	<i>Gand</i>	De Meulemeester & Son
<i>Calais</i>	Ph. Devot & Co.	<i>Genes</i>	E. Pescio & Co.
<i>Calcutta</i>	Cockerell & Co.	<i>Geneva</i>	Lombard, Odier & Co.
Do.	Oriental Bank.	<i>Genoa</i>	Gibbs & Co.
<i>Cambray</i>	N. Boniface & Son.	<i>Ghent</i>	The Bank of Flanders.
<i>Canada (Upper)</i>	Bank of.	<i>Gibraltar</i>	Archbold, Johnston &
<i>Cape of Good Hope,</i>	Cape of Good Hope		Powers.
<i>Cape Town</i>	Bank.	<i>Gottenbourg</i>	D. Carnegie & Co.
<i>Cape of Good Hope,</i>	Eastern Province	<i>Gottingen</i>	L. & P. Benfey.
<i>Graham's Town</i>	Bank.	Do.	H. F. Klettwig & Raib-
<i>Carlsbad</i>	Bernard Gottl.		stein.
<i>Carlsruhe</i>	S. Haber & Son.	<i>Graefenburg</i>	Arnstein & Eskeles, of
Do.	Auguste Klose.		Vienna.
<i>Cassel Hesse</i>	L. Feidel.	<i>Granville</i>	Gallien & Toupet.
<i>Cephalonia</i>	Bariff, Hancock & Co.	<i>Graz</i>	Alois Eisl.
<i>Cette</i>	F. Durand & Son.	<i>Halifax (N. S.)</i>	Charman & Co.
<i>Ceylon</i>	Oriental Bank.	<i>Hamburg</i>	S. Heine.
<i>Chalon sur Saone</i>	P. C. Paradis.	Do.	Parish & Co.
<i>Chambery</i>	V. Python & Genoud.	<i>Hanover</i>	L. & A. H. Cohen.
<i>Cherbourg</i>	Mauger, Brothers.	Do.	Adolphe Meyer.
<i>Christiana</i>	A. Gruning & Co.	<i>Hawre</i>	Dubois & Co.
<i>Christiansand</i>	Reinhardt & Co.	<i>Hague</i>	Scheurleer & Son.
<i>Clermont Ferrand</i>	Blanc & Lacombe.	<i>Heidelberg</i>	Ch. Adam Fries.
<i>Coblentz</i>	Deinhard & Jordan.	<i>Hermanstadt</i>	N. Goumina.
Do.	F. H. Kehrmann	<i>Hong Kong</i>	Oriental Bank.
<i>Coburg</i>	Schraidt & Co.	<i>Hyeris</i>	Crassous & Co.
<i>Cologne</i>	J. D. Herstatt.	<i>Inspruck</i>	James Fischner.
Do.	A. Schaaffhausen.	Do.	J. G. Ischurtschenthaler.
<i>Constance</i>	Macaire & Co.	<i>Interlaken</i>	Seiler & Strubin.
<i>Constantinople</i>	Chas. S. Hanson & Co.	<i>Jamaica</i>	Planters' Bank.
Do.	Whittall & Watson.	<i>Jerusalem</i>	W. T. Young.
<i>Cordova</i>	J. Paroldo & Son.	<i>Kissingen</i>	Bolzano, Brothers.
<i>Copenhagen</i>	Frolich & Co.	<i>Konigsberg</i>	C. L. Andersch.
Do.	George Ryan.	<i>Lausanne</i>	Gautier & Co.
<i>Corfu</i>	J. Courage. F. Gysi.	Do.	L. S. Marten.
<i>Corunna</i>	J. Fran. Barrie.	<i>Leghorn</i>	Thomas Harrison.
<i>Damascus</i>	W. & R. Black & Co.	<i>Leipzig</i>	Frege & Co.
Do.	G. H. Gibb & Co.	Do.	M. Kaskel.
<i>Dantzic</i>	Gibson & Co.	<i>Liege</i>	Charles Dubois.
<i>Darmstadt</i>	J. A. Zoeppritz.	Do.	M. J. Vercour & Co.
<i>Dieppe</i>	Osmont Dufour & Co.	<i>Lille</i>	Rouze Mathon.
Do.	Quenouille, Sen.	Do.	L. Pollet, Sen.
<i>Drontheim</i>	Hans Knudtson & Co.	<i>Lisbon</i>	Lucas, Gonne & Gribble

<i>Lisbon</i>	H. G. Skoltz.	<i>Paris</i>	A. Gouin & Co.
<i>L'Orient</i>	Besne, Widow Herbert & Son.	Do.	De Rothschild, Brothers.
<i>Lubec</i>	Muller, Brothers.	<i>Parma</i>	L. Laurent.
<i>Lucca</i>	F. Petri.	<i>Patras</i>	Barff, Hancock & Co.
Do. (<i>Baines de</i>)	Maquay & Pakenham.	<i>Pau</i>	Davantes, Brothers.
Do.	Plowden & French.	Do.	Merillon, Sen.
<i>Lucerne</i>	Falcini, Jun. & Co.	<i>Perpignan</i>	F. Durand.
Do.	F. Knoerr & Son.	<i>Pest</i>	C. J. Malvieux.
<i>Lwourne</i>	W. Macbean & Co.	<i>Pisa</i>	Maquay & Pakenham.
<i>Lyons</i>	Widow Guerin & Son.	Do.	Ferd. Peverada.
<i>Madeira</i>	G. & R. Blackburn & Co.	<i>Port St. Mary</i>	Duff, Gordon & Co.
Do.	Murdoch, Shortridge & Co.	<i>Prague</i>	C. A. Fiedler & Son.
<i>Madras</i>	Bank of Madras.	<i>Presbourg</i>	Arnstein & Eskeles, of Vienna.
Do.	Binny & Co.	<i>Quebec</i>	Branch of Bank of Montreal.
<i>Madrid</i>	Henry O'Shea & Co.	<i>Rastadt</i>	F. S. Meyer.
<i>Malaga</i>	Crooke, Brothers.	<i>Ratisbonne</i>	G. W. Henle.
Do.	John Giro.	<i>Rennes</i>	Charles Le Ray.
<i>Malta</i>	James Bell & Co.	<i>Rheims</i>	Ruinart & Son.
Do.	R. Duckworth & Co.	<i>Riga</i>	Cummings, Fenton & Co.
<i>Mannheim</i>	W. H. Ladenburg & Son.	Do.	Ernest Milne & Co.
Do.	J. G. Reinhardt.	<i>Rio de Janeiro</i>	Freeland, Ker, Collings & Co.
<i>Marienburg</i>	Bernard Gottl.	<i>Rome</i>	Torlonia & Co.
<i>Marseilles</i>	J. D. Richardson & Co.	Do.	Plowden, Cholmeley & Co.
Do.	Salavy, Son & Co.	<i>Rotterdam</i>	Ferrier & Co.
<i>Mauritius (Port Louis.)</i>	Blyth, Brothers & Co.	Do.	Nottebohm, Brothers.
<i>Mayence</i>	G. L. Kayser.	<i>Rouen</i>	B. Cabanon & Co.
<i>Memel</i>	L. Simpson.	Do.	Quesnell, Brothers & Co.
<i>Messina</i>	Cailler & Co.	<i>Salzburg</i>	Spath, Jun.
<i>Metz</i>	P. J. Chedeaux & Co.	<i>Santa Cruz,</i>	
<i>Milan</i>	J. M. Poggi.	<i>Teneriffe</i>	Bruce, Hamilton & Co.
Do.	Ulrich & Co.	<i>Schwalback</i>	Marcus Berle.
<i>Montpelier</i>	F. Durand & Son.	<i>Seville</i>	Cahil, White & Beck.
<i>Montreal</i>	Bank of Montreal.	<i>Shauffausen</i>	Frey & Son.
<i>Moscow</i>	J. L. Burckhardt.	<i>Siena</i>	Maquay & Pakenham.
Do.	A. Marc & Co.	<i>Smyrna</i>	Hayes, La Fontaine & Co.
<i>Munich</i>	A. E. d'Eichthal.	Do.	Lee & Son.
<i>Munster</i>	Ernest Schmedding.	<i>Spa</i>	T. F. Hayemal.
<i>Nancy</i>	Elie Baille.	Do.	G. Wilkin.
<i>Nantes</i>	P. Ciret & Co.	<i>St. Galle</i>	J. J. Mayer & Son.
<i>Naples</i>	Cotterell, Iggulden & Co.	<i>St. Malo</i>	P. Fontan.
Do.	W. J. Turner & Co.	Do.	Lemoine.
<i>Neufchatel</i>	Antoine Fornachon.	<i>St. Omer</i>	A. Caffieri.
<i>Nics</i>	Avigdor, Sr. & Son.	<i>St. Petersburg</i>	Cayley, Moberley & Co.
Do.	E. Carlone & Co.	Do.	Wilson & Co.
<i>Nismes</i>	Vincens Devillas & Co.	<i>Stockholm</i>	D. Erskine.
<i>Nuremberg</i>	Leonard Kalb.	Do.	Tottie & Arfwedson.
<i>Nuremberg (Furth, near)</i>	Widow of F. H. Kenigswarter & Son.	<i>Strasbourg</i>	Rattisbonne, Brothers.
<i>Odessa</i>	E. Maho & Co.	Do.	Renouard de Bussierre.
<i>Oleron</i>	Davantes, Brothers.	<i>Stuttgart</i>	The Son of G. H. Keller.
<i>Oporto</i>	Burwester & Co.	<i>Turbes</i>	Villeneuve, Son & Co.
Do.	Cockburns, Greig & Dunlop.	<i>Teneriffe</i>	Bruce, Hamilton & Co.
<i>Orleans</i>	Daguët, Sr. & Co.	<i>Toronto</i>	Bank of Upper Canada.
<i>Ostend</i>	F. A. Belleroche.	<i>Toulon</i>	M. Trabaud, Brothers.
<i>Palermo</i>	George Wood & Co.	Do.	Crassous, Cadet & Son.
<i>Paris</i>	Callaghan & Son.	<i>Toulouse</i>	Courtois & Co.
		Do.	Pascal, Solon & Co.

<i>Tours</i>	Gouin, Brothers.	<i>Valencia</i>	White, Llano & Vague.
<i>Treves</i>	Reverchon & Co.	<i>Verona</i>	J. Smania.
<i>Trieste</i>	J. Collioud.	<i>Vevey</i>	Philippe Genton & Co.
Do.	Lang, Freeland & Co.	<i>Vienna</i>	Arnstein & Eskeles.
<i>Turin</i>	Fs Long & Son.	<i>Vigo</i>	Menendez & Barcena.
Do.	Nigra, Brothers.	<i>Warsaw</i>	S. A. Fraenkel.
<i>Utrecht</i>	Vlaer & Kol.	<i>Weimar</i>	Julius Elkan.
<i>Valenciennes</i>	George Serret & Co.	<i>Wiesbaden</i>	Marcus Berle.
<i>Venice</i>	Holme & Co.	<i>Wurzburg</i>	Gregon Ochninger.
Do.	Schielin, Brothers.	<i>Yverdon</i>	Chs. Constancon & Son.
Do.	Tatam & Mudie, British Consulate.	<i>Zante</i>	Barff, Hancock & Co.
		<i>Zurich</i>	Gaspard Sculthess & Co.

SAVINGS' BANKS.

From the London Bankers' Magazine.

Savings' Banks are now regulated by the statutes 9 Geo. IV., c. 14; 5 and 6 Will. IV., c. 57; and 7 and 8 Vic., c. 83.

The amount allowed to be invested by any one depositor cannot exceed £30 in any one year, ending on the 20th November, nor more than £150 on the whole; when the sum amounts to £200 no interest is payable. The rate of interest payable to the trustees and managers is £3 5s. per cent. per annum, and that payable to depositors must not exceed £3 0s. 10d. per cent. per annum.

Trustees or treasurers of any charitable provident institution or society, or charitable donation, or bequest for the maintenance, education, or benefit of the poor, may invest sums not exceeding £100 per annum, and not exceeding £300, principal and interest included. Friendly societies, whose rules have been duly certified pursuant to the acts of Parliament relating thereto, may deposit the whole, or any part of their funds. The several provisions of these statutes, as far as they relate to the deposits and depositors, will be found in the rules of every Savings' Bank.

On the 20th November, 1844, there were 577 Savings Banks established in the United Kingdom, &c. viz.—504 in Great Britain, and 73 in Ireland; and the amount of deposits, including interest, was £29,504,864; the number of accounts open, 1,012,047, of which 564,642 were those of depositors under £20 each, the average amount be under £7, and the number of depositors exceeding £200 each was only 3044. If the number of friendly societies in direct account with the commissioners for the reduction of the national debt be added, the *gross total* will show the number of accounts to be *one million twelve thousand four hundred and seventy-five*, and the sum invested, *thirty-one million two hundred and seventy-five thousand six hundred and thirty-six pounds*.

Since the 20th November, 1844, 12 Savings' Banks have been established—viz. 9 in England; 2 in Scotland; and 1 in Ireland.

Recapitulation of Savings' Banks in England, Scotland, Wales, and Ireland

	Population.	No. of Savings' Banks.	No. of Accounts.	Amt. on Deposit.
England,	15,071,602	445	832,290	£ 25,112,865
Scotland,	2,628,957	36	69,324	1,043,183
Wales,	911,321	23	18,699	599,796
Ireland,	8,175,124	73	91,243	2,749,017
Totals.	26,787,004	577	1,012,047	£ 29,504,861
	Deposits in Friendly Societies,		428	1,770,775
			1,012,475	£ 31,275,636

The average amount on deposit in Savings' Banks for each inhabitant is for England, about thirty-three shillings sterling, Scotland, eight shillings, Wales, thirteen shillings, Ireland, six shillings.

LEGAL MISCELLANY.

BANKS.

- I. Acts incorporating Banks, Construction of, &c., generally, and in particular instances.
 - II. Statutes respecting Banks and Bankers, and their Proceedings.
 - III. Authority, &c. of Officers of Banks, and of the admissibility in Evidence, and the Effect, of their Declarations, &c.
 - VI. By-laws and Customs of a Bank.
 - V. Rights, Authority, and Liability of a Bank.
 - VI. Stockholders' Rights and Liabilities.
- I. *Acts incorporating Banks, Construction of, &c. generally, and in particular instances.*
1. A bank charter is a contract between the state and the stockholders, and no subsequent statute can impair its obligation. *Logwood v. Huntsville Bank*, Minor, 23. *State v. Tombeckee Bank*, 2 Stew. 30.
 2. Statutes establishing banks in Virginia are public laws, and to be noticed by the courts *ex officio*. *Stribbling v. Bank*, &c. 5 Rand. 132.
 3. The statute authorizing the Bank of Utica to establish an office of discount, &c., at Canandaigua, being to extend the powers of the bank under its act of incorporation which was a public act, is also a public act, of which every person is to take notice. *Bank of Utica v. Magher*, 18 Johns. 341.
 5. Where a charter incorporating a bank reserves for the use and benefit of the state, certain shares of the capital stock, to be subscribed for in such manner as the legislature may direct, and also provides that any director, &c., holding any shares therein, who shall commit any fraud, &c. shall be liable to prosecution by indictment in the name of the state; it is a public law, and must be judicially taken notice of. *Towson v. Havre de Grace Bank*, 6 Har. & J. 47.
 8. The debtors of the State Bank of Illinois cannot object that the bank is unconstitutional. *Snyder v. State Bank*, 1 Breese, 122. See also *Lyon v. State Bank*, 1 Stew. 442.

9. A bank charter granted by the governor of one of the United States, reciting his authority, by the laws of that state, to make such grants, and authenticated by the great seal thereof, in the absence of proof that its laws did not warrant such an exercise of authority on the part of the governor, is sufficient evidence, *per se*, to prove the existence of such bank. *Agnew v. Bank of Gettysburg*, 2 Har. & Gill, 478.

10. A debt due to the State Bank of Illinois is due to the state, and the state can release it. *Ernst v. Ernst*, 1 Breese, 247. *Ernst v. State Bank*, 1 Breese, Appx. 31.

11. The statute incorporating the Bank of Columbia, which gives the bank a summary proceeding against its debtors, is constitutional. *Bank &c. v. Okely*, 4 Wheat. 235. It does not interfere with any legal defence the debtor may have against the claim. *Bank of Columbia v. Sweeney*, 2 Pet. 671. And this provision is repealable by the legislature. 4 Wheat. *ubi. sup.*

12. A bank incorporated with the privilege of creating a stock not less than one sum, nor greater than another, may commence business with the smaller capital, and afterwards increase it to the larger. *Grey v. Portland Bank*, 3 Mass. 364.

13. A provision in an act incorporating a bank, which requires the capital stock to consist of fifty thousand shares of ten dollars each, is not a condition precedent, and the bank may lawfully commence operations with a capital less than that number of shares. *Minor v. Mechanics Bank, &c.* 1 Pet. 46.

14. The act incorporating a bank appointed commissioners to receive subscriptions but did not provide for a surplus of subscriptions over the capital stock. They greatly exceeded this; and the commissioners subscribed largely for themselves, after this amount had been subscribed by others. They apportioned the stock, excluded the complainant and other subscribers, and allotted shares at discretion to themselves and others, without regard to the subscriptions. Held, the commissioners have, by implication, in the first instance, a power to remove the excess of subscriptions, but subject to supervision of law for fraud or error, for exceeding their authority or violating private rights. *Meads v. Walker*, 1 Hopk. 587.

15. The rule against a trustee's exercising his trust for his own benefit applies to the commissioners; as every subscriber gained a right by subscription and payment. *ib.*

16. Held that, the commissioners having allotted to themselves and their copartners about two-fifths of the capital stock, and wholly excluded the complainants, the distribution was wrong, though not fraudulent, and should be rectified. *ib.*

17. The privilege given to a bank, in its charter, to discount upon moneys deposited for safe keeping does not extend to special deposits. *Foster v. Essex Bank*, 17 Mass. 506.

18. The act incorporating the Bank of Kentucky provides that the bank shall receive money on deposit without being required to give a sealed obligation to repay it. This enactment creates a liability to the depositor by the act of depositing—an assumpsit in law implied from an act *in pais*. *Bank of Kentucky v. Wister*, 2 Pet. 324.

19. A bank that is prohibited, by its charter, from vesting, using, or improving any of its moneys, goods, &c., in trade or commerce, may nevertheless lawfully take notes payable in bills of other banks, and receive such bills at a discount in payment for their notes. *Portland Bank v. Storer*, 7 Mass. 433.

20. And may make loans in their own bills, on a contract that if any of the bills shall be returned during the continuance of the loan, the borrower shall redeem them with specie, and that he shall also receive of the bank a certain amount of the bills of other banks, for which he should pay specie. *Northampton Bank v. Allen*, 10 Mass. 284.

21. The Chenango Bank agreed with A, and his endorsers, to let them have \$5,000 in its bills, on their depositing \$2,000; they were to pay no interest so long as the bills were kept out, and were not to suffer, at any time, a greater number of the bills to return than the amount of the deposit, and were to have the money as long as they kept the exchange good. Each party had liberty to end the contract, by giving six months' notice; and if the exchange were not kept good, the bank might demand immediate payment. A gave the bank a note for \$5,000, with two endorsers payable in ninety days. In a suit on this note, it was held that the contract was not usurious; that the note was discounted by the bank, within the meaning of its act of incorporation; and that although, when the note fell due, none of the bills had been returned to the bank, and therefore nothing was due on the note, and more than six months had elapsed, yet the endorsers were not discharged, because they were estopped, by the agreement, to take such objection. *Bank of Chenango v. Curtis*, 19 Johns. 326.

22. An act incorporating a banking company provided that if the corporation should refuse or neglect to pay their bills on demand, "their original stockholders, their successors, assigns, and the members of the corporation," should, in their private capacities, be liable to the holder. Held that, such only of the original stockholders, their successors, &c., as were members of the corporation, at the time payment was refused, were liable. *Bond v. Appleton*, 8 Mass. 472.

25. The act to incorporate the Utica Insurance Company, March, 1816, did not authorize the company to carry on banking operations. *People v. Utica Insurance Company*, 15 Johns. 358.

26. The act, incorporating the Manhattan Company, authorizing the employment of its surplus capital in the purchase of public or other stock, or in any other monied transactions not inconsistent with the constitution and laws of New York or of the United States, having been passed before any restraining act rendering banking illegal, if carried on by corporations not specially created for banking purposes, said company has the right of doing banking business, and is not affected by the restraining acts, the original act having never been repealed. *People v. Manhattan Company*, 9 Wend. 351.

27. The provision in the charter of Monmouth Bank that "no director shall be entitled to any emolument unless the same shall have been allowed by the stockholders at a general meeting," does not deprive the directors of compensation for services rendered while they are directors, if they are not rendered in their capacity as such. *Chandler v. Monmouth Bank*, 1 Green, 255.

28. By the charter of Brooklyn Bank, the commissioners were authorized, if there should be an excess of subscriptions, so to distribute the stock among the subscribers as should seem to the commissioners most advantageous to the institution. Those who should subscribe for twenty shares or more, were not to receive less than twenty, unless they, or those for a less number, should exceed the whole amount of stock; and no commissioner was to be allowed more than two hundred and fifty shares, if without it all the stock should be taken up. There was an excess of subscriptions; and it was held that the commissioners were authorized to take each two hun-

dred and fifty shares, and were not bound to give stock to every subscriber, and could not be compelled to make a rateable apportionment of the stock. *Clark v. Brooklyn Bank*, 1 Edw. Ch. 361.

29. Under the act incorporating the Bank of Niagara, the bank did not forfeit its charter by insolvency and closing its operations, if payment of its debts were resumed before prosecution. *Aliter*, if a prosecution were commenced before payment was resumed. *People v. Niagara Bank*, 6 Cow. 196.

30. Under the act incorporating Washington and Warren Bank, insolvency and refusal to pay its bills on demand were not, of themselves, ground for an information in the nature of *quo warranto*, or other process to oust the company of its corporate rights. *People v. Washington, &c. Bank*, 6 Cow. 211.

31. By the 10th section of that act, the holder of bills that the bank refuses to pay in specie may recover not only the principal sum due, with usual interest, but also ten per cent. per annum on the same principal, from the day of demand, till payment. *Wendell v. Washington, &c. Bank*, 5 Cow. 161.

32. The provision in the Pennsylvania statute of March, 1813, that no stockholder of either of the banks incorporated thereby, indebted to such institution, should be authorized to make a transfer, or receive a dividend, till such debt shall have been discharged, embraces notes discounted by the bank, and is not confined to debts on account of original subscription to the bank. *Rogers v. Huntingdon Bank*, 12 S. & R. 77.

33. The word *indebted*, in this article, includes the case of a note discounted at the bank, but not actually *due* at the time the transfer is applied for. *Grant v. Mechanics' Bank*, 15 S. & R. 140. *S. P. Sewall v. Lancaster Bank*, 17 S. & R. 285.

34. Acts which provide that no transfer of bank stock shall be valid or effectual until it is registered in a book of the bank to be kept for that purpose, and that debts of the vendor, due to the bank, shall be first paid, were intended merely for the protection of the Banks—to give them a lien, and enable them to know to whom dividends are due. A transfer of stock is valid, between vendor and vendee, though not thus registered; but until registry, a bank, it seems, would be protected in paying dividends to him in whose name the stock stands on the books, though it had been secretly transferred. *Bank of Utica v. Smalley*, 2 Cow. 770.

35. The charter of the Union Bank of Georgetown provided that shares should be transferable only on the books of the bank, according to the rules to be established, conformably to law, by the president and directors, and that all debts due and payable to the bank, by a stockholder, must be satisfied before the transfer should be made, unless the president and directors should order to the contrary. Held that a legal title to shares could not be acquired, except by a regular transfer, according to the rules of the bank, and that, if an equitable assignment were made, it must be subject to the rights of the bank, under the charter, of which the assignee is bound to take notice. *Union Bank v. Laird*, 2 Wheat. 390.

36. Under the act establishing the Chenango Bank, which imposes a penalty of 14 per cent. until tender, for refusing payment of its notes, it was held that payment must be made within a reasonable time after demand, according to circumstances; that a sum of ordinary magnitude should be paid at least during the day of demand; that the officers must employ themselves diligently, in paying, in the order of time that demands are made; that the bank cannot, at its option, pay in small pieces when it has large in its vault, thus causing delay; that it should keep money count-

ed out, or servants sufficient to count it out in a reasonable time, and that unreasonable delay was refusal to pay, and subjected the bank to said penalty. *Hubbard v. Chenango Bank*, 8 Cow. 88. See 3 Mason, 1.

37. Tender at the banking-house, without notice to the creditor, will prevent the running of the 14 per cent; but it must be not only of the principal sum, but also of the 14 per cent. between the refusal and tender. *ib.*

38. Before the passing of the Massachusetts statute of 1816, chapter 91, there was nothing in the charters of the banks of that state which prohibited them from issuing drafts on a bank in another state, where they had funds deposited, for small sums, with the intention of their being circulated as bank bills. *King v. Dedham Bank*, 15 Mass. 447. See *Post* 63.

40. Where a new bank was incorporated with the same name as an old one, whose charter was expiring, the new bank was held not to be responsible for the notes of the old, though a major part of the stockholders were the same in each. *Bellows v. Hollowell, &c. Bank*, 2 Mason, 31. See also 14 Mass. 58.

41. Under an act authorizing a bank to hold as much real property as may be requisite for its immediate accommodation, in relation to the convenient transaction of its business, and no more, the bank may purchase more ground than is necessary for the erection of a banking-house, build fire-proof houses on the vacant land for the greater security of the banking-house, and sell them out to third persons. *Banks v. Poitiaux*, 3 Rand. 136.

42. Even if the bank violated its charter in so doing, the only proceeding against it would be by *quo warranto*; and the purchasers of the houses cannot resist a specific performance of their contracts, by alleging that the bank had exceeded its powers, in erecting and selling them. *ib.* See also 16 Mass. 102. See *vide* 2 Cranch, 128. 15 Johns. 358. 5 Conn. 560. 2 Cow. 699.

43. Authority given to a bank, by its charter, to take real estate in payment of its debts, either by conveyance or purchase under judgments in its favor, seems to include the power of selling or conveying the same. *Jackson v. Brown*, 5 Wend. 590.

44. Authority, so conferred, to convey real estate, enables the bank to pledge it by mortgage to secure the payment of its debts. *ib.*

46. The charter of the Bank of North America authorized the bank to have, hold, purchase, and retain lands, &c., and to sell them, "provided that such lands, which the said corporation are hereby enabled to purchase and hold, shall extend to only lots, &c., necessary for the business of the bank." Held that the bank might purchase land in a distant county, though it could retain only an estate defeasible by the commonwealth. *Leazure v. Hillegas*, 7 S. & R. 313.

47. Where the charter of a bank authorized it to hold "such lands as were *bona fide* mortgaged or conveyed to it in satisfaction of the debts previously contracted in the course of its dealings," it was held that the intention was only to restrict the right to cases where the loan should be real and not merely colorable; and that where the transaction was fair on the part of the debtor, the circumstance of the bargain having been prudent or otherwise, on the part of the bank, did not affect its validity. *Baird v. Bank of Washington*, 11 S. & R. 411. It seems that even if the bank had not the right to hold the property as against the state, the acquittance of the debt would not be void, and that a conveyance made with a view not to permanent ownership by the corporation, but with a view of raising money by a sale of the property, would not be in violation of the charter. *ib.*

48. Where, by the charter of a bank, the directors were to be chosen annually, and they, "for the time being, have power to appoint a cashier, and such other officers under them, as may be necessary for executing the business of said corporation," a cashier so appointed is an officer of the corporation, the duration of whose office, in the absence of an express limitation, is limited only by the duration of the charter; but he is liable to be removed by the directors as occasion may require, and is not necessarily an annual officer. *Union Bank of Maryland v. Ridgely*, 1 Har. & Gill, 324. S. P. *Dedham Bank v. Chickering*, 3 Pick 341.

49. To sustain a judgment on notes recovered by the Huntsville Bank, or the Tombeckbee Bank, *on motion*, pursuant to the provisions in their respective charters, the record must show that the certificate of the president was produced, stating that the bank was the owner of the notes. *Logwood v. Huntsville Bank*, Minor 23. *Duncan v. Tombeckbee Bank*, 4 Porter, 181.

50. Filing a declaration, in such case, is unnecessary, and does not so alter the proceeding, as to dispense with the necessity of the certificate. 4 Porter, 181. *Lyon v. State Bank*, 1 Stew. 442.

57. The act establishing the Bank of the Commonwealth of Kentucky is not repugnant to the constitution of the United States. *Lampton v. Bank, &c.* 2 Litt. 300. *Briscoe v. Bank, &c.* 7. J. J. Marsh. 349.

58. The Bank of Zanesville has, by its charter, a lien on the stock of its debtors, though their notes have not come to maturity; and the lien ought not to be relinquished without an indemnity. *Downer v. Bank of Zanesville*, Wright, 477.

II. Statutes respecting Banks and Bankers, and their Proceedings.

59. The New York statute of April, 1825, was wholly prospective as to forfeitures, &c., but not exclusively so as to the remedy. *People v. Niagara Bank*, 6 Cow. 196. *People v. Washington, &c. Bank*, 6 Cow. 211.

60. It is not a violation of the New York statute of April, 1818, for an incorporated bank in another state to lend money, and take a mortgage for security in New York. *Silver Lake Bank v. North*, 4 Johns. Ch. 370.

61. Prior to the restraining statute, the right of banking was a common law right of individuals; but subsequently it is a franchise derived from the legislature. *Attorney General v. Utica Ins. Co.* 2 Johns. Ch. 377. S. P. 15 Johns. 358.

62. The Massachusetts statute of 1812, c. 57, which prohibited banks, after the expiration of their charters, from issuing or putting into circulation any securities for money, did not extend to the assignment of a note for the purpose of paying a debt owed by the bank before the charter expired; no new obligation being contracted by the bank. *Hallowell, &c. Bank v. Hamlin*, 14 Mass. 178.

63. The statute of 1816, c. 91, section 2, so far as it enacted that every bank, which had issued any bill, &c. payable at any other place than where the bank was established by law and kept, should be liable to pay the same on demand at said bank, without a previous demand at the place where it might, on its face, be made payable, was inoperative, and not binding, on the parties to such bills, &c. nor on the courts. *King v. Dedham Bank*, 15 Mass. 447. See *Ante*, 38.

64. The statute of 1809, c. 38, imposing (prospectively) a penalty of two per cent. a month on the amount of bank notes, which the bank issuing them should refuse or neglect to pay on demand, was held to be constitutional and valid. *Brown v. Penobscot Bank*, 8 Mass. 445.

65. Tender after action brought to recover such penalty will stop the running of the twenty-four per cent. interest. *Suffolk Bank v. Worcester Bank*, 5 Pick. 106.

66. Under the New York statute, a tender, to avoid the running of penal interest, after refusal to pay, must be personal: tender at the bank, in the creditor's absence, is not sufficient. *Hubbard v. Chenango Bank*, 8 Cow. 88.

67. A bank was incorporated for twenty years, and before that time had expired, a statute was passed by which all corporations then existing, &c. whose powers would cease at a given time, were continued corporate bodies for three years after their powers would otherwise cease, for the purpose of prosecuting and defending all suits that then were or thereafter might be commenced, &c. but not for the purpose of continuing the business for which they were established. This statute was held to be constitutional, and the bank was held to answer, after the twenty years had elapsed, to an action previously pending. *Foster v. Essex Bank*, 16 Mass. 245.

68. So a state may revive a bank charter which has expired, without creating a new corporation, and the revived corporation may maintain a suit commenced after the passing of the reviving act. *Lincoln, &c. Bank v. Richardson*, 1 Greenl. 79.

69. The New York statute "to restrain unincorporated banking associations" does not apply to an individual who does banking business alone and on his own credit only. *Bristol v. Barker*, 14 Johns. 205.

70. But an insurance company, not being authorized by law to become proprietors of any bank or fund, for the purpose of issuing notes, receiving deposits, making discounts or transacting any other business, which incorporated banks may lawfully do, any note discounted by them, or security taken for money lent, &c. is void within the meaning of that statute. *Utica Ins. Co. v. Scott*, 19 Johns. 1. *Same v. Cadwell*, 3 Wend. 296. *Same v. Hunt*, 1 Wend. 56.

71. But as the lending of money is not declared void, money lent by such company may be recovered, though the security is void. *Utica Ins. Co. v. Kip*, 8 Cow. 20. 19 Johns. 7.

72. Carrying on banking operations contrary to the statute, is not such a mischief or nuisance that the chancellor would grant an injunction to restrain it, even though he had general jurisdiction over public nuisances. *Attorney General v. Utica Ins. Co.* 2 Johns. ch. 377. *Att. Gen. v. Bank*, 1 Hopk. 354.

73. Though the Virginia act of February, 1816, respecting unchartered banks, was suspended by the acts of November, 1816, yet the act of 1805 remained in force: therefore no action can be brought by an unchartered bank on a bond given for notes issued by such bank. *Wilson v. Spencer*, 1 Rand. 76.

74. Under the Ohio statute, which authorizes a joint action against the maker and endorsers of a note, where banks and bankers are parties, it was held, in a case where one of the endorsers was dead when the action was commenced, and the maker died insolvent after judgment, that the bank could not ask the aid of equity against the maker's administrator, until it had made use of all legal remedies against the other endorser, &c. *Bank of Chillicothe v. Yoe*, 4 Ham. 125.

75. Under a statute of New York, which contained a provision, as to a particular bank, like that in the general statute of Ohio, it was held that a declaration against the maker and endorser jointly, as if they were joint makers, was good, and that the note might be given in evidence under such a count; but that such note could not be given in evidence under the money

counts, were the maker and endorser were joined. *Bank of Chenango v. Curtiss*, 19 Johns. 326.

76. The Pennsylvania statute of April, 1822, which restored banks that had forfeited their charters, was constitutional and legalized notes taken by them after forfeiture; it also extended to actions pending when it was enacted. *Bleakney v. Farmers' &c. Bank*, 17 S. & R. 64.

77. The statute of 1814, which exacts a duty of eight per cent. on bank dividends, on penalty of forfeiture of the charter, does not prevent the state from recovering the duty, in a suit against a bank, after its charter has been declared to be forfeited for non-payment. *Commonwealth v. Huntingdon Bank*, 2 Pennsylv. 438.

78. Under statute of 1814, art. 11, providing that no stockholder indebted to a bank shall make a transfer or receive a dividend until the debt is discharged, or satisfactory security is given for it, the bank has a lien on stock (though levied on by a judgment creditor) for notes made before, though falling due after, the levy, and though the notes have been renewed. *Sewall v. Lancaster Bank*, 17 S. & R. 285.

79. And the bank may hold the whole of its debtor's stock till the debt is paid, though the debt be less than the value of the stock; not being obliged to appropriate a part and transfer the rest. *ib.*

80. The statute of 1810, prohibiting all existing unincorporated banking companies from doing banking business, was constitutional and valid. *Myers v. Irwin*, 2 S. & R. 368. See 4 Binn. 418, *White v. Commonwealth*.

81. The Kentucky statute of 1819, authorizing banks, other than those where notes are made payable, to discount notes negotiable and payable at any bank, though retroactive, is not unconstitutional. *Taylor v. Farmer's &c. Bank*, 4 Litt. 342.

82. The New York statute of April, 1816, which provided that all bills, notes, or tickets, in the form and similitude of bank bills or notes, issued by any person, and made payable in the bills or current notes of any incorporated company, might be sued (in case of default of payment according to their tenor) and collected by and in the name of the holder, was held to extend to a bill or note in the form and similitude of bank bills, payable on demand in notes current at the Bank of Albany, or in current bank bills; and such bill or note might be given in evidence under the money counts, in a suit by the holder against the maker, after demand of payment. *Throop v. Cheeseman*, 16 Johns. 264.

83. The remedy given by this statute extended as well to notes issued and bearing date before, as to those dated after the passing thereof. *ib.*

84. By the statute authorising the Bank of Utica to establish an office of discount and deposit at Canandaigua, and requiring all notes issued at such branch at C. to be countersigned by the cashier, and declaring that the same should be considered as payable on demand at such branch at C., the holder of a note of the Bank of Utica, so countersigned and issued, cannot maintain an action upon it against the Bank of Utica, without having previously demanded payment of it at the branch at C. A demand of payment at the Utica Bank only is not sufficient. *Bank of Utica v. Magher*, 18 Johns. 341.

85. A note of the Utica Bank on which is written, "Countersigned, O. Seymour," is countersigned within the meaning of the act; for it is not necessary, to give the note validity, that he should add to his name his official character of cashier at C. The presumption in a such a case is, that the countersigning is official; and if there be any ambiguity on the face of the note, it may be explained by parol. *ib.*

86. The 10th article of the constitution of Indiana, which provides that

the Bank of Vincennes shall be considered as an incorporated bank, gives no new powers or privileges to that bank, but merely continues it under the state government, as it was under that of the territory. *State Bank v. State*, 1 Blackf. 270.

87. An individual keeping an office of deposit to discount notes is within the New York statute against private banking. So of keeping an office for carrying on any other single banking operation. *People v. Bartow*, 6 Cow. 290.

88. But the statute does not preclude individuals and corporations, if otherwise authorized, from lending their money on promissory notes by way of discount or otherwise; the keeping of an office of deposit, for the purpose of carrying on banking, was the evil which the statute was intended to prevent. *People v. Brewster*, 4 Wend. 498.

89. The Pennsylvania statute of March, 1808, which enacted that members of banking associations thereafter formed should be individually liable for the debts of the association, was not an implied incorporation of banking companies afterwards formed. *Myers v. Irwin*, 2 S. & R. 368.

90. The statute of March, 1814, enacted that all notes issued by unincorporated banking companies should be void, and not recoverable. The statute of March, 1817, repealed so much of the former act as prevented the holders of such notes from receiving against the drawers. Held, that the holder of such note issued after the former act, and before the latter, might recover against the members of the company. *Hess v. Werts*, 4 S. & R. 356.

91. Though such notes were by their terms payable "out of the joint funds according to the articles of association," yet the members were liable in their separate property. *ib.*

92. The Massachusetts statute of 1809, c. 38, (which made penal the receiving as a deposit, or in other way negotiating, loaning, or passing payment, by any banking corporation, of the bank bills or notes of any banking company not incorporated by the legislature of Massachusetts, except the bills of the United States Bank,) rendered void any note made payable to a bank in such prohibited bills; and the subsequent repeal of the statute did not purge the illegality of the contract. *Springfield Bank v. Merrick*, 14 Mass. 322.

93. Banks of other states are within the restraining statutes of New York, and cannot recover, in that state, the amount of a check discounted by them in violation of those statutes. *Pennington v. Townsend*, 7 Wend. 276.

94. The New York statute of "April, 1825, to prevent fraudulent bankruptcies by incorporated companies, and to facilitate proceedings against them," is constitutional, even as it respects previously incorporated companies. *Bank of Columbia v. Attorney General*, 3 Wend. 588. *People v. Tibbets*, 4 Cow. 384.

95. The 10th section of that statute applies to an information in nature of a *quo warranto*, which the attorney general had moved to file before the statute was passed, but which the court did not give leave to file till after its passage; the statute altering the form of a remedy merely, though it hastens the time of trial. 4 Cow. *ubi sup.*

96. Under that section of the statute, the court will make a rule for the defendant to appear, as well as to plead within a certain time, without process, on giving leave to file an information under the 9th section. *ib.*

97. The lien of a bank upon the stock of its debtor, by virtue of the Pennsylvania statute of March 21, 1814, operates for the benefit of the debtor's surety; and therefore, if the bank permit such stock to be sold, and the proceeds to be applied to discharge a debt due to the bank by the same debtor on a note of a subsequent date, the surety in the previous case will thereby be discharged. *Kuhns v. Westmoreland Bank*, 2 Watts. 136.

III. *Authority, &c. of Officers of Banks, and of the Admissibility in Evidence, and the Effect, of their Declarations, &c.*

98. Where one was elected to be an officer of a banking corporation by the body in which the right to elect was vested, but by a less number than the charter required, it was held that he was an officer *de facto*, and that his acts were good, at least as respected third persons. *Baird v. Bank of Washington*, 11 S. & R. 411. See 7 Cow. 530, note.

99. Although, as between the corporation and the individual, a bank director has no right to vote in a matter in which his interest is concerned, yet as respects the *bona fide* contracts of third persons, such vote would be valid. *ib.*

100. Neither a cashier nor a depositor has any lien on the funds of an insolvent bank for salary or deposits, but must come in as ordinary creditors, under the New York statute. *Brynn v. Receiver, &c.* 9 Cow. 413, note.

101. The president of a bank may transfer, by his endorsement, a note made, &c. to the corporation, if he has a general authority for that purpose from the directors; and the seal of the corporation need not be affixed to the transfer, nor a particular vote therefor be passed on the subject. *Spear v. Ladd*, 11 Mass. 94. *Northampton Bank v. Pepon*, 11 Mass. 288.

102. The directors have authority to control all the property of the bank; and they may authorize one of their number to assign any securities belonging to the corporation. A blank endorsement, in pursuance of such authority, by the person so authorized, is sufficient to transfer a note; and the endorsement may be properly filled at the bar. 11 Mass. 288.

103. A parol agreement made by the directors does not bind the corporation. *Hughes v. Bank of Somerset*, 5 Litt. 45.

104. The directors have power to authorize the president and cashier to borrow money or obtain discounts for the use of the bank. *Ridgway v. Farmers' Bank*, 12 S. & R. 256.

105. The holder of a draft drawn by the president of a bank who has authority for the purpose, cannot be affected by fraud or collusion between the drawer and endorser, if he has obtained the bill for value *bona fide*, and in the course of business. *ib.*

106. The president of a bank incorporated by the Pennsylvania general statute of 1814, is not thereby empowered to raise money by drafts on the bank, and he cannot acquire such authority from a resolve of the directors authorizing him and the cashier to borrow money, &c. If, however, both agree on the plan of borrowing money, it is unnecessary that both should sign the papers to carry it into effect. *ib.*

107. The officers of a bank are held out to the public as having authority to act according to the general usage, practice, and course of their business, and their acts, within the scope of such usage, practice, and course of business, will in general bind the bank in favor of third persons possessing no other knowledge. *Minor v. Mechanics' Bank of Alexandria*, 1 Pet. 46.

109. The cashier of the bank of Kentucky has no authority, *ex officio*, to accept bills of exchange. *Pendleton v. Bank*, 1 Monr. 179.

110. The cashier of a bank cannot assign notes belonging to it unless authorized by the bank, or by the directors, pursuant to powers vested in them. *Hartford Bank v. Barry*, 17 Mass. 94.

111. But his endorsement of such notes would authorize the holders to deliver them to the makers or endorsers who should pay them; and payment to the holders would be a discharge. *ib.*

112. A cashier has *prima facie* authority to endorse, on behalf of the

bank, securities held by it, and any restriction on this authority must be proved by the party contesting it. *Wild v. Passamaquoddy Bank*, 3 Mason, 505. *Fleckner v. United States Bank*, 8 Wheat. 357.

113. It is the duty of the cashier of a bank to be sworn before he enters upon the duties of his office; his neglecting to perform that duty will not vitiate his bond, but ought rather to be considered as a breach of it. *Bank of Elizabeth v. Chetwood*, 3 Halst. 1.

114. It seems that an officer of a bank, who has unfaithfully managee its funds, so as to render it insolvent, is liable to the corporation, but not to the holders of its notes. *Hindsdale v. Larned*, 16 Mass. 70.

115. A board of directors has no right to pass a resolution excluding one of its members from an inspection of its books, though they deem him hostile to its interests; and a *mandamus* will lie, commanding that the books be submitted to his examination. *People v. Throop*, 12 Wend. 183.

116. Where the cashier had refused a director permission to inspect the books, and his refusal had been approved by the board of directors, the *mandamus* was directed to the cashier alone, though the directors had been served with notice. *ib.*

117. A clerk in the bank, who acted as a book-keeper, and whose particular duty it was to keep the leger, into which the entries are copied from the teller's cash-book, received money from A, who was a dealer with the bank, for the purpose of having the same deposited in the bank, and which he entered in the leger, and afterwards into the dealer's bank-book, but which was not received by the teller, nor entered in his cash-book, and was supposed to be embezzled with other moneys by the clerk, who absconded. It was held that the clerk, in making the deposit, was the agent of A, and not of the bank; and that A must be answerable for the deficit in the deposit. *Manhattan Company v. Lydig*, 4 Johns. 377.

118. Whether due diligence was used by the bank to detect the fraud of the clerk, is a question of law. If the bank take the usual and customary mode to detect the frauds or mistakes of its clerks, it will be sufficient evidence of due diligence. *ib.*

119. If a dealer with the bank send his bank-book, with money to be deposited, and the clerk enter the amount to his credit, in the bank-book at the time the deposit is made, it is conclusive on the bank. *Aliter*, if the deposit is first made, and the entry is afterwards copied from the leger into the dealer's bank-book. *ib.*

120. An entry by a teller or clerk of a bank of the amount of a deposit in the bank-book of a dealer with the bank, being the act only of the agent of the bank, and not of both parties, is not conclusive. If, therefore, the dealer can, afterwards, prove that there was a mistake in the entry, he may recover, in an action for money had and received, the sum not credited. *Mechanics & Farmers' Bank v. Smith*, 19 Johns. 115.

121. The authority of officers of banks is restricted to such modes of binding the company as result from the nature of their duty and the powers vested in them by their offices. The property of stockholders is not bound by their irregular transactions, or by the declarations or confessions of their officers, beyond the legal sphere of their action. *Wyman v. Hollowell, &c. Bank*, 14 Mass. 62. 17 Mass. 29.

122. Hence, if a banking company, incorporated by the same name of a former one, appoint the same president and cashier, and the officers receive and issue the notes of the former company, and declare that there is no difference between the notes thus issued and those of the new company, the new company, never having authorized these proceedings, are not liable to pay such notes. 14. Mass. 62. See also *Bellows v. Hollowell, &c. Bank*, 2 Mason, 31.

123. Where the bills of a bank, after being prepared by the cashier for the president's signature, were stolen, and a forged signature of the president added, the bank was held not to be liable to pay a *bona fide* holder, on the ground that the cashier had declared them to be genuine, nor by reason of the negligence of the directors in so keeping the paper prepared for signature. *Salem Bank v. Gloucester Bank*, 17 Mass. 1.

124. Where the officers of a bank have been in the practice of receiving money and other things to be deposited in its vault for safe keeping, the corporation, and not the officers, will be considered as the depository. *Foster v. Essex Bank*, 17 Mass. 498.

125. A subsequent board of directors of a bank is to be considered as knowing all the circumstances communicated or known to a previous board. *Mechanics' Bank of Alexandria v. Seton*, 1 Pet. 309.

126. In an action by a bank, evidence of parol declarations of "the officers of the bank" is not admissible for the defendant, without proof of the particular officers being authorized by the board of directors to speak for them, even though it should appear that the board of directors kept no minutes of their transactions. *Stewart v. Huntingdon Bank*, 11 S. & R. 267.

127. In an action by a banking company on a promissory note against the endorser, on the plea of payment, a receipt signed by the president of the bank (though not *as such*) for money to be deposited in the bank to the credit of *A*, who was the original debtor, is evidence—but not conclusive—against the plaintiffs, although notice had not been given previous to the trial. *Sterling v. Marietta Co.* 11 S. & R. 179.

128. Declarations by a person who had been president of the bank, respecting payments made on a note, are not evidence in an action by the bank upon the note. *ib.*

IV. By-laws and Customs of a Bank.

129. Though an incorporated bank be authorized to make by-laws, rules and regulations, &c. such by-laws and rules cannot affect the rights or interests of third persons. A by-law, or rule, therefore, of a bank, that all payments made and received must be examined at the time, does not prevent a party dealing with the bank, from showing, afterwards, that there was a mistake in his account of deposits and receipts. *Farmers & Mechanics' Bank v. Smith*, 19 Johns. 115.

130. A custom of banks not to correct mistakes in the receipt or payment of money, unless discovered before the person leaves the room, is illegal and void. *Gallatin v. Bradford*, 1 Bibb, 209.

131. A custom among banks of sending bills and notes from one to the other for collection, and of passing the avails, when paid, to the credit of the bank so sending it, and to the debt of the bank receiving it, cannot effect a claim of a third person to the avails of a bill which he has committed to one of them for collection. *Lawrence v. Stonnington Bank*, 6 Conn. 521.

133. In Delaware, a by-law giving a lien on stock for the debts of the holder, is held to be valid. *M^r Dowell v. Bank of Wilmington, &c.* 1 Harring. 27.

134. A custom of a bank brought home to a party dealing with the corporation, enters into the essence of the contract, becomes a constituent part of it, and must have its due weight in the exposition of it. *Bank of Columbia v. Magruder*, 6 Har. & J. 180.

135. A stockholder who borrows money of the bank with full knowledge of a usage not to permit a transfer of stock while the holder is indebted to

the bank, is bound by such usage; and neither he nor his assignees, under a voluntary general assignment, can maintain an action against the bank for refusing to permit his stock to be transferred. *Morgan v. Bank of N. America*, 8 S. & R. 73.

137. Where a bank has established usages and by-laws, respecting demands on makers of promissory notes and notices to endorsers thereof, the dealings and contracts of persons doing business with such company are to be understood and enforced according to such usages and by-laws. *Lincoln and Kennebec Bank v. Page*, 6 Mass. 155. *Same v. Hammatt*, *ib.* 159. *Smith v. Whiting*, 12 Mass. 8.

138. The usages of a bank, at which parties are accustomed to transact business, concerning demand and notice on notes, &c. are given in evidence, not as rules of judicial decision, but as evidence of the contract of the parties, and their assent to usages, and of their waiving their strictly legal claims. *ib.* *Blanchard v. Hilliard*, 11 Mass. 88. *Jones v. Falce*, 4 Mass. 252. *Widgery v. Monroe*, 6 Mass. 450. *Renner v. Bank of Columbia*, 9 Wheat. 585. *Yeaton v. Bank of Alexandria*, 5 Cranch, 52. *Bank of Columbia v. Fitzhugh*, 1 Har. & Gill, 239. *Hartford Bank v. Stedman*, 3 Conn. 459.

139. Thus an endorser of a note, negotiated or made payable at a bank, is held to pay it, if notice be given to and demand made of the maker on the day before or the day after it falls due, or on the first day of grace, &c. and proper notice to himself of the maker's default, according to the established custom of the bank. *ib.* *City Bank v. Cutter*, 3 Pick. 414. *Bank of Columbia v. Magruder*, 6 Har. & J. 172.

140. So an established custom that notice, &c. to directors of a bank shall be left on the cashier's desk, is binding on the directors whose notes come into the bank. *Weld v. Gorham*, 10 Mass. 366.

141. So of a custom to make demand of the maker of a note lodged in a bank, without presenting the note to him. *Whitwell v. Johnson*, 17 Mass. 452. *City Bank v. Cutter*, 3 Pick. 414. S. P. *Pearson v. Bank of Metropolis*, 1 Pet. 93. *Raborg v. Bank of Columbia*, 1 Har. & Gill, 231.

142. In all these cases, a knowledge, express or implied, of the usage, must be brought home to the party who is to be affected by it. *Pierce v. Butler*, 14 Mass. 303. 11 Wheat. 431.

143. In *Mills v. Bank of U. S.* 11 Wheat. 431, the parties were not acquainted with the usage of the bank; but as the note was made payable at the bank, it was held that the parties were bound to know its usages, and had impliedly agreed that those usages should become a part of their contract.

144. And this doctrine was afterwards held to be applicable to the parties to a bill of exchange drawn on a person at Washington, on the ground that the bill would probably be put into bank there for collection. *Bank of Washington v. Triplett*, 1 Pet. 25. See also *Whitwell v. Johnson*, 17 Mass. 452.

V. Rights, Authority, and Liability of a Bank.

147. By making a note negotiable at bank, the maker authorizes the bank to advance on his credit, to the holder, the sum expressed in the note; and it would be a fraud on the bank to attempt a set-off against the note on account of transactions between the maker and the holder. *Mandeville v. Union Bank, &c.* 9 Cranch, 9.

148. A bank is liable to an action for wrongfully refusing to transfer shares; and the measure of damages is the value of the shares at the time of the refusal, with interest to the time of the rendition of judgment. *Hussey v. M. & M. Bank*, 10 Pick. 415. See also, 10 Johns. 455. 3 Mass. 364.

149. Where the owner of shares assigned them to two persons, and gave a power of attorney to one of them to transfer them on the books of the bank, the power was held to be valid, whether the power authorized the transfer to be made to both assignees, or to the attorney alone; and the bank was held not to be liable for refusing to transfer the shares to a subsequent attaching creditor, who sold them on execution. *Plymouth Bank v. Bank of Norfolk*, 10 Pick. 454.

150. A bank of another state may maintain an action against its debtor in the courts of Virginia; but cannot enforce a *primary* contract made in Virginia, as by discounting notes or otherwise. *Bank of Marietta v. Pindall*, 2 Rand. 465. See 4 Johns. Ch. 370.

151. A bank may authorize an agent by vote of the directors, without affixing the corporate seal to his authority. *Fleckner v. Bank of the United States*, 8 Wheat. 537.

152. Where a bank paid notes on which the president's name was forged, and did not return them till fifteen days afterwards, it was held that it had lost its remedy against the person from whom the notes were received. *Gloucester Bank v. Salem Bank*, 17 Mass. 33.

153. Where gold coins, deposited in a bank for safe keeping, are fraudulently taken away by the cashier, the bank is not answerable to the owner, unless gross negligence is proved. *Foster v. Essex Bank*, 17 Mass. 479.

154. A bank is bound to exhibit its books to a depositor, on proper occasions, and the officers having charge of them are, *quoad hoc*, the agents of both parties. *Union Bank v. Knapp*, 3 Pick. 96.

155. A bank is, in New York, legally bound to take its own bills in payment of debts due to it. Per *Woodworth, J. Niagara Bank v. Roosevelt*, 9 Cow. 409. *Aliter*, in Massachusetts. 13 Mass. 236. See also *Tillou v. Britton*, 4 Halst. 120.

156. In Ohio, if a bank has *bona fide* parted with all interest in a debt due to it, the debtor cannot pay the assignee in the paper of the bank. *Pancoast v. Ruffin*, 1 Ham. 381. S. P. *Hallowell, &c. Bank v. Howard*, 13 Mass. 235.

157. In New York, a set-off existing against a bank when it stops payment is allowable, though the debt of the bank becomes due afterwards; and bills of an insolvent bank are allowable in set-off against the bank. *Bruyn v. Receiver, &c.* 9 Cow. 413, *note*.

158. In an action by the receivers of a bank, appointed under the statute of 1825, to "prevent fraudulent bankruptcies by incorporated companies," &c. to recover a note discounted at the bank, and falling due after the receivers are appointed, the notes of the same bank, received by the defendant before his note fell due, cannot be set off, though he seasonably tendered them in payment. *Haxton v. Bishop*, 3 Wend. 13. See also *Bruyn v. Receiver, &c.* 9 Cow. 413, *note*.

159. Receivers are trustees for the creditors of the bank, and not for the bank; and their appointment and possession of notes due to the bank is an assignment of the notes for the benefit of all the creditors; and the receivers may maintain an action in their proper names, as endorsers, without specifying their capacity as receivers, on a note belonging to the bank, and endorsed in blank. 3 Wend. 13.

160. An assignment of its property by a bank, after it has stopped payment, to persons not officers or stockholders, in trust to apply the proceeds to the payment of all its creditors in equal proportions, is valid; and its notes, purchased by a debtor after such assignment, cannot be set off in an action against him. *ib.*

161. The mere insolvency of a bank, incorporated with the usual powers of such an institution, does not convert its effects into a trust fund for its creditors. *Catlin v. Eagle Bank*, 6 Conn. 231.

162. Therefore where the Eagle Bank of New Haven became insolvent, and the directors afterwards mortgaged its real estate, assigned sundry promissory notes, and paid a sum of money to the Savings Bank in security and payment of a debt due to it for monies deposited, it was held that a bill in chancery, brought by another creditor of the Eagle Bank to have these conveyances set aside, and all the funds of the bank distributed ratably among the creditors, could not be sustained. *ib.*

163. In a proceeding, under the New York statute aforesaid, by the attorney general, the fact of the bank's insolvency will be considered as proved, within the meaning of the statute, if, in the information filed, facts and circumstances are stated, verified by affidavit expressing belief that those facts are true, and they are of such a character as to raise a fair presumption that the bank is insolvent, and are not contradicted nor explained by the bank, on motion for the appointment of a receiver, after due notice. *Bank of Columbia v. Attorney General*, 3 Wend. 588. 1 Paige, 511. See 1 Hopk. 596.

164. A receiver may be appointed by the chancellor in the first instance, without a reference to a master, &c. and direction to a master not to take a nomination of any person as a receiver, who was an officer or agent of the bank within six months previous to, or at the time of its stopping payment, is discreet and proper. *ib.*

165. The receivers may maintain an action, in the name of the bank, against one of its directors for the penalty incurred by paying out a portion of the capital stock to a stockholder, though it appear on the pleadings that the bank had been insolvent for a year, had during that time neglected to redeem its bills, and had suspended its ordinary business; but the declaration must aver that the suit is prosecuted by direction of the receivers. *Bank of Niagara v. Johnson*, 8 Wend. 645.

166. Such suit may be brought in the name of the corporation, although the statute declares that any company violating its provisions shall be deemed and adjudged to have surrendered its rights, &c. and to be dissolved. Under the revised statutes, receivers may bring actions in their own names. *ib.*

167. The corporate rights of a bank may be forfeited by nonuser or misuser, and an information in the nature of a *quo warranto* against a bank, seeking to take away its franchise on the ground of such forfeiture, may be against the bank in its corporate name; and the judgment is a judgment of seizure. *People v. Hudson Bank*, 6 Cow. 217. *People v. Niagara Bank*, 6 Cow. 196.

168. Where a bank becomes insolvent, and assigns so much of its property to trustees for payment of its debts as to prevent its resuming banking business, it is equivalent to a surrender of its corporate rights; such act destroying the end and object for which the bank was instituted. 6 Cow. 217.

169. Such assignment may be alleged by the attorney general, on an information in the nature of *quo warranto*, in general terms, without stating how much was assigned, or how much, or what value, was necessary to disable the bank to resume its operations. *ib.*

170. The information may charge the bank generally with usurpation, and on the bank's setting forth its charter and justifying under it, the attorney general may, without a departure, reply the causes of forfeiture specially. 6 Cow. 196.

171. Where a replication, in such case, alleged that the bank became in-

solvent by the fraud, neglect, or mismanagement of some of them, or of some or all of their officers or agents, stopped payment, and discontinued and closed their banking operations for several years; a rejoinder, admitting these facts, but averring that the bank on, &c. resumed payment, and continued it ever since, was held to be sufficient. *ib.*

172. A bank's continuing its operations while insolvent, or buying up its own notes at a discount, will not authorize an injunction from chancery to restrain its operations. *Attorney General v. Bank*, 1 Hopk. 354.

173. Withdrawing stock under the form of loans on private security, if done with intent to reduce the effective capital below the amount required by the charter, is a violation of the charter. *State v. Essex Bank*, 8 Verm. 489.

174. On filing a bill against the president and directors of an incorporated banking company, charging the defendants with a fraudulent abuse of their trust in the election of directors, the court refused an injunction, before the coming in of the answers, to restrain the new directors, whose election was colorable in law, from the exercise of their powers, and also refused to appoint commissioners or receivers to take charge of the affairs of the bank, there not being an impending mischief irreparable in case of delay. *Ogden v. Kip*, 6 Johns. Ch. 160.

175. If notes, made payable at a branch of the principal bank, are called in by the latter, a demand at the latter entitles the holder, to sue that bank on non-payment. *Nashville Bank v. Henderson*, 5 Yerg. 104.

176. Contracting debts or issuing bills to a larger amount than a charter allows, or issuing, with a fraudulent intention, more paper than the bank can redeem, or embezzling large sums deposited for safe keeping, or making large dividends of profits, while it refuses to pay specie for its bills, subjects a bank to a forfeiture of its charter. *State Bank v. State*, 1 Blackf. 270.

177. Where a bank, in which a note is deposited for collection, places it in a notary's hands, on the party's failure to pay, and the notary omits to give notice to the endorser, so that he is discharged, the bank is not liable to the holder, though the maker be unable to pay. *Bellemine v. Bank of United States*, 1 Miles, 173.

178. But if the bank, contrary to custom, does not employ a notary in such case, but some other person as agent, and such agent omits to give notice, the bank is liable. *ib.*

179. Where, by mistake, a bank carried a note, deposited for collection, to the depositor's credit, on his bank-book, and afterwards erased the credit from his book, on discovering the mistake, and he gave notice to the bank that he held it responsible for the amount, and the bank sued the maker of the note in its own name, and also sued his bail, both of which suits were fruitless; it was held that the bank had assumed the property in the note, and was liable to the holder for the amount of it. *Wetherill v. Bank of Pennsylvania*, 1 Miles, 399.

180. If a cashier, as agent of the bank, procure a note by improper means from the maker, and contrary to the original design of the endorser when he delivered it to the maker, and lay it before the directors to be discounted, which is done, the bank cannot recover of the endorser. *Bank v. Irvine*, 3 Pennsylv. 250.

181. A gave a note to a bank, payable in sixty days, which was discounted, and he died before it fell due, having a larger sum deposited in the bank than the amount of the note. Held that the bank might, in equity, retain the amount of the note, though A might owe to others debts of a superior dignity. *Ford v. Thornton*, 3 Leigh, 695.

182. If a dealer with a bank has a balance to his credit on a general cash account with the bank, and dies indebted to the bank, on a judgment, and

also on a simple contract, the bank may, independently of the statute of set-off, apply such balance to the simple contract debt. *State Bank v. Armstrong*, 4 Dev. 519. In Delaware, a bank is bound to apply deposits of the maker in payment of his note, or the endorser is discharged. *M' Dowell v. Bank*, 1 Harring. 369.

183. A debtor to the bank is not absolved from his obligation to pay, because the bank began operations contrary to its charter, or failed to redeem its notes. *Hughes v. Bank of Somerset*, 5 Litt. 45.

184. A bank, by failing to demand payment of a bill received for collection, makes the bill its own, and becomes liable to its owner for the amount. *Bank of Washington v. Triplett*, 1 Pet. 25. S. P. *M'Kinster v. Bank of Utica*, 9 Wend. 46. But the debtor's insolvency may be shown in mitigation of damages. *Stowe v. Bank*, 3 Dev. 408.

185. A bank that collects a bill of exchange, on its being transmitted, by the cashier of another bank, where it was lodged for collection, with his endorsement and a letter informing that it was sent for collection, is liable to the owner, and cannot set off a claim against the bank from which the bill was received. *Lawrence v. Stonnington Bank*, 6 Conn. 521.

186. On a deposit of its own bills in the Kentucky Bank, the cashier gave a certificate that there had been deposited to the credit of W \$7,000, subject to his order on presentation of the certificate. The bills deposited were, at the time of the deposit, and also at the time when payment was demanded, passing at fifty per cent. discount. On W's presenting the certificate, the cashier offered payment in the bills of the bank, which W refused. Held, that W was entitled to gold or silver, the certificate expressing a general, and not a specific deposit. The transaction was held to be equivalent to receiving and depositing specie, and if the bank had not so understood it, they might have refused to receive the deposit, and then W would have recovered specie to the nominal amount of the bills. *Bank of Kentucky v. Wister*, 2 Pet. 324.

187. The bank having offered to pay the amount of the certificate, it could not afterwards object that W. should have presented a check therewith. *ib.*

188. A special action of assumpsit may be maintained by the person entitled to a transfer of stock against a banking company who refuse to permit the transfer. *Morgan v. Bank of N. America*, 8 S. & R. 87.

189. The refusal of a bank to pay specie, and the consequent stoppage of its bills, are not sufficient evidence of its insolvency to prevent, on that ground, a *bona fide* holder of its bills, after that time, from setting off such bills, in a suit against him by the bank. *Jefferson County Bank v. Chapman*, 19 Johns. 322.

190. The holder of bank bills is entitled to be paid in specie upon demand made on the bank, within the usual banking hours; and he is not obliged to take foreign gold and silver at the bank count, but the payment must be by weight. *Suffolk Bank v. Lincoln Bank*, 3 Mason, 1.

191. Where one bank holds the bills of another, and demands payment, it is not obliged to receive its own bills in payment, at the other's banking-house. *ib.*

NOTE.—The preceding summary, is from a valuable digest of American Law Decisions, by Metcalf and Perkins. The cases now quoted will be found interesting and valuable to every bank-officer, whether he be a president, cashier, teller, or book-keeper. The cases have generally a direct bearing upon the business of every banking institution at some period during the year.

We propose to give, in the third or fourth number, several highly interesting bank cases, decided in the Supreme Court, U. S., with which cases, the majority of our readers are probably not familiar.—*Editor B. M.*

COMMERCIAL FINANCES OF GREAT BRITAIN.

From the London Economist.

THE Chancellor of the Exchequer brought forward his budget last night. In doing so upon this occasion, it was divested of much of that intense interest which in the last four years has always attended the budget, in consequence of Sir Robert Peel having entered fully into an explanation of the reductions contemplated in the present year, in his speech at the commencement of the session. Mr. Goulburn, however, imparted considerable interest to his statement, by taking a general review of the financial changes of the last four years, dwelling upon the principles on which they had been made, and showing the general result which had attended them.

In the first place, Mr. Goulburn compared the estimates made a year ago, with the actual produce of the revenue, which have been as follows—

	Revenue estimated last year.		Actually received.
Customs.....	£ 19,500,000	.....	£ 19,700,000
Excise.....	12,500,000	.....	13,300,000
Stamps.....	7,260,000	.....	7,760,000
Taxes.....	4,200,000	.....	4,200,000
Property tax.	5,200,000	.....	5,100,000
Post Office.....	700,000	.....	790,000
Crown lands.....	150,000	.....	150,000
Miscellaneous.....	250,000	.....	250,000
	<hr/>		<hr/>
China,	49,860,000		51,250,000
			<hr/>
	Total receipts,		52,009,000

The expenditure has been altogether 49,659,000*l.* leaving an excess of income above expenditure of 2,350,000*l.* The next subject to which Mr. Goulburn went, was the estimated produce of the various branches of revenue in the current year, ending 5th of April, 1847. The produce of the customs in the past year was 19,765,000*l.* The duties on the articles reduced or repealed in the present session amount to a sum of 1,041,000*l.* Mr. Goulburn, however, has learned by experience, that in the event of a reduction of duties, the loss to the revenue does not exceed *two-fifths* of the sum given up; the remaining *three-fifths* being made up by increased consumption of the articles reduced, and of other articles. But he has so much confidence in the prospects of the country, and in the consumption of the current year, that he only reduces the income of last year by a sum of 265,000*l.* instead of 1,041,000*l.* as the probable loss. In this he has been guided by the flattering accounts received within the last six weeks, since the reduced tariff came into operation, of the receipts at several of the out-ports, among which he mentioned Liverpool, Hull, Newcastle, Leith, Port Glasgow, and Dublin.

Mr. Goulburn's estimate of the income and expenditure for the current year, is as follows:—

Income.		Expenditure.	
Customs.....	£ 19,500,000	Permanent charges on debt..	£ 30,600,000
Excise.....	13,500,000	Army.....	6,697,000
Stamps.....	7,400,000	Navy.....	7,621,000
Taxes.....	4,230,000	Ordnance.....	2,643,000
Property tax.....	5,102,000	Miscellaneous, including grants to Ireland.....	3,415,000
Post office.....	850,000		
Crown lands.....	120,000		
Miscellaneous.....	250,000		
	50,952,000	Surplus.....	776,000
From China.....	700,000		
	51,652,000	Total.....	51,652,000

Leaving a surplus of only 776,000*l.* With a similar apparent surplus last year, Mr. Goulburn stated that the result had so greatly exceeded the estimate, that he entertained the greatest confidence he would again be agreeably disappointed in finding at the end of the current year, a much larger surplus than the estimate shows; and this confidence was based on the result which had been experienced by the policy pursued since 1842, in abolishing all duties which were prohibitory, and reducing such as were protective.

Mr. Goulburn then passed to a general review, or summing up of the experience of the country on all the measures which had been introduced since 1842. In 1842, duties were reduced or repealed on *five hundred and eighty-two* articles; in 1843, on *seven*; in 1844, on *four* articles; and in 1845 *twenty-one* articles were reduced, and on *four hundred and forty-eight* articles the duties were repealed. In the present year, the measures which have already passed the House of Commons, reduce the duties on *one hundred and twelve* articles; and repeal the duties on *fifty-four* articles. In the whole period in question—in the five sessions beginning with 1842, and ending with the present—the duties on *seven hundred and twenty-seven* articles have been reduced, and those on *five hundred and one* articles have been entirely repealed—articles, too, which have nearly all, though some to a lesser and others to a greater degree, affected the condition of the great masses of the people, either in their food or clothing, or in the supply of those great staple articles of raw material, which are so essential to the manufactures, and consequently to the industry of the country.

Considering the great reductions thus made in the customs and excise duties, Mr. Goulburn was anxious to show that the experiments which the government had made in this wise and enlightened course of financial legislation, by which commerce and industry had been so much benefitted, had not in any degree impaired the general state of our finances, or added to the permanent debt of the country. On the contrary, the success of these free-trade experiments had been so great, that notwithstanding the great reduc-

tions, every test which could be taken of the financial condition of the country, showed that it had rather been improved than impaired.

The first test which Mr. Goulburn applied, was the amount of balance available, and at the command of the government, on the *first* of January, 1842, and the *first* of January, 1846, which was as follows:—

Balance available, January 1st, 1842.....	£ 3,650,000
Balance available, January 1st, 1846.....	8,450,000
Difference.....	4,800,000

Nor had the debt of the country been added to in order to increase the balance in hand, or to make up the deficiency caused by the reductions which had taken place. In 1842, the whole debt of the country, funded and unfunded, was as follows:—

<i>January 1st, 1842.</i>	
Funded debt.....	£ 772,531,000
Exchequer bills.....	19,678,000
Total debt.....	792,209,000
<i>And at January 1st, 1846, it was—</i>	
Funded debt.....	£ 766,715,000
Exchequer bills.....	18,400,000
Total debt.....	785,115,000

Showing a reduction of about 7,000,000*l.* in these branches of the public debt due at this time. But, besides this, the average amount of deficiency bills, for money borrowed from the bank, amounted in the four quarters of 1842, to 6,163,000*l.* while the same in the average of last year, amounted only to 2,029,000*l.* showing a further reduction of the debt of the country to the extent of 4,133,000*l.* making a total reduction of the whole debt, between 1842 and the present time, of more than 11,000,000*l.*

Not only had these reductions been made in the national debt, but a further reduction in the permanent annual charge of that debt, even in a greater proportionate degree had also been effected. The charge for the debt in 1842 and in 1846, was thus compared by Mr. Goulburn:—

	1842.		1846.
Interest.....	£ 24,444,000	.....	£ 23,620,000
Terminable annuities....	4,490,000	.....	4,490,000
Management.....	160,000	.....	93,000
Interest of exchequer bills	890,000	.....	426,000
	29,984,000		28,429,000

Thus showing a sum of more than 1,500,000*l.* already saved in the annual charge on the debt, besides a further sum of 625,000*l.* which is also secured in the reduction of interest; but which will not take effect until the year 1854, the whole making a saving, effected in the annual expenditure on the debt of 2,125,000*l.* besides a reduction on the capital itself of 11,000,000*l.* Mr. Goulburn stated that it might be supposed by some, that the large amount of money received from China had contributed to these improve-

ments in our general finances. Such an idea would, however, be erroneous ; for although the sum of 3,360,000*l.* had been received from this source, yet of that 2,050,000 had been expended upon our establishments in that country, and 1,270,000 had been paid to the owners of the opium which had been seized, as compensation ; so that nearly the whole of that sum had been exhausted in these ways.

Mr. Goulburn then made a comparison between the entire amounts of taxes imposed during the period in question, and those which had been repealed. The statement was as follows:—

Taxes imposed.		Taxes repealed or reduced.	
1842 to 1846.....	£ 5,624,000	1842.....	£ 1,590,000
Balance.....	2,563,000	1843.....	411,000
		1844.....	407,000
		1845.....	4,749,000
		1846.....	1,040,000
	<hr/>		<hr/>
	8,197,000		8,197,000

Thus showing that taxes to the amount of 2,563,000*l.* has been repealed during the period in question, in excess of those which had been imposed.

The right hon. gentleman expressed the greatest satisfaction in being able thus to bear the testimony of his own experience to the extraordinary efficacy of the principles of commercial legislation which this country has adopted during the last five years ; by which the springs of industry had been relieved, the commerce of the country set free, the people rendered prosperous and contented, and by which the finances of the country had improved in so remarkable a way. It will surely be impossible for any foreign government or people to peruse this statement, and to see the extraordinary effects which our free-trade policy has produced—to consider, moreover, the numerous evidences of the improved condition, physical, social, and moral, of the population of the country, by which these changes have been accompanied, without feeling the strongest inducements to follow our example. It will be by such means that the benefits of our policy will become known and adopted by other countries. These statements are well calculated to give the most ample assurance to the most timid and the most doubting of the free-trade policy, in which, thank God, we are now safely embarked.

GREAT RUSSIAN RAILWAY.—The longest track of railway ever contemplated in Europe, is that from St. Petersburg to Odessa, extending over an uninterrupted line of 1,600 miles. It will connect the Baltic and the Black, and consequently the Caspian seas, traversing three different zones of temperature ; and a person may then leave the Russian capital in the depth of winter, and arrive on the same rail at Odessa in warm, nay, hot weather. It is, moreover, the beginning of what may really be termed an overland route ; connecting, in fine, the Russian Metropolis and Ispahan. The emperor Nicholas takes great interest in this gigantic plan.

BANKING IN THE UNITED STATES.

The following Sketch of American Bank History was published some years since, and we give it a place now in our Magazine under the belief that few only of our readers have met with it.—*Editor B. M.*

THE happiness of individuals in a civilized state of society, as far as regards their physical condition, depends on the possession, and tranquil enjoyment, of what may be generally termed the *good things* of life. Almost all of these, at least all which the savage has not in common with civilized man, are the result of *labor*. Hence the universal aim of man, in the civilized state, is to labor to the *best advantage*; for it is obvious, that he, who, with the same degree of exertion, procures a greater share of the *good things*, or he, to whom the possession of the same share costs less trouble, so far enjoys the better lot.

This aim, to labor to advantage, necessarily led to the *division of labor*: because it is only when the whole business of society is portioned out among the individuals composing it, that the greatest benefit can be derived from individual skill, from experience, capital, machinery, contrivances for the expedition of work, and local position. But, the wants of civilized man being endless, this division of labor could not be reconciled with his personal interests, unless there was an exchange of the commodities produced. Thus division of labor necessarily led to traffic and commerce.

The more extensive this traffic, and commerce, between mankind, the more every individual, every community, every state, every nation, will be able to *labor to the best advantage*; and the greater, (other things being equal,) will be the mass of happiness enjoyed by the whole.

But as most commodities do not form, like glassware, and live-stock, indivisible totals; and as all of them possess *extension*, and *substance*, and are *objects of desire*, in a greater or less degree, the business of society could not have been conducted with convenience and despatch, unless *measures* had been invented for degrees of extension, for amount of substance, and for value. Hence have resulted *rules, weight, and money*. The true end and object of these things—their real utility, is **DESPATCH OF BUSINESS**; and this, therefore, is the *true and sole criterion*, by which their perfection ought to be tested.

Whether a *yard* be a stick of hickory wood, of ebony, or of iron, or whether no stick at all, but merely a mark on a counter—this may be of some importance to a refractory apprentice, who will have more reason to dread the thing, in its occasional, collateral employment, in one shape than in another, but it is absolutely immaterial with regard to the commercial concerns of the shop. Provided the instrument measures correctly, the rest is of no further consequence, except as far as it may be productive of more or less convenience.

The same holds good with regard to *weights*. The same also holds good with regard to *money*, in its capacity of *measure of value*.

But the same thing which measures value, if of a nature to be easily transferred, and transported, must also be the best *means of exchange*, the most convenient *medium of circulation*. Money has, therefore, been employed for the purpose, and may justly be defined a tool, a contrivance of civilized society, wherewith to measure value, and effect exchanges.

Whether money, therefore, has any value *in itself*, whether as substance,

as material, it is an object of desire or not, this, for the purposes of society, which are *despatch of business*, is as indifferent as the nature of the yardstick. If it measures value, and effects exchange, if it *marks a price*, and if it *passes*, it is *good money*. The *best* money, is that which performs these functions with the greatest accuracy, with the greatest economy, and with the greatest convenience,

The precious metals were long exclusively employed for the purposes of money, and as they possess a value—that is, are objects of desire, as substance, as metals, as well as in their *capacity of coin*, mankind find it difficult to familiarise themselves to the idea, that these *two* values are *distinct*, and that their combination in coin is *accidental*, but not *essential*. An eagle, as gold, is a thing that may be wrought up, and serve for ornamental purposes; an eagle, as coin, is only the power of commanding in the market as much value as it measures, a power which any other token, measuring the same value, and passing, gives as effectually.

But the precious metals, being, in some degree, *scarce*, they cannot be always commanded to the extent which occasions, and the circumstances of society, may require. This inconvenience, as appears from the preceding columns, was strongly felt at Venice, in the middle of the 12th century, and gave first birth to the idea of measuring value, and effecting the circulation of commodities, by means of *credit* instead of *coin*, or, in other words, of establishing a *bank*.

The superiority of bank money over coin, for convenience, economy, safety, and despatch of business, has, since that period, been felt and acknowledged, wherever it came within the reach of experience, and is, also, theoretically obvious. It is so great, that were it not for *other considerations*, the use of coin, in every country, *ought to be set aside entirely*.

But *credit*, when rendered by means of banks, the measure of value, and the medium of circulation, may be extorted by *power*, or *corruptly granted* where it is not deserved. It may be abused by the institutions themselves, and the institutions again may be abused by a tyrannical government. This circumstance prevents their general introduction, and restricts their use to *well regulated societies*. With these alone they are compatible. Of these they create the prosperity, and constitute a principal ornament, because they are the offspring of prevailing *law and morality*, and their attendant *faith*.

Credit, when made to answer the purposes of money, also becomes a sort of *commodity*, the commercial value of which, like that of all other commodities, is liable to be affected by scarcity and abundance, a circumstance much to be regretted. For, as money is the measure of value in all the common concerns of life, its own value should be, as nearly as possible, invariable. A yard, a pound, a dollar, must mean to-day what they meant yesterday, and the day before, else all will be confusion. In this respect, the measures of extension, and substance, have attained a perfection, which is still wanting in the measure of value. Whatever *material* be employed for this purpose, it must be apt, sometimes, inconveniently to accumulate, at other times to be drained off; by either of which occurrences, its character, as measure of value, will be necessarily affected. Gold and silver have been thought less liable to these fluctuations than most other materials, and therefore chiefly have been made the standard of value in almost every civilized country. We need, however, only to compare the quantum of the necessities of life, of which a certain weight of gold or of silver, gives the command now, with the quantum of which it would have given the command some hundred years ago, in order to convince ourselves that their value is far from being unchangeable.

We should by no means despair that the *unit*, however denominated, of the *ideal* measure of value—*credit*, the amount of which in the market, in the shape of exchangeable commodity is under constant control, might be made, by the banks who give it currency, to bear a much more steady relation to a day's labor, than our dollars and eagles, and thus become a *superior standard*. But until a proper system to this effect has been devised and perfected; or, like the contrivances of banks and bills of exchange, forced into existence by the pressure of circumstances, it is judicious to hold fast to the standard, under the use of which business has been hitherto tolerably well conducted, and to prevent the excess of the circulating medium of paper, or other tokens of credit, by their *convertibility into coin*.

Whether it is well that all bank paper should be *directly* convertible into coin, is a question of considerable importance. The great convenience derived from banks, by those in immediate relation with them, by their customers, and the prevailing horror of monopoly, seem to forbid, in a country as extensive as ours, the idea of their limitation to a small number. On the other hand, the great multiplicity of banks; the consequently very circumscribed circulation of their notes; and the impossibility, thence resulting, for the general government to exercise any sort of control over the currency of the union—are great political evils, which, in critical times, may arise to an alarming calamity; and they seem, moreover, to endanger the solidity of the whole system of a paper medium of circulation—a system of such importance to the permanent prosperity of the country, that it cannot be too carefully strengthened against the dangers of adverse contingencies.

We have endeavored elsewhere to show, that the circulating medium of the country, the banking system, and the financial concerns of government, might, perhaps, be put on an infinitely better footing than that on which they are now placed, by establishing a powerful national institution, guaranteed by the general government, but left, in its details entirely to the management of individual stockholders, the notes of which should be at all times convertible into coin, whilst payment of the notes of its branches, of the state, and of all other banks, when exceeding a certain sum, ought to be demandable only in national notes—so as to give to these a circulation commensurate with the limits of the empire, and render the national mother bank the greater repository of metallic treasure.

After this short recapitulation of the leading theoretical ideas with regard to banking, we proceed to some historical details respecting the principal banking institutions on this continent.

The *first* was the *Bank of North America*. It owes its origin to the vigorous mind and enterprising genius of *Robert Morris, Esq.* who conceived the idea of it when superintendent of the public finances, and submitted to congress in the month of May, of the year 1781, the plan for establishing a national bank of North America. Agreeable to this plan, the capital stock was to consist of \$ 400,000, in shares of \$ 400 each, payable in gold and silver, to be increased by new subscriptions from time to time, at the pleasure of the directors. The directors, twelve in number, were to be chosen by the stockholders, and were to be entrusted with the management of the institution. The notes of the bank—payable on demand—to be made a legal tender, in the discharge of duties and taxes, &c.

On the 26th of May, of the same year, congress approved of the plan, and passed several resolutions, by which they pledged themselves to support the proposed institution; to incorporate the subscribers, under the name of the "President, Directors, and Company of the Bank of North America;" to recommend to the several states the prevention of similar establishments,

within their respective jurisdictions, during the war; to receive the notes of the institution in payment of taxes, duties, and all other debts owing to the United States; and to use their influence with the several legislatures to have laws passed, which should make it felony to counterfeit the notes of the bank, &c.

After this, subscriptions were immediately opened, and filled, during the summer and autumn of the same year. In November, directors were chosen. In December, congress, conformably to their previous resolves, passed an ordinance which created the subscribers to the bank a corporation *for ever*, under the title of "The President, Directors, and Company of the Bank of North America." The original features of the plan proposed were preserved, but the bank was restricted from holding property exceeding the amount of 10,000,000 of dollars.

The institution commenced its operations in the month of January, following, and *Robert Morris*, who may be justly styled the father of the system of credit and paper circulation in this country, succeeded in securing to it the good will and confidence of the people at large, by various judicious measures, of which a circular letter, addressed to the governors of the several states, explaining the object of the institution, and the certain advantages to be derived from it, was not the least effectual.

Thus the first bank on this continent came into existence, and such was its happy and immediate influence on the public finances, and on commercial concerns in general, that it may be justly doubted whether, without its seasonable aid, the revolutionary struggle for independence could have been brought at all to a satisfactory termination. The United States, for several years, were constantly indebted to the bank to a larger amount than the stock they owned; nor could the various devices for creating a revenue have answered their end, or the army have been fed and clothed, or any degree of order and punctuality maintained in the despatch of public affairs, but for the great facility in the management of business, and the restoration of confidence, which were created by this institution.

The sense of the great utility of the bank was so universal, that Massachusetts and Pennsylvania corroborated the ordinances of congress by additional charters; and Rhode Island, Connecticut and Delaware, passed laws for the purpose of preventing the counterfeiting of its notes, and extending their circulation. Yet, when peace had been concluded, and the pressure of the times was over, there were not wanting those, who viewed the prosperous state of the affairs of the bank with a jealous eye, and conjured up imaginary fears of an overbearing oppression, an alarming foreign influence, and fictitious credit from temporary punctuality:—of a created scarcity of specie, possible commercial convulsions from the stopping of discounts, partial favors, and the comparative disadvantages under which distant traders labored.—As if, in a moral community, the bare possibility of abuse could ever furnish a good argument against the decided utility of a thing; or, as if a benefit were to be relinquished because all cannot be benefitted alike.—And so effectually were these objections against the institution urged, that, on the 13th of September, 1785, the legislature of Pennsylvania actually repealed their charter.

The repeal was persevered in by the succeeding legislature, notwithstanding innumerable petitions to the contrary, and vast efforts to enlighten their proceedings. The bank, however, continued its usual operations under the charter from congress, and in the enjoyment of corporate rights, which, it was presumed, could not be arbitrarily wrested from them, after having once been legally bestowed.

The legislature which met in December, 1786, at last thought proper to renew the charter of the bank, and passed an act to that effect on the 17th of March, 1787, by which, however, the term of the charter was limited to fourteen years, and the capacity of the corporate body, of holding property, restricted to two millions of dollars. The same charter was extended for the term of fourteen years more, by an act passed on the 20th of March, 1799.

The capital of this bank has been from time to time increased. It divides, most generally, 12 per cent. on the original price of the shares.

Bank of the United States.—This institution, though no longer existing, has rendered to government, and to the community at large, so many essential services, that we think ourselves obliged to bestow, under this head, a few lines on the history of its origin and termination.

The idea of it was conceived immediately after the adoption of the present constitution, by *Alexander Hamilton, Esq.* then secretary of the treasury. The acute intellect, and enlarged mind of this man, caused him to master every subject to which his attention was directed, and to embrace it in all its details and consequences, whether immediate or remote. It had not escaped him, that the work of the revolution would remain unfinished, without a solemn compact, which should give to the new-born political society, consistency and shape, and unite its wide spread members into a well organized commonwealth. His efforts, therefore—as his writings testify—had been directed towards effecting the formation of a constitution, and causing it to be adopted. But, when this was attained, he perceived further, that in order to give permanency to the new fabric, it was necessary to render it respected abroad, and to strengthen it by the support of self-interest at home; he perceived that it was necessary to raise the edifice of *public credit*, and that this could only be attempted with success, by raising it on the basis of *justice* and *good faith*. This required that the general government should acknowledge the debts contracted during the revolutionary struggle, make provision for the regular discharge of the accruing interest, and for the ultimate payment of the principal itself. They were consequently *funded*. A system of revenue was created to meet the future expenditures; and nothing could be happier than the further idea of establishing a NATIONAL BANK, the stock of which was chiefly to consist in *public securities*, in order to procure at once to those securities a great market value, give precision and method to the fiscal operations of the new government, and blend its stability with the comforts of individual existence. It would also have the advantage of turning credit into capital, and enable the country to procure with ease from abroad, the innumerable things which were wanted to start with vigor in the career of industry, though nearly exhausted with the efforts to attain independence.

The plan of such a bank was therefore submitted to congress on the 13th of December, 1790. It was opposed in congress by the party then in the minority, but who have since come into power, chiefly on the ground of the presumed *unconstitutionality* of the measure proposed. The power of creating a bank, or any corporate body whatever, not having been expressly delegated to congress, it was contended that no such power was possessed. The cabinet was divided on the question, as well as the *public councils*. The then secretary of state, in particular, argued, that though the constitution, in a summary manner, granted to congress power to pass such laws as were *necessary* to carry the *specified powers* into effect, yet this clause could only be considered as applicable to acts, in justification of which there could be pleaded an *absolute, paramount, and irresistible* necessity, not to those, which, like the bank proposed, would only rest on the grounds of *expediency, superior convenience, precedent and general usefulness*.

The manly understanding, however, of the secretary of the treasury, and the practical wisdom of the august chief, then at the head of the government, could not be swayed by grammatical considerations so futile. The former investigated the question, and refuted the pretended constitutional objection with a force of reasoning which could not fail to remove all doubts on the subject from every sound and unprejudiced mind;* and the latter, consequently, gave his sanction to the act of congress, incorporating the bank, which passed into a law on the 25th of February of the year following.

Agreeable to this law, the capital stock of the Bank of the United States was limited to 10,000,000 of dollars, divided into 2,500,000 shares, of 400 dollars each, payable—one-fourth in gold and silver, and three-fourths in public securities, bearing an interest of six, and three per cent. The corporation were restricted from contracting debts beyond the amount of their capital, and from holding property exceeding the value of 15,000,000 of dollars, or real estate more than necessary for the convenient transacting of their business. The affairs of the bank were to be managed by twenty-four directors, to be elected by the stockholders. Only citizens of the United States, and stockholders, were eligible as such. Only three-fourths of their number could be re-elected every succeeding year; and several more regulations were contained in the charter, generally well calculated to guard against any political dangers from this national establishment, to extend its usefulness, and confirm its solidity. The duration of the bank was limited to the 4th of March, 1811.

The subscriptions were filled as soon as opened. The government—conformably to the right reserved in the charter, subscribed 5000 shares, or two millions of dollars, and the bank went into immediate operation.

The dividends of the bank—made semi-annually—generally amounted to four per cent. Its stock—a great proportion of which was held in Europe—soon rose considerably above par, and the institution proved *always convenient*, on some occasions *eminently useful* to the government, and not less beneficial to the public at large.

Yet, when the period of the termination of its charter arrived, and the stockholders applied to congress for a renewal of it, the same objection of unconstitutionality, which had been successfully combated twenty years before, was again revived. The institution had become the more invidious to the party in power, for having been, at its very origin, unsuccessfully opposed by their principal leader—an opposition, which, perhaps even then, arose from the desire of signalling a system of political principles and measures, different from those which were adopted. When the subject came now again under discussion, the force of sound argument, the considerations of general usefulness, and the unquestionable fiscal expediency of the renewal of the charter, could not be expected to avail against unfriendly sentiments of such long standing. An impulse was given accordingly; the renewal of the charter refused, and the institution dissolved.

The public prosperity might have received a severe shock, and government itself been exposed to difficulties and embarrassments much more serious than those under which it must now necessarily labor, from the want of a national bank, if the same course of deliberate prudence, which has marked the conduct of the late Bank of the United States throughout, had not been also pursued in their mode of withdrawing from business. But they proceeded in this work so slowly, and acted towards individual debtors, and towards other banks on which they had claims, with so much

* See Works of Alexander Hamilton, vol. v.

liberal forbearance, that time was gained to supply the public with the circulating medium of *new bank credits*, in lieu of those to be withdrawn. A conduct which was, moreover, dictated by the interests of the expiring institution itself, and singularly favored by the general stagnation of commerce at the period when it took place.

BANKS IN THE UNITED STATES.

List of one hundred and twenty-two Banks, established in the United States, from 1781 to 1812; their location and capital, and the year in which they were incorporated.

☞ Those marked with a star, or banks with similar names, are in existence at this time.

☞ Those in italics have failed at different periods.

When Incor'd.	Name of Banks.	Location.	Capital.
1781	*Bank of North America,	Philadelphia,	\$ 2,000,000
1784	*Massachusetts Bank,	Boston,	1,600,000
1784	*Bank of New York,	New York,	950,000
1790	<i>Bank of Maryland,</i>	Baltimore,	300,000
1791	*Providence Bank,	Providence,	400,000
1792	*Bank of Albany,	Albany,	260,000
1792	*Bank of South Carolina,	Charleston,	640,000
1792	*Union Bank of Boston,	Boston,	1,200,000
1792	New Hampshire Bank,	—————	100,000
1792	<i>Bank of Alexandria,</i>	Alexandria,	500,000
1792	*Hartford Bank,	Hartford, Conn.	930,000
1792	*Union Bank,	New London, Conn.	500,000
1772	*New Haven Bank,	New Haven, Conn.	400,000
1793	Bank of Columbia,	New York,	160,000
1793	<i>Bank of Columbia,</i>	Georgetown, D. C.	500,000
1793	*Bank of Pennsylvania,	Philadelphia,	3,000,000
1795	Bank of Nantucket,	Nantucket, Mass.	100,000
1795	Bank of Delaware,	—————, Delaware,	110,000
1795	*Bank of Baltimore,	Baltimore,	1,200,000
1795	*Middletown Bank,	Middletown, Conn.	400,000
1795	*Bank of Rhode Island,	Newport,	100,000
1796	*Norwich Bank,	Norwich, Conn.	200,000
1799	*Manhattan Bank,	New York,	2,000,000
1799	Portland Bank,	Portland, (D. Maine,)	300,000
1799	Essex Bank,	Salem, Mass.	300,000
1800	*Washington Bank,	Westerly, R. I.	50,000
1800	*Bank of Bristol,	Bristol, R. I.	120,000
1801	*Exchange Bank,	Providence, R. I.	400,000
1801	Farmers' Bank,	Lansingburg, N. Y.	75,000
1801	*State Bank of S. C.	Charleston,	800,000
1802	Marine Bank,	Portland, (D. Maine,)	300,000
1802	N. H. Union Bank,	—————	200,000
1802	Lin and Ken Bank,	Wiscasset, (D. Maine,)	200,000
1803	*Merchants' Bank,	New York,	1,250,000
1803	*Bedford Bank,	New Bedford,	150,000
1803	*Philadelphia Bank,	Philadelphia,	2,000,000

1803	<i>Miami Exporting Co.</i>	Cincinnati,	\$ 200,000
1803	*Salem Bank,	Salem, Mass.	200,000
1803	*Roger Williams Bank,	Providence, R. I.	150,000
1803	*New York State Bank,	Albany,	460,000
1803	Newburyport Bank,	Newburyport,	550,000
1803	Saco Bank,	Saco, D. Maine,	100,000
1803	Albany Mercantile Co.	Albany,	25,000
1803	*Plymouth Bank,	Plymouth, Mass.	100,000
1803	*Boston Bank,	Boston, Mass.	1,800,000
1803	Strafford Bank,	Dover, N. H.	150,000
1803	*Newport Bank,	Newport Bank,	120,000
1803	*Warren Bank,	Warren, R. I.	68,000
—	Exeter Bank,	Exeter, N. H.	200,000
1804	*Union Bank of Maryland,	Baltimore,	3,000,000
1804	*Bank of Cape Fear,	Wilmington, N. C.	350,000
1804	Bank of Newbern,	Newbern, N. C.	300,000
1804	*Newark Bank'g & Ins. Co.	Newark, N. J.	225,000
1804	Trenton Bank,	Newark, N. J.	300,000
1804	Hallowell & Augusta B'k,	Hallowell, D. Maine,	200,000
1804	*Worcester Bank,	Worcester, Mass.	150,000
1804	*Pacific Bank,	Nantucket, Mass.	100,000
1804	*Marblehead Bank,	Marblehead, Mass.	100,000
1804	*Rhode Island Union Bank,	Newport, R. I.	150,000
1805	*Smithfield Union Bank,	Smithfield, R. I.	50,000
1805	*Narragansett Bank,	Kingston, R. I.	60,000
1805	*Rhode Isl'd Central Bank,	Greenwich R. I.	60,000
1805	*Bank of Virginia,	Richmond, Va.	1,500,000
1806	*Mechanics' Bank,	Baltimore,	1,000,000
1806	Bank of Chillicothe,	Chillicothe, O.	100,000
1806	*Bridgport Bank,	Bridgport, Conn.	200,000
1806	Derby Bank,	Derby, Conn.	200,000
1807	Bank of Kentucky,	Louisville,	1,000,000
1807	Bank of Nashville,	Nashville, Tenn.	500,000
1807	Bank of Marietta,	Marietta, O.	100,000
1807	*Farmers' B'k of State Del.		500,000
1807	New Brunswick Bank,	New Brunswick, N. J.	150,000
1807	*Farmers & Mechanics B'k,	Philadelphia,	1,250,000
1807	*Hagerstown Bank,	Hagerstown, Md.	250,000
1807	Mohawk Bank,	New York,	200,000
1807	New London Bank,	New London, Conn.	200,000
1808	Hudson Bank,	Hudson, N. Y.	300,000
1809	Bank of Steubenville,	Steubenville, O.	100,000
1809	*Chambersburg Bank,	Chambersburg, Pa.	250,000
1809	*Commercial Bank,	Providence, R. I.	50,000
1810	*Com'cial & Farm'rs B'k,	Baltimore,	1,000,000
1810	*Farmers & Merch'ts B'k,	Baltimore,	500,000
1810	*Franklin Bank,	Baltimore,	600,000
1810	*Marine Bank,	Baltimore,	600,000
1810	Elkton Bank,	Elkton, Md.	300,000
1810	*Farmers B'k of Lancaster,	Lancaster, Pa.	300,000
1810	*State Bank of N. Carolina,	Raleigh,	1,600,000
1810	*Mechanics' Bank,	New York,	2,000,000
1811	*State Bank,	Boston,	3,000,000
1811	*Merchants' Bank,	Salem, Mass.	200,000

1811	*Bank of Troy,	Troy, N. Y.	500,000
1811	*Mechanics & Farm'rs B'k.	Albany,	600,000
1811	*Cumberland Bk. of All'gy,	Cumberland,	200,000
1811	Bank of Newburg,	Newburg, N. Y.	400,000
1811	Farm'rs Bk. of Worcester,	_____ Md.	200,000
1811	Middle District Bank,	_____ N. Y.	500,000
1811	Bank of New Orleans.	New Orleans,	500,000
1811	*Union Bank,	New York,	1,800,000
1811	Eagle Bank,	New Haven, Conn.	750,000
1812	*Bank of America,	New York,	6,000,000
1812	City Bank,	New York,	2,000,000
1812	Farmers & Mechanics' Bk.	Cincinnati, O.	500,000
1812	Bank of Muskingum,	Zanesville, O.	100,000
1812	*Monongahela Bank,	Brownsville, Pa.	250,000
1812	N. Y. Manufacturing Co.	New York,	1,200,000
1812	*Camden State Bank,	Camden, N. J.	800,000
1812	Trenton State Bank,	Trenton, N. J.	300,000
1812	*N. Brunswick State Bank,	New Brunswick, N. J.	400,000
1812	*Newark State Bank,	Newark, N. J.	400,000
1812	*Elizabeth State Bank,	Elizabethtown, N. J.	200,000
1812	*Morris State Bank,	Morris, N. J.	200,000
1812	*Bank of Utica,	Utica,	1,000,000
1812	Pittsburg Manu'ring Co.	Pittsburg,	1,000,000
1812	City Bank,	Baltimore,	1,500,000
1812	*Bank of Wilmington and Brandywine,	} Wilmington, Del.	120,000
1812	Farmers and Mechanics' } Bank of Delaware, }		
1812	Commer'l Bank of Del.		200,000
1812	Farmers & Mechanics' Bk.		1,500,000
1812	Savannah Bank,	Savannah, Ga.	1,000,000
1812	*Union Bank of S. C.	Charleston,	1,000,000
1812	*Planters and Mechanics' } Bank of S. C. }	Charleston,	1,000,000
Total Capital,			\$ 77,158,000

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## MISCELLANEOUS.

TO CORRESPONDENTS.—M. at London, is informed, that it is out of our power to furnish a statement of the issues of each bank. It would be necessary in order to acquire this information, to address circulars to very numerous banking institutions, many of whom would not see fit, from interested or other motives, to give us replies. We have given at various dates, the aggregate specie, circulation, loans and other items, of all the banks of nearly all the states; and we can give pretty accurately, the amount of specie held by the 700 banks in the Union. But notwithstanding repeated efforts, we have not been able to procure to this day, a statement of the condition of the banks of Maryland, or South Carolina, or Georgia, or Tennessee, or Michigan. *Partial statements* have been procured, but the banks in those

states are not, that we are aware of, compelled to publish, nor does the legislature authorize, annual printed reports of their condition.

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**MISSING NUMBERS.**—Our correspondent in London, who writes for Nos. of the Bankers' Circular which had not been received, is informed that we send duplicate copies of the Nos. mentioned, per steamer 1st August. Those subscribers who have taken pains enough to file their copies, can be supplied with such odd numbers as they require, if we have them.

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**LONDON BANKERS' MAGAZINE.**—We refer our readers to the cover of this number, for an advertisement of the London Bankers' Magazine; it contains a large amount of valuable statistical details, relating to the banks and savings banks of Great Britain, the Funds, English Commercial Law, Railway Reports, &c., all which render it valuable to public institutions. (*Imported by E. Baldwin, 155 Broadway, New York, Monthly, \$6 per annum, exclusive of Supplements.*)

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**THE BANKERS' ALMANAC, 1846.**—Another valuable publication, whose columns have been useful to us. It contains lists of all the banks in England, Ireland and Scotland; prominent bankers in Europe, Asia, and Africa; bankers in London, and a variety of exceedingly interesting details. (*Sold by Baldwin, 155 Broadway, New York, price \$1 50.*)

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● **ICE.**—This article, one of luxury in a moderate climate, and of necessity also in any latitude south of 42 in our country, is now shipped in large quantities to England from Boston. London papers of June 20, announce the arrival of a cargo of 694 tons at the docks, where warehouses have been specially constructed to keep the article cool: about 40,000 tons have been shipped this season from Boston alone, a large portion of it to New Orleans, where houses are built expressly for it, entirely above ground—none of the houses of that city being provided with cellars.

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**BOLD ROBBERY.**—While the teller of the Bank of the State of New York was busily engaged in the discharge of his duties, paying checks, &c. some rogue boldly marched in and marched out again with a package of bank notes containing twenty-five hundred dollars, in fifty dollar bills. The money was very soon missed but not before the rogue was beyond the hope of pursuit.

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**THE FULTON BANK, New York City,** was entered by burglars at some period between the evening of Friday, July 3, and the following Monday morning. They succeeded in obtaining a bag of gold containing about one thousand dollars, which had been deposited in an iron safe: but their efforts to work a passage to the vault were fruitless.

**INTEREST ON THE DEBT OF MARYLAND.**—The commissioner of loans has given notice that the coupons due 1st January, 1843, upon the sterling debt of the State of Maryland, would be paid on demand at his office, on or before the 25th of July, 1846. After that time holders must present them for payment to Messrs. Baring, Brothers & Co. London, at whose banking house the coupons are made payable.

The report of the committee of ways and means to the legislature, at its late session, represented the public debt of the state to be, . . . \$ 15,186,784

|                                                                                                                                                    |                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| From which deduct bonds issued to the Baltimore and Ohio<br>Rail Road Co., a sum which it is fully believed the<br>Company will provide, . . . . . | 3,200,000            |
|                                                                                                                                                    | <u>\$ 11,986,784</u> |

The annual interest on this is \$ 655,421. Several millions of the Maryland loan were taken at 16 *per cent. premium*, and portions of it were re-sold at 120, while the present market price is 78; the decline mostly owing not to any actual or *presumed* inability on the part of the State to pay its debts, but to the inaction of the legislature in promptly providing for the payment of the annual interest: and to the belief on the part of the bondholders in the want of that moral honesty and *courage* among the people, which should induce them to throw a due share of the burden of the debt upon the present generation, and not the whole, principal and accumulated interest, upon the shoulders of those who shall come after us.

**MUTATIONS OF TIME.**—An extraordinary instance of the fall in the value of property came to our knowledge a few days since, which, for the benefit of bankers we now record. The building constructed for, and for several years occupied by the Bank of Columbia, at Georgetown, was considered, at the time of its erection, the most elegant and costly of the finished public buildings of the District of Columbia. Built upon an elevation of at least 100 feet above the river, it commands an extensive view of the Potomac, the City of Washington, a portion of Virginia, (as proposed to be retroceded,) and is now within one hundred yards of the Chesapeake and Ohio Canal.

It was constructed upon a large scale, (*consistent, however, with the age,*) having a front of 50 feet with a depth of 80 feet, in the centre of a lot 165 feet front and 240 deep: and finished in a costly manner. The entire cost of the property at the time (1811—12) was one hundred and nine thousand dollars. Such were, however, its rapid strides to inflation and insolvency, that although possessing a capital of \$ 940,000, it was compelled during the reverses of 1819-'20, to suspend payment and make an assignment of its property to the Bank of the United States for the benefit of its creditors. These were nearly all paid off, but the stockholders never realized any returns. The building has been since but little used: a portion of the time by the topographical bureau of the United States. A few weeks since this property, entirely free from encumbrances, was disposed of at private sale to Mr. George Poe, formerly Cashier of the Branch Bank United States at Mobile, for *forty-five hundred dollars*, a sum which we are informed will scarcely cover the original cost of the iron railing surrounding the bank.

Georgetown was (familiarily to the editor) at the time of the suspension of the Bank of Columbia, *the court-end* of Washington; carrying on a large

foreign and coasting trade, and exporting heavily in flour, tobacco, &c. with a large amount of tonnage and a flattering prospect of remaining a prominent commercial town, and of enjoying its import and export trade with Holland, Southern Europe, South America and the West Indies. Now, after the lapse of only 25 years, the commerce of the town has dwindled down to a coasting trade with New York and one or two other ports: not a ship or a brig at its wharves: its warehouses vacant and its real property depreciated from 50 to 80 per cent. above the inflated values of the inflated times of 1818—20. Its banking corporations, in common with those of Washington and Alexandria, extinct, except as private institutions. Even its sister city Alexandria, notwithstanding an outlay of a million of dollars to prop its decaying commerce, by the construction of a canal, *alongside of a fine navigable river*, is suffering *nearly* the same fate.

**MANUFACTURERS AND MECHANICS' BANK, NANTUCKET.**—The calamitous fire at Nantucket on the 13th of July, destroyed the Custom House, Post Office, Savings Bank, together with the building occupied by the Manufacturers and Mechanics' Bank. The condition of this institution, which failed in February last, is even more deplorable than at first supposed. The defalcation of Mr. Barker Burnell, its recent cashier, is now ascertained to be nearly \$150,000, while its entire capital was only \$100,000. If the bank hold Mr. Burnell's private property as it will be enabled to do, unless prevented by a legal flaw, the deficit can probably be reduced to \$100,000. The directors are the principal sufferers, being large stockholders and depositors.

This is one of the most extraordinary and unaccountable instances of bad management that we have ever heard of; a commentary upon the practice of placing *nominal* directors in office, either too ignorant of the routine of business, or too busy with their *own* affairs, to attend to public duties *for which they receive no compensation*.

AN ACT FOR THE PROTECTION OF PERSONS VOLUNTEERING IN THE SERVICE OF THEIR COUNTRY AGAINST MEXICO.

Section 1. *Be it enacted by the Senate and House of Representatives, of the State of Louisiana, in general assembly convened,*

That all laws in relation to the collection of debts shall be suspended, and cease to operate against such persons as may be called into the service of their country against Mexico.

Section 2. *Be it further enacted, &c.,* That this law shall be in force six months from and after its passage, or until such persons are regularly discharged from the enlistment aforesaid. *Provided,* That the terms granted in this act to the persons therein mentioned, shall not be computed within the period prescribing any debt or obligation.

Approved 6th May, 1846.

**GENERAL ILLUMINATION IN GREAT BRITAIN.**—It is intended that there shall be a general illumination almost immediately after the passing of the Corn Bill by the House of Lords. In Manchester, Liverpool, Birmingham, Sheffield, Blackburn, and Rochdale, the illumination will be on a scale of great magnificence. In the metropolis, the illumination will be of a similar kind to that which took place at the time of the passing of the Reform Bill.

**NEW YORK STATE LOAN.**—The special six per cent. loan of two hundred thousand dollars required by the state of New York, was taken in July, by the parties mentioned below, at the annexed rates of premium :

|                                  |            |        |          |
|----------------------------------|------------|--------|----------|
| Watts Sherman, . . . . .         | \$ 120,000 | a 5 28 | premium. |
| Savings Bank New York, . . . . . | 48,000     | a 4.56 | “        |
| R. H. King, . . . . .            | 25,000     | a 4.56 | “        |
| William Fowler, . . . . .        | 7,000      | a 4.60 | “        |
|                                  | \$ 200,000 |        |          |

The aggregate premium realized by the State, is \$ 9,986 80; evincing abundance of capital and unabated confidence in the means of the state, and in its intention to sustain its credit in any events.

**NEW BANKS IN NEW HAMPSHIRE.**—At the recent session of the Legislature of New Hampshire, the following new banks, &c. were incorporated: 1. Great Falls Bank, at Somersworth. 2. Strafford Bank, at Dover. 3. Belknap County Bank, at Meredith. 4. State Bank, at Portsmouth. 5. Claremont Bank, Claremont. 6. Bank of Lebanon, (renewal:) also, the Manchester Savings Bank; seven new Railroad Companies, and thirty-two new Manufacturing Companies, and an increase allowed to the capital stock of the Manchester Bank.

**HINTS TO TELLERS AND BOOK-KEEPERS.**—In those banks where a foreign (or general) ledger clerk, as well as an individual book-keeper are employed, much trouble to both, and to the paying teller may be saved by the latter charging the general ledger checks in a separate column from the individual ledger checks in his cash book. Much time is frequently lost in finding out a discrepancy either in the extensions or additions, when neither of the three persons can say in which book the error exists. Whereas, by keeping the two sets of checks separate, the two book-keepers can from time to time during the day, compare their additions with the teller, and discover immediately any difference. It is better for an error to lie between two, than three persons.

**PROBABLE GLUT OF GOLD.**—We find it stated in a French scientific paper, that Siberia contains gold in such abundance, that its discovery is likely to produce a financial revolution in Europe, similar to that which took place on the discovery of Peru. In the period of the last 14 years, the produce of the gold mines in that country is said to have doubled. Eleven thousand persons are daily employed in washing the mineral; and three times the number could be so occupied if the hands could be found. Nothing but this want of laborers, (adds the French Journal,) prevents the markets from being filled with the gold of this rich deposit.—*Liverpool Albion.*

(This want of laborers need not long be felt, there are a few populous towns yet on the continent, although some villages have been depopulated by emigration to the U. S.)—*Ed. B. M.*

**DEATHS.**—At New-York, on the 24th of July, **PRESERVED FISH**, aged 81: for several years, and at his death, President of the Tradesmen's Bank; and long known as an active member of the eminent commercial house of Fish & Grinnell, of that city.

At Fredericksburg, Va. on the 23d of July, **HUGH M. PATTON**, aged 53, Cashier of the Branch of the Farmers' Bank of Va. at that place: a post which he had held for many years, with credit to himself and usefulness to the institution.

## THE ZOLLVEREIN.

THE Zollverein came to its present state in the year 1834, and counted then 23,478,120 inhabitants, which number had increased in 1843, to 28,498,625, on a space of 822,157 German square miles, partly from Baden, Brunswick, Frankfort-on-Maine, Luxemburg, and Nassau, joining to the Union, and partly owing to the regular increase of population, viz.—

|                                           |            |
|-------------------------------------------|------------|
| Prussia, (including Luxemburg).....       | 15,967,879 |
| Bavaria .....                             | 4,444,918  |
| Saxony.....                               | 1,757,800  |
| Wurtemberg, (including Hohenzollern)..... | 1,739,706  |
| Baden.....                                | 1,332,317  |
| Hesse-Cassel.....                         | 719,320    |
| Hesse-Darmstadt.....                      | 844,655    |
| Thuringen, (several duchies).....         | 974,184    |
| Brunswick.....                            | 239,744    |
| Nassau .....                              | 412,271    |
| Frankfort-on-Maine.....                   | 65,831     |

Total 28,498,625

No new state has joined the Union since 1842. The increase of population within the Union is, when no new state joins, half a million a year. The population may, therefore, now be taken at 30 millions.

The duty system is the same that Prussia had in 1818, in which nothing was prohibited, and a duty, of not more than 10 per cent. levied on the value, after which, at that time, the duty was charged on the weight. Since then, however, the prices of most goods have fallen so low, that the common articles of several branches cannot be imported any longer, and others pay a duty of 20, and even 100 per cent. on their value, arising from the duty being levied on the weight.

Prussia is the leading power of the Union, but cannot undertake anything without the sanction of the other powers. To carry a resolution it is necessary that all agree. Deputies of the eleven powers meet every three years to consider and discuss matters principally relating to the tariff, which, after this, is good for three years. In extraordinary cases, however, special meetings may be called in the interim.

## SEMI-ANNUAL DIVIDENDS.

June and July, 1846.

|                                 | Per ct. |                                  | Per ct. |
|---------------------------------|---------|----------------------------------|---------|
| CONN.—Exchange Bank, Hartford,  | 3       | MD.—Western Bank, Baltimore,     | 3       |
| Connecticut River Bank,         | 3       | Farmers & Planters' Bank do.     | 3       |
| New-Haven Bank,                 | 4       | D. C.—Bank of the Metropolis,    | 3       |
| New-Haven County Bank,          | 4       | Patriotic Bank,                  | 3       |
| City Bank, New-Haven,           | 3½      | VA.—Bank of Virginia,            | 3       |
| Mechanics' Bank, do.            | 4       | Farmers' Bank of Va.             | 3½      |
| N. Y.—Phenix Bank, N. Y.        | 3       | Exchange Bank                    | 3½      |
| Merchants' Exchange Bank,       | 4       | S. C.—Union Bank of S. C.        | 1½      |
| Commercial Bank, Albany,        | 4       | Planters & Mechanics' Bank,      | 3       |
| Pine Plains Bank,               | 3       | Bank of Charleston,              | 3       |
| Merchants' Bank, Poughkeepsie,  | 4       | Merchants' Bank, Cheraw,         | 4       |
| Bank of Poughkeepsie,           | 4½      | GEO.—Planters' Bank,             | 4       |
| Farmers & Man. Bank, do         | 3       | KY.—Bank of Kentucky,            | 2½      |
| Long Island Bank,               | 3½      | Northern Bank,                   | 4       |
| PENN.—Bank of North America,    | 4       | Bank of Louisville,              | 3½      |
| DEL.—Farmers' Bank of Delaware, | 3       | TENN.—Planters' Bank,            | 2½      |
| MD.—Cumberland Bank of A.       | 4       | Union Bank,                      | 2       |
| Union Bank of Baltimore,        | 3       | ALA.—Bank of Mobile,             | 2½      |
| Chesapeake Bank do.             | 3       | OHIO.—Ohio Life & Trust Co.      | 4       |
| Merchants' Bank do.             | 3       | N. O.—Mechanics & Traders' Bank, | 3       |

\* Dollars per share.

## PRICES OF STOCKS.

NEW YORK, JULY 25, 1846.

| GOVERNMENT SECURITIES Offered. Asked. |      |      |      |                               |      | Offered. Asked. |  |  |
|---------------------------------------|------|------|------|-------------------------------|------|-----------------|--|--|
| U. S. Loan 6 per ct.                  | 1862 | 106  | 107  | Chemical Bank,                | 150  | —               |  |  |
| do. do. 5 do.                         | 1853 | 98   | 99   | Fulton Bank,                  | 116  | —               |  |  |
| STATE SECURITIES.                     |      |      |      | N. Y. Chemical Manufac. Co.   | 92   | 94              |  |  |
| New York 7 per cent.                  | 1848 | 102  | 103  | Del. & Hud. Canal Co. Bank,   | 180  |                 |  |  |
| do. 7 do.                             | 1849 | 103½ | 103½ | Dry Dock Bank,                |      | 60              |  |  |
| do. 6 do.                             | —    | 106  | 108  | Greenwich Bank,               | 62   | 70              |  |  |
| do. 5½ do.                            | —    | 101  | 103  | Butchers & Drovers' Bank,     | 111  | 112             |  |  |
| do. 5 do.                             | 1850 | 96   | 98   | Mechanics & Traders' Bank,    | 105  | —               |  |  |
| do. 5 do.                             | 1855 | 96   | 98   | National Bank,                | 97   | 99              |  |  |
| do. 5 do.                             | 1858 | 96   | 98   | Merchants' Exchange Bank      | 104  | —               |  |  |
| do. 5 do.                             | 1860 | 96   | 99   | Leather Manufacturers' do.    | 106  | 108             |  |  |
| do. Astor Fives.                      | —    | —    | 96½  | Seventh Ward Bank,            | 90   | 100             |  |  |
| do. 4½ do.                            | —    | —    | —    | State Bank of New-York,       | 83   | 85              |  |  |
| Ohio 6 per cent.                      | 1850 | 93   | 93½  | Bank of Commerce,             | 94   | 95              |  |  |
| do. 6 do.                             | 1860 | 93   | 93½  | Do. do. Scrip,                | 95   | 96              |  |  |
| do. 6 do.                             | 1870 | 93½  | 94   | N. A. Trust & Banking Co.     | 8    | 8½              |  |  |
| do. 5 do.                             | 1856 | 80   | 85   | Del. & Hud. Canal Scrip Stock | 140  | 142             |  |  |
| do. 7 do.                             | —    | 101  | 102  | Mechanics' Banking Associa.   | 92   | —               |  |  |
| Kentucky 6 per cent.                  | 1871 | 99   | 99   | American Exchange Bank,       | 82   | 83              |  |  |
| do. 5 do.                             | —    | 80   | 85   | Long Island Bank,             | 101  | 104             |  |  |
| do. payable in N. Y.                  | —    | 85½  | 86   | Brooklyn Bank,                | 20   | 25              |  |  |
| Illinois 6 per cent.                  | 1860 | —    | —    | Atlantic Bank, Brooklyn,      | 98   | 101             |  |  |
| do. 6 do.                             | 1870 | 30   | 33   | TRUST COMPANIES.              |      |                 |  |  |
| Indiana St'g 5 per ct. 25 yrs.        | 30   | 33   |      | N. Y. Life Ins. & Trust Co.   | 106½ | 109             |  |  |
| do. Dol. 5 do. 35 yrs.                | 30   | 33   |      | Farmers' Loan & Trust Co.     | 25   | 25½             |  |  |
| Arkansas 6 per ct.                    | —    | —    | 43   | Ohio Life Ins. & Trust Co.    | 96   | 96½             |  |  |
| Michigan 6 per ct.                    | —    | 25   | —    | MISCELLANEOUS.                |      |                 |  |  |
| Pennsylvania 5 per ct.                | —    | 67½  | 67½  | New-York Gas Light Co.        | —    | 124             |  |  |
| CITY, &c.                             |      |      |      | Manhattan Gas Light Co.       | 86   | 88              |  |  |
| N. Y., City 7 per ct.                 | 1847 | —    | 103  | Canton Co., Balt.             | 34   | 35              |  |  |
| do. 7 do.                             | 1852 | 104  | 104½ | East Boston Co.               | 14   | 15              |  |  |
| do. 7 do.                             | 1857 | 105  | 107  | FOREIGN INSTITUTIONS.         |      |                 |  |  |
| do. 5 do.                             | 1850 | 92   | 93   | United States Bank.           | 4    | 4½              |  |  |
| do. Water Loan do.                    | 1858 | 92   | 93   | N. O. Canal & Banking Co.     | 40   | —               |  |  |
| Brooklyn 6 per ct.                    | —    | 101  | 105  | City Bank of N. Orleans,      | 64   | 65              |  |  |
| BANKS.                                |      |      |      | Commercial Bank of N. O.      | 26   | 30              |  |  |
| Bank of New York,                     | 118  | 121  |      | Franklin Bank, Cincinnati,    | 90   | 93              |  |  |
| Manhattan Bank,                       | 98   | 99   |      | La Fayette Bank, do.          | 77   | 80              |  |  |
| Merchants' Bank,                      | 106  | 108½ |      | Illinois State Bank,          | 10   | 14              |  |  |
| Mechanics' Bank,                      | 105½ | 106  |      | Vicksburg Com. & R. R. B'k,   | 6    | 6               |  |  |
| Union Bank,                           | 113  | 115  |      | Morris Canal & Banking Co.    | 12½  | 12½             |  |  |
| Bank of America,                      | 96   | 97   |      | RAILROADS.                    |      |                 |  |  |
| City Bank,                            | 104  | 106  |      | New York & Erie,              | 45   | 48              |  |  |
| Phenix Bank,                          | 83   | 85   |      | Mohawk,                       | 47   | 47½             |  |  |
| North River Bank,                     | 90   | 97   |      | Harlem,                       | 54   | 54½             |  |  |
| Tradesmen's Bank                      | 117  | 123  |      | Utica and Schenectady, †      | 113  | 114             |  |  |

† Dividend of 4 per cent. taken off to-day.

THE  
**BANKERS' MAGAZINE,**  
 AND  
**State Financial Register.**

AUGUST, 1846.

CONTENTS.

| ARTICLE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | PAGE. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| I.—SUFFOLK BANK SYSTEM, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 65    |
| II.—LEISURE HOURS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 67    |
| III.—BANK STATISTICS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 70    |
| 1. Kentucky. 2. Ohio. 3. Maine. 4. Connecticut.<br>5. Rhode Island. 6. South Carolina.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |
| IV.—COPPER TRADE OF GREAT BRITAIN, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 75    |
| V.—GENERAL PRINCIPLES OF BANKING: by J. R. McCulloch, Esq. . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 77    |
| VI.—PUBLIC REVENUES OF GREAT BRITAIN, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 81    |
| 1. Custom Houses. 2. Excise. 3. Customs.<br>4. Public Revenue. 5. National Debt. 6. Loans.<br>7. Public Debt. 8. Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |       |
| VII.—CURIOSITIES OF BANKING, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 85    |
| VIII.—FOREIGN BANKERS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 88    |
| IX.—SAVINGS' BANKS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 91    |
| X.—LEGAL MISCELLANY, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 92    |
| XI.—COMMERCIAL FINANCES OF GREAT BRITAIN, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 109   |
| XII.—HISTORY OF BANKING IN THE UNITED STATES, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 113   |
| XIII.—BANKS IN THE UNITED STATES, 1781 to 1812, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 119   |
| XIV.—MISCELLANEOUS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 121   |
| 1. To Correspondents. 2. Missing Numbers.<br>3. London Bankers' Magazine. 4. Bankers' Almanac.<br>5. Ice. 6. Bold Robbery. 7. Fulton Bank.<br>8. Interest on the Debt of Maryland.<br>9. Mutations of Time.<br>10. Manufacturers and Mechanics' Bank, Nantucket.<br>11. An Act for the Protection of Persons volunteering in the<br>Service of their Country against Mexico.<br>12. General Illumination in Great Britain.<br>13. New York State Loan. 14. New Banks in N. Hampshire.<br>15. Hints to Tellers and Book-keepers.<br>16. Probable Glut of Gold. 17. Deaths.<br>18. The Zollverein. |       |
| XV.—SEMI-ANNUAL DIVIDENDS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 126   |
| XVI.—PRICES OF STOCKS, . . . . .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 127   |

ERRATA.

Page 61, line 2, for *April*, 1845, read *April*, 1846.  
 " 66, " 25, for \$3,694,000, " \$4,564,000.  
 " 68, " 13, for *profession*, " *possession*.  
 " 69, " 30, for *change*, " "*Change*."  
 " 71, " 29, for *July 1*, 1845, " *July 1*, 1846.  
 " 69, " 37, for *mintrelsy*, " *minstrelsy*.

THE  
BANKERS' MAGAZINE

AND

State Financial Register.

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VOL. I.]

SEPTEMBER, 1846.

[NO. III.]

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THE CONSTITUTIONAL TREASURY SYSTEM.

[Communicated for the Bankers' Magazine.]

WHEN I promised to give you bank men a few short articles on the Constitutional Treasury System, it was certainly not in the hope of convincing you that we Loco Focos are right. I know you too well for *that*. All I aim at is, to give you clearer ideas than you at present appear to possess of our reasons for the course we are pursuing.

You say that various great men have given their sanction to the system of depositing the public money in banks. Well, suppose they have; there are the provisions of the constitution, plain and palpable. Are these men above the constitution?

To use the language which Daniel Webster once used:

“The framers of the constitution were **HARD MONEY MEN**. They had *felt*, and therefore duly appreciated, *the evils of a paper medium*. They therefore sedulously guarded the currency of the United States against debasement. The *legal* currency of the United States is **GOLD AND SILVER COIN**.”

Now, whether we are right or wrong, is not here the question. You have your own opinion, and let us have ours. I am only telling you what we believe—giving you our motives for action. We believe that the connection of the state with paper money banks is unconstitutional, and as such we mean to put an end to it as soon as possible. We may be defeated again and again, but we shall persevere till we accomplish our purpose. You may as well give up first as last, for we *never* will. We know too well the ground on which we stand.

Our second reason for separating bank and state is founded on *expediency*. Even if the constitution sanctioned this pernicious alliance, we should be opposed to it. We believe that by separating bank and state, we shall give our paper currency more *stability* than it at present possesses.

A notion was once entertained, that so long as the banks pay specie, the notes they issue only displace an equal amount of coin, so that the total amount of the currency is about the same as it would be if there were no banks of issue in existence. Experience has so fully shown the fallacy of this notion, that a formal refutation of it is unnecessary. In 1830, the issues of the banks amounted to sixty-one million dollars; in 1834, to ninety-four millions; in 1836, to one hundred and forty millions; and in the beginning of 1837, to one hundred and forty-nine millions. During the whole of this time the banks were paying specie. In the short period of six years the circulation was more than doubled. Under a hard money system, our currency would have increased just in proportion to the increase of wealth, population and business, but it would have undergone no perceptible variation of value. Thousands of men who are now bankrupt would then have been in prosperous circumstances. We should have had none of the intoxicating prosperity we experienced in 1835 and 1837, but neither should we have had the disastrous reverses we have since suffered.

"The constant tendency of banks," said Nicholas Biddle, "is to lend too much, and to put too many notes in circulation." Now this "*constant tendency*" requires a *constant check*, and this we mean to impose. At present there is no effective check on our banks, except the demand for specie from abroad. To this we mean to add a demand at home. It will be a moderate demand, but it will be always acting, and so far will be effective. It will widen our specie basis, and even you bank men ought to admit that this will do no great harm. "There is no fear," as Mr. Walker has said, "that we shall ever have too few bank notes, or too much specie."

Under this system, if it is brought fairly into operation, we shall have no such bank expansions as we had in 1835 and 1836; but neither shall we have such contractions as we had in 1842 and 1843. Now, the prevention of such great variations in the amount of our currency, must be as beneficial to the banks, as it will be to the people. It is during times of great expansion that the banks make most of their bad debts, and great contractions ruin thousands who would otherwise remain solvent. The independent treasury system will act as a balance wheel in the system, and every intelligent banker will admit that some regulator is necessary.

We are far, however, from supposing that this measure will give *all* the stability to our bank currency that is desirable. The evils of the system are too deep-seated to be thoroughly eradicated by so simple a measure as this. But this is the first step towards a reform.

We hope, moreover, in this way to impart a more healthy action to the banks. All intelligent writers on this subject, concur in declaring, that the *credit* operations of banks, or those resting on their deposits and circulation, ought to be restricted to business paper. So long as this is done, the notes issued are represented by the bills discounted, which, in their turn, are re-

presented by merchandise, which may be used to redeem the notes issued, and thereby redeem the bills discounted. But let the banks, in addition to issues for commercial purposes, make others for the payment of taxes, and the due proportion of currency to commodities is no longer preserved. Intelligent bankers will see the force of this argument; I have not time to dwell upon it.

Recurrence to historical records will show that there have been few, if any, great revulsions in either Europe or America, that have not been caused by the connection of bank and state.

It was this connection that caused the Bank of England to suspend specie payments in 1797, and to continue in a state of suspension for twenty-one years.

It was this connection that caused the suspension of specie payments in this country in 1814. The banks of Boston restricted their discounts to business paper, and sustained payments. The banks of New York, Philadelphia and Baltimore made large loans to government. As a necessary consequence, they suspended specie payments, and, (it is only one link lower down in the chain of consequences,) compelled the southern and western banks to suspend also.

The pecuniary troubles of 1818, 1819 and subsequent years, were, Wm. Jones, first president of the U. S. Bank, being witness, caused by the bank's acting as agent for the government.

In 1825, the banks of both England and the United States were on the very verge of suspending specie payment. In England the efficient cause was the Bank of England's being employed as agent in effecting a reduction of the interest on part of the public debt. In the United States, the efficient cause was, a loan by the United States Bank to the United States government.

All the great revulsions we have had since 1829, have been caused by the connection of bank and state. What was "the removal of the deposits," but the cutting of one governmental connection with banks, and the establishing of another?

If the state banks had not had the public deposits in 1835 and 1836, they would not have suspended specie payments in 1837.

If the principles of the constitutional treasury system had been adopted in 1832-33, we should have escaped the inflation of the currency that occurred in 1835-36, and we should also have escaped the revulsions we have since experienced.

If we wish now that specie payments shall be *permanent*, we must return to the principles of the constitution.

There will be no such difficulty as many imagine, in carrying out these principles so far as regards public receipts and payments. Five and ten dollar pieces are quite as convenient as five and ten dollar notes. When

the sums are of large amount, recourse may be had to weighing. Any gentleman who will try how much American gold he can hold in a canvass bag in his right hand, will be convinced that it will not be necessary for him to take a wheel-barrow along when he goes to pay custom-house dues.

But this is not all. Whatever system we adopt, whether United States Bank, pet bank, or independent treasury, treasury drafts *must* be used. Under a constitutional system, the most rigid hard money man could not with reason object to their use, for they would never be issued, except dollar for dollar, against specie in some public depository. They would differ widely from bank notes, which are mere representatives of bank credit, or evidences of debt due by the banks.

Take an example of the workings of these drafts: Drafts on the treasury office at New York, *may* be issued to the persons in public employ at Washington. These drafts, being in the centre of trade, will not be below par at the place of issue. They will either directly or indirectly, find their way into the hands of the traders in Washington, who will transfer them, in the way of payment for purchases, to the merchants of Baltimore, Philadelphia and New York. The merchants will give them to the collectors in payment of duties. And thus a large portion of the public receipts and payments will be effected by the representatives, dollar for dollar, of specie actually in deposit, in some treasury office.

Not a few of these drafts will find their way into the vaults of the banks, and will prove even more convenient than specie itself in the payment of bank balances.

By the various operations of the system, the amount of specie actually in circulation will be increased, say some ten or twenty millions, in addition to the amount deposited in the treasury offices, and rendered active by means of treasury drafts. This increase of our specie fund must prove beneficial as well to the banks as to the government and the people. Whatever increases the fund of specie in the country, increases the fund out of which the debts due to banks are to be paid, and by which bank credit is to be supported. The dollar which is to-day in a treasury office, may be to-morrow in the vaults of a bank, and the next day in the pockets of one of the people.

Such would be the operations of a *good* independent treasury system. Whether the bill now under consideration will, if it should become a law, produce the effects here set forth, is another question. That bill, though correct in its fundamental principles, is very defective in details. If it fail, its failure will be owing to defects in its details, and owing to its being introduced under unpropitious circumstances.

A CONSTITUTIONALIST.

WASHINGTON, July 29, 1846.

## BIOGRAPHICAL SKETCHES.

No. 1.

## PRESERVED FISH.

Died, at his residence in the city of New York, on the 24th July, 1846, PRESERVED FISH, aged 81, for several years, and at his death, President of the Tradesmen's Bank of that city.

THE biography of prominent and influential men is always useful to the community. Models of statuary and of art generally are held up to the gaze of the world, to create in the rising generation a love of the beautiful and a taste for the refined. So it is with distinguished men—distinguished either for self-education, self-advancement, business or professional talents, scientific attainments, &c. Their example operates largely upon all who come within the sphere of their acquaintance; their habits, principles and views are appreciated and possess an influence wherever they are known.

The late Mr. Fish may be named as one of the many instances wherein individuals have, from their own efforts, and against the tide of adversity, raised themselves to wealth and influence in their respective communities. In him may be shown how the most unpropitious circumstances have been unable to conquer an indomitable spirit, a desire to rise above cotemporaries and a determination to acquire a position of usefulness and independence in society. Every man has numerous difficulties to encounter in the pursuit of these objects, and all are anxious to learn how others have surmounted the obstacles which opposed them in their progress through life.

The late Preserved Fish was born in Rhode Island, on the third of July, 1766, of parents in indifferent circumstances and in obscurity. His opportunities early in life for mental improvement were slight, and his parents unable to furnish more than the first rudiments of a plain education. He was, at an early age, apprenticed to the blacksmith business; but he soon became strongly dissatisfied both with the employment and his employer, and, before his time of service expired, he ran away from home, and shipped as a cabin boy in a whaling vessel. He made several voyages in the trade, gradually rising from this menial capacity, until he became master of a small whaling craft, and finally, by his economy and industry, accumulated a small capital.

His spirit of enterprise induced him, about the year 1810, to quit the seafaring life, and he was induced to settle in New York City, where he entered into business with his cousin, Mr. Joseph Grinnell, with whom he established the firm of Fish and Grinnell. This firm continued in existence from 1810 till 1825, and maintained throughout this long period a high character for commercial integrity, wealth and influence.

In the year 1825 Mr. Fish retired from the firm, and took his departure

for Europe, where he spent nearly three years: during which period he established in Liverpool the firm of Fish, Cairns and Cray. He retired from this house, it is believed without loss or gain, and returned to New York.

In the year 1829 Mr. Fish was elected president of the Trademen's Bank, and subsequently was connected in business with Saul Alley and Joseph Lawrence, under the firm of Fish, Alley and Lawrence. He remained in this firm only one or two years, and then withdrew his capital, probably with other business expectations. Mr. Fish again embarked in business at New York, with a view to establish his adopted son, Mr. William Fish Middleton; but this resulted in considerable pecuniary loss. After this period Mr. F. devoted himself very assiduously to the affairs of the bank, and under his administration it enjoyed prosperity and high credit: its dividends having been, for several years past, at the rate of ten per cent., and its stock at this time commanding from twenty to twenty-three per cent. premium, a value not exceeded probably by more than one banking institution in the city of New York. If the rate of dividend be taken as a measure of success, then the stockholders of the Trademen's Bank have reason to consider their stock as among the most valuable and productive in the market. There are very few monied institutions in this country that have so uniformly made such a large dividend as ten per cent. per annum, accompanied too with such a liberal contingent or reserve fund (\$80,000, or 20 per cent.) as to entitle the stock to its present premium in the market.\*

Mr. Fish was remarkable for great energy and decision of character, pursuing with great ardor any thing he undertook, and, like most men of this character, he was rather *opinionative* and always firm in maintaining his own notions: possessing but little of the *suaviter in modo*, that *oily* process of operations which distinguishes the more polished man. This trait was remarkable *at times* in an eminent senator from Virginia, who was once heard to say, that "whenever I issue an order to a servant, I say *if you please, and if he don't please, I make him please.*"

The business qualifications and character of Mr. Fish were such as to secure the entire confidence of his friends and the community. Strict integrity and straight-forwardness marked his career through life. He was exceedingly well qualified to preside over a banking institution, *with safety to its stockholders*. It may be said of him, that he was temperate in his habits, moderate in his desires; neither parsimonious nor prodigal in his expenses: while his industry, economy and good judgment enabled him to realize a fortune from which he derived a handsome income.

He was three times married, but left no children. The story that he was

\* The Bank Report for May, 1846, shows a surplus of \$80,000, a dividend of five per cent. having been declared four months previously. This would indicate a permanent reserve fund of about \$65,000, or sixteen per cent.

picked up at sea, on a plank or in an open boat, was unfounded in truth. It is not known why the singular name of *Preserved* was given to him; but its peculiarity probably added notoriety to a character already distinguished for consistency, a discriminating judgment and stern integrity.

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## FINANCES OF THE UNITED STATES.

OUR readers will find in the present number of our journal the bill for the establishment of the sub-treasury; also a communication from one of its advocates.

It is needless at this moment, now that the measure has been carried through congress, to urge any arguments against its adoption. We consider the law as highly prejudicial to the true interests and especially the commercial prosperity of the country. At this time, more particularly, it seems unseasonable to adopt a financial scheme which will tend to disarrange the monetary matters of the union. There is likely to be no balance of funds on hand, excepting in treasury notes, and they must be issued to a much larger amount than at present authorised, in order to meet the expenses of the general government for the current year.

The idea of separating the government from the banks, and of establishing one currency for the government and another for the people, is utterly preposterous. The ablest statesmen that this country has produced, including the secretaries of the treasury from the time of Hamilton down to 1833,\* have been in favor of the use of banks by the general government. This country has not yet seen such a system of domestic exchanges as existed with the United States Bank, from 1825 to 1833; nor will the country, in our opinion, ever see such a perfect system, until a similar institution is again established. But aside from a bank of the United States, the government cannot advantageously dispense with the use of the state banks. They are useful institutions to the people, and the government is nothing more than a collection of individuals, acting in behalf of the whole people. We maintain that what is useful and necessary to the latter, is equally so to the former.

In the times of adversity of this government, the banks were among the foremost to aid it in its financial measures, in taking public loans and in facilitating its payments to public creditors. This was the case as early as the year 1781, when the Bank of North America was established; and from 1811 to 1816, when the government frequently was under the necessity of selling its six per cent. stock below par, and at times at 88 per share.

This state of things may arise again. There is now a prospect of a heavy public debt being created, caused by the expenses of the war with Mexico.

\* See page 167, *et seq.*

A greater cause of distress is, however, apparent in the operation of the new tariff. In order to create as large a revenue under the new as under the last tariff, there must be imported an additional amount of foreign goods, to the extent of several millions of dollars beyond the present imports. The heavy importations of 1846 have already largely exceeded the exportations, and the difference can be paid *in specie only*.

|                                                          |               |
|----------------------------------------------------------|---------------|
| The value of merchandise imported for one year, to June, |               |
| 1845, was, . . . . .                                     | \$113,291,700 |
| While the exports were, for the same year, . . . . .     | 106,040,111   |

*Difference against the United States, . . . . .* \$7,251,589

And in order to meet, in part, this balance, specie was exported beyond the imports, to the amount of, . . . . . \$4,643,631

Now, when we add to this state of things, an increase of imports to the amount of twenty or thirty millions per annum, in order to meet the ordinary customs revenue, we can readily see that a heavy loss in specie must take place, and a violent revulsion occur in trade, as experienced in 1836-7, throughout the union.

The treasury reports for the last three years show a condition of trade progressively unfavorable to this country. The exports of specie for that period were as follows :

|                                    |             |
|------------------------------------|-------------|
| 1 year to June 30, 1843, . . . . . | \$1,520,341 |
| 1 year to June 30, 1844, . . . . . | 5,454,214   |
| 1 year to June 30, 1845, . . . . . | 8,606,495   |

|                                                                                     |              |
|-------------------------------------------------------------------------------------|--------------|
| And although the balance of trade was, in 1843, actually<br>in our favor, . . . . . | \$40,149,641 |
| Yet in 1845 it was against us, . . . . .                                            | 7,251,589    |

*Difference between the years 1843 and 1845, . . . . .* \$47,401,230

These returns will show that this country cannot afford to add largely to its present importations. They are already as large as can well be provided for, even with an increased market for our grain, cotton, produce, &c., in Europe.

In connection with this subject it may be well to show our readers the official returns of the amount of specie held at various periods within the last few years, by the Bank of England. While this country was husbanding its immense resources, and the banks prudently preparing for resumption, in 1839, 1840 and 1841, the Bank of England was reduced in its bullion from nine and a quarter millions held in January, 1839, to three and a half millions in January, 1840; and as the quantity decreased rapidly throughout 1839, the rate of interest increased from 3½ to 6¼ per cent. There can be no clearer index to an unfavorable state of trade than the shipments of specie following high rates of exchange, and this result must follow the present financial and revenue systems of the government.

## LEGAL MISCELLANY.

VI. Stockholders' Rights and Liabilities, (continued from page 108.)

VII. Tax on Banks.

VIII. Cashiers' and Clerks' Bonds, and Remedy thereon.

IX. Bank Checks.

VI. *Stockholders' Rights and Liabilities.*

192. A stockholder in a bank that is authorized to commence business with one amount of stock, and to increase the amount afterwards, is entitled to subscribe for and hold the additional stock, in proportion to his original shares; and the bank is liable to him, if its officers, or the corporation, refuse to allow him thus to subscribe therefor; and the measure of damages will be the excess of the market value above the par value of the number of shares to which he was entitled, with interest on such excess. *Gray v. Portland Bank*, 3 Mass. 364.

194. A stockholder of a bank transfers his shares to the corporation by a writing absolute in form, and surrenders his certificate of stock, and at the same time leaves with the cashier an agreement, in which, after reciting that he had transferred the shares as collateral security for the payment of a certain note to the bank, he covenants that if the note shall not be duly paid, the bank may sell the shares and apply the proceeds to the payment of the note, and hold the surplus to his use: he pays interest from time to time upon the note after it has fallen due, and continues to receive the dividends upon the shares. Held, that he is still a member of the corporation. *Merchants' Bank v. Cook*, 4 Pick. 405.

195. A subscriber for 90 bank shares, of \$100 each, paid \$2,750 towards an instalment of 80 per cent. and drew a draft in favor of the bank for the balance, and transferred to the bank all his right, &c. in his shares, (excepting and reserving the sum he had paid in money,) as collateral security for payment of the draft. The draft was not paid, nor did the bank pass to the subscriber's credit any stock, nor give him any certificate for shares. Held, that the subscriber was once an owner of the shares, and that the effect of the reservation in his conveyance to the bank was, that an amount equal to 34 shares, of the par value of \$80 a share, remained his property, and was liable to be sold on an execution against him. *Hussey v. M. and M. Bank*, 10 Pick. 415.

196. The application, by the bank, of the \$2,750 to an account of the subscriber which was independent of the shares, was held to be unauthorized, and not to affect his title to the shares. *ib.*

197. A bank in Philadelphia received from a firm in that city, one member of which was a director of the bank, two drafts, payable to their own order, and endorsed by them, payable 10 days after sight, upon two houses in Virginia, to be transmitted for collection, with instructions as to the manner of presentment. The cashier endorsed the drafts, making them payable to the cashier of the Bank of Virginia, and enclosed them in a letter to that cashier, stating that "the bills are enclosed for our account." The drafts were entered in short, by the Philadelphia Bank, in the bank book of the depositors. After time sufficient, according to usage, had elapsed, the note clerk extended the drafts in the book of the bank to the depositors' credit, and at their request, they were shortly after extended in *their* book.

Several months afterwards, the depositors first learned that the drafts were not paid, and the Philadelphia Bank had knowledge of that fact 18 or 19 days later. In the mean time, the depositors' bank book had been settled seven times. One of the depositors, on offering to transfer his stock in the bank, was refused permission, under the statute of 1820, which provides that no stockholder indebted to the bank for a debt actually due and unpaid shall be authorized to transfer his stock, or receive a dividend, till such debt is discharged, or secured to the satisfaction of the directors. The stockholder sued the bank for this refusal to allow the transfer of his stock, the drafts not having been tendered to the firm. On these facts, it was held that the plaintiff could not recover; that the bank had done its duty in relation to the drafts; that the settlement of the depositors' books did not alter the rights of the parties; that the extension of the drafts, in the bank books, though equivalent to payment, yet being by mutual mistake, was not binding; and that the refusal to permit a transfer of the stock was well warranted. *Mechanics' Bank v. Earp*, 4 Rawle, 384.

198. Where part of the stockholders gave a bond to the others, conditioned to "pay all debts owing by the company," it was held that there could be no recovery, for failure of the obligors to pay off the circulating notes of the bank. The obligees must first stop the circulation of the notes, by redeeming them, or making them exhibits in the suit, and causing them to be withdrawn from circulation. *Pollard v. Stockholders*, &c. 4 J. J. Marsh. 52.

199. B being indebted to a bank for a loan, and being the owner of 380 shares of its stock, empowered the president to transfer the shares to himself in trust for the bank, to secure the payment of the debt and interest. The bank afterwards called on each stockholder to pay an instalment on each share, which B failed to do. Afterwards the president re-transferred the stock, and B paid the loan with interest. Between the time for paying the instalment and the re-transfer, the bank declared two dividends, to recover which B brought *assumpsit*. Held that his neglect to pay the instalment forfeited his claim to those dividends, and that the action could not be sustained. *Marine Bank of Baltimore v. Biays*, 4 Har. & J. 338.

200. Though a defendant may avail himself of any fraud, &c., practiced on him as an individual, yet he cannot, as a stockholder, claim an allowance, in an action by the bank against him as endorser of a note, for any mismanagement of the officers of the bank. *Whittington v. Farmers' Bank*, &c. 5 Har. & J. 489.

201. He cannot give evidence that there was not a sufficient number of the directors of the bank present, at the time of making a certain order, competent to transact business of that description; and that funds had been withdrawn from the bank under that order, when the charter required a greater number of directors, whereby he, as a stockholder, had been deprived of a dividend on his stock. *ib.*

202. He may set off, against the claim of a bank, any money he has in the bank, or any dividends or profits declared to be due to him as a stockholder; but he cannot be allowed for the value of his stock. Nor is money illegally drawn from the bank to be considered as in the vaults for the benefit of its stockholders and creditors. *ib.*

203. A defendant cannot retain in his hands the amount specified in the promissory note on which the action is brought by a bank, although the bank may have in its possession money, dividends of stock or other profits, to the same or greater amount, belonging to the defendant; he can only claim to have deducted from the note, money, or other funds, in the possession of the bank, belonging to him. *ib.*

204. If stockholders, while their charter is in force and their bills in free circulation, should divide and withdraw their capital, so that their debts could not be paid, they would be liable to the person thereby injured. Per Jackson, J. 15 Mass. 519. But where the capital stock of a bank was divided, after its charter had expired, so that funds were not left to pay its debts, it was held that an action would not lie against an individual stockholder, who had received his proportion of the dividends. *Vose v. Grant*, 15 Mass. 505. *Spear v. Grant*, 16 Mass. 9.

205. A stockholder may sustain a bill in equity against the corporation, the directors, and other stockholders, on allegation of fraudulent practices, depreciating the value of the stock, suspending banking operations, refusing cash payments, and withholding dividends; and in such bill, he may join individual stockholders with the corporation, may pray for an account of stock and funds, and for restoration of whatever has been fraudulently withdrawn from the common stock. *Taylor v. Miami Exporting Co.* 5 Ham. 165. See 15 Mass. 522.

206. Where a bank divided among its stockholders three-fourths of its capital stock, before its charter expired, and did not provide funds adequate to meet its outstanding notes, it was held that a bill in equity might be maintained by *some* of the holders of the notes against *some* of the stockholders, the impossibility of bringing *all* before the court being sufficient to dispense with the ordinary rule of making all parties in interest parties to the suit. *Wood v. Dummer*, 3 Mason, 308.

207. The decree, in such case, against the stockholders before the court, should be only for their contributory share of the debt, in the proportion which their stock bore to the whole. *ib.*

208. Fraud, in the original subscription of stock, between the subscribers and the commissioners, &c. cannot injuriously affect subsequent *bona fide* holders without notice. *Minor v. Mechanics' Bank, &c.* 1 Pet. 46.

209. A, who was a stockholder in a bank to which he was indebted both for an instalment on the stock, and also on a note discounted, gave a power of attorney to B to receive the dividend, and another power to B to transfer the stock to C, who placed in B's hands a sum of money to pay the instalment. B, after depositing the money to his own credit, drew a check in favor of A, which was applied to the payment, of the instalment, no notice being given to the bank of the power to transfer the stock to C. Held, that C was not entitled to a transfer of the stock, until the debt due by A on the note was paid, nor to a return of the money paid for the instalment. *Rogers v. Huntingdon Bank*, 12 S. & R. 77.

210. Where the charter of a bank makes a stockholder personally liable, an action of debt lies against him by the holder of a dishonored bank note. *Bullard v. Bell*, 1 Mason 243.

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## VII. Tax on Banks.

211. The legislature of a state may constitutionally impose a tax on the capital stock, &c. of a bank previously incorporated by it, unless the right has been expressly relinquished. *Portland Bank v. Apthorp*, 12 Mass. 252. *Providence Bank v. Billings*, 4 Pet. 514. *Judson v. State*, Minor, 150.

212. Under the New Jersey statute of November, 1810, to tax bank stock, although the capital of the bank may have been diminished by losses, yet the tax must be paid upon the whole amount of the capital stock subscribed and paid in. *Gordon v. New Brunswick Bank*, 1 Halst. 100.

213. But where the legislature reduces the shares of the stock two-fifths, it is in effect declaring that the capital is reduced two-fifths, and the bank shall only pay tax on the remaining three-fifths. *ib.*

214. It is not necessary for the treasurer to give notice to a bank of the amount of the tax assessed upon it before making his return to a justice of the supreme court, for the purpose of obtaining a warrant of distress under the statute. *Den v. Helmes*, 2 Pen. 1050.

215. A recital, in such justice's warrant, that a return was made to him by the treasurer, is *prima facie* evidence that the return required by the statute was made. *ib.*

216. The president of a bank is not liable in his private capacity for the penalty imposed by the Alabama statute of 1820, for not paying taxes due from the bank. *Judson v. State*, Minor, 150.

217. In the summary proceeding prescribed against the president for a penalty for such default of the bank, the bank must be described by its name of incorporation. *ib.*

218. A bank, located in a village authorized to raise money by tax for certain purposes, is liable to pay its proportion of the village taxes, and its real and personal property is accordingly subject to taxation. *Ontario Bank v. Bunnell*, 10 Wend. 186.

219. Such a bank may be assessed for a village tax voted before it went into operation, if before the assessment is made, it derives an income from its capital stock. *Onwego Bank v. Onwego Village*, 12 Wend. 544.

220. A stock corporation, having its office for business within the bounds of a village, is an inhabitant within the act directing village taxes to be assessed on the freeholders and inhabitants of the village. 10 Wend. 186.

221. Banks are not liable, in New York, to be assessed to work on the highways. *Bank of Ithaca v. King*, 12 Wend. 390.

222. By the charter of the Commercial Bank of Cincinnati, no tax of more than four per cent. on the dividends can be levied on the bank or its business. *State v. Commercial Bank*, 7 Ham. (Part I.) 125.

223. Stock standing on the books of the Bank of Newbern, in the name of the president and directors of the Literary Fund, is stock held by the state, within the meaning of the statute extending the charter of that bank, and therefore is not subject to taxation. *State v. Bank of Newbern*, 3 Dev. 372.

#### VIII. Cashiers' and Clerks' Bonds, and Remedy thereon.

241. A misnomer of the corporation, in the official bond of a cashier, by the omission of the words "and company" does not vitiate the bond. *Pendleton v. Bank of Kentucky*, 1 Monr. 175.

242. A bond to secure the faithful performance of a cashier's official duties may be shown to have been approved by the directors (according to the rules prescribed in the charter of the bank) by presumptive evidence; a record, or other written evidence, of such approval, not being necessary—*Marshall, C. J.*, dissenting. *Bank of United States v. Dandridge*, 12 Wheat. 64. *S. P. Union Bank v. Ridgely*, 1 Har. & Gill, 413. 429.

243. Where a board of directors, by a vote, approved of two persons as sureties in a bond to be given by the cashier, and a bond, duly executed by them and the cashier, was afterwards found in the possession of the president, it was held that there was a sufficient acceptance thereof by the cor-

poration. *Dedham Bank v. Chickering*, 3 Pick. 335. S. P. 1 Har & Gill, *ubi sup.*

244. If a cashier is duly appointed, and permitted to act in his office for a long time, under the directors' sanction, his bond need not be accepted according to the terms of the charter, in order that he may enter lawfully on the duties of his office, and render his sureties responsible for his breach of duty. *Bank of United States v. Dandridge*, 12 Wheat. 64.

245. A bond for faithful performance of a cashier's duties, "so long as he shall continue in said office," extends to a breach of duty committed nine years after its date; he having been duly chosen cashier several times, and having acted as such ever after his first election; it not appearing in the bond, nor in the charter, nor in the regulations of the bank, that his office was annual. 3 Pick. 1 and Har. & Gill, *ubi sup.*

246. But where a bank charter limits the duration of the bank to a certain period, and a bond is given to secure the cashier's good conduct, the bond must have the same limitation; and the surety is not liable for a breach of it by the cashier after that period, though the charter be extended by the legislature, beyond its first limitation. 1 Har & Gill, 434.

247. Where a bank, pursuant to its by-laws, require the cashier to renew his bond, and the order requiring the renewal provided that the previous bond should not thereby be impaired until given up to be cancelled, it was held that the first bond, remaining uncanceled, remained in force after the second was executed. *Pendleton v. Bank of Kentucky*, 1 Monr. 177.

248. Where a bank charter, which was originally limited to seven years' continuance, was afterwards extended for the further term of twenty-five years, it was held that the cashier's sureties on his original bond were not liable for his defaults after the time of such extension. *Thompson v. Young*, 2 Ham. 334. And where judgment had been recovered, on account of such defaults, against the surviving sureties, it was held that they had no claim for contribution against the representatives of a deceased surety. *ib.*

249. Where it is a cashier's duty to be sworn before entering on the performance of his official business, it is a breach of the condition of his bond, "to perform all the duties of cashier," if he is not sworn before he acts officially. The bond is not avoided by his omitting to be sworn. *State Bank v. Chetwood*, 3 Halst. 1.

250. In order to charge a cashier's sureties, it is not necessary to give them notice when damages are caused by his default. *ib.*

251. A bond well and truly to execute the duties of cashier or teller, includes not only honesty, but reasonable skill and diligence. If therefore, he perform those duties negligently and unskilfully, or if he violate them from want of capacity and care, the condition of his bond is broken, and his sureties are liable for his misdoings. *Minor v. Mechanics' Bank*, 1 Pet. 46. *State Bank v. Chetwood*, 3 Halst. 25. *Barrington v. Bank of Washington*, 14 S. & R. 405. *American Bank v. Adams*, 12 Pick. 303.

252. In assigning a breach of such bond, it is sufficient to allege that the principal obligor has received money for which he has not accounted, and evidence that he had the character of an honest, careful, and vigilant officer, and that similar losses by bank officers are frequent, and that the directors have expressed their belief that the loss in question was caused by accidental over-payments, and that they, after the loss, continued to employ him, &c. is not sufficient to sustain a rejoinder averring that the loss was by accidental over-payments, &c. *American Bank v. Adams*, 12 Pick. 303. Whether such rejoinder, if duly proved, shows a legal defence, *quære. ib.*

253. Such bond covers all defaults in the duties annexed to such office, from time to time, by those who are authorized to control the affairs of the bank; and the sureties enter into the contract with reference to the rights and authority of the president and directors, under the charter and by-laws. 1 Pet. 46.

254. A bank, authorized to make by-laws, and to take bond from the cashier for the "faithful discharge of the duties of his office," may take a bond with condition that he shall perform the duties of his office according to law and the by-laws of the institution, and that he shall not make known any secrets, or the state of the funds, &c. to any person except the directors, &c. As these things may be required of the cashier by the by-laws, they may be required in the bond. *Bank of Carlisle v. Hopkins*, 1 Monr. 245.

255. The Pennsylvania statute of 1814, incorporating certain banks, authorized the directors to make by-laws for the government of the bank, and made it the duty of the directors to take such security for the good behaviour of the officers, as the by-laws should prescribe; and a by-law of the directors declared that the cashier should give bond to the bank in a certain sum, with one or more sureties to be approved by the board, and "the first book-keeper in six thousand dollars." It was held that a bond given by two sureties for the first book-keeper, accepted by the board, was binding on the sureties, although the book-keeper was not joined in the bond. *Bank of N. Liberties v. Cresson*, 12 S. & R. 306.

256. The sureties of an accountant of a bank, in a bond for his faithful performance of the duties of that office, are not liable for monies taken by him from the teller's drawer, without his consent or knowledge, the accountant not being entrusted with any monies of the bank, nor put in possession of them, as accountant. *Allison v. Farmers' Bank*, 6 Rand. 204.

257. A cashier's bond conditioned "safely to keep all monies," &c. does not render the obligors responsible for money violently robbed from him while in the discharge of his duty. *Huntsville Bank v. Hill*, 1 Stew. 201.

258. Where a cashier exceeded his power, by changing the securities of the bank, without the knowledge of the directors, his sureties were held to be liable; but the measure of damages, in a suit on the bond, was held to be, not the absolute amount of the original securities, but the probable amount that would have accrued from them, if they had not been changed. *Barrington v. Bank of Washington*, 14 S. & R. 405.

259. No act or vote of directors, contrary to their duties, and in fraud of stockholders' rights and interests, will excuse the cashier or his sureties for violating the stipulations in his bond, well and truly to execute the duties of his office. *Minor v. Mechanics' Bank*, 1 Pet. 46.

260. In *Union Bank v. Closey*, 10 Johns. 271, the condition of a bond, that a clerk in the bank should well and faithfully perform the duties assigned to, and trust reposed in him, as first teller, was held to apply to his honesty, but not to his ability; and his sureties were declared not to be responsible for a loss arising from his mistake.

261. But if, in such case, the teller conceal deficiencies that at first arose from mistake, and make false entries in the books, for the purpose of concealment, it is a breach of the bond, and his sureties are liable for the loss sustained in consequence of such fraudulent conduct. *Union Bank v. Closey*, 11 Johns. 182.

262. Where a statute prohibited any bank from issuing bills payable at any place except at the bank, and a cashier, on receiving bills not proved to have been issued after the statute was passed, (which had been taken up

and paid by another bank, at which they were made payable,) put them again into circulation for his own use; it was held to be a breach of his bond given for the faithful performance of his duty, for which his sureties were liable. *Dedham Bank v. Chickering*, 4 Pick. 314.

263. *Aliter*, where he embezzled new bills, made by consent of the directors, and intended to be privately kept and surreptitiously issued by him, after the statute was passed, and in direct violation of it, such bills not being intended to make part of the ostensible funds of the bank, and not being entered on its books, nor noticed in the half-yearly returns to the governor and council. *ib.*

264. Nor are a cashier's sureties liable on his bond for his not accounting to the bank for their money collected by him as an attorney at law. *ib.*

265. Nor for his surreptitiously conveying his shares in the bank to a third person, by means of blank certificates signed by the president and deposited in the cashier's hands, though he had previously pledged the shares to the bank as security for the payment of his notes. *ib.*

266. But, in such case, the bank may apply, towards payment of the cashier's notes, a balance standing on its books in his favor, instead of applying it for the sureties' benefit, in reducing damages for breach of the bond. *ib.*

267. As a cashier has not, *ex officio*, authority to accept a draft, on the bank, unless the drawer has funds there, evidence is not admissible, in a suit against a surety on his bond, that the cashier drew, in his individual capacity, a draft on the bank, and accepted, as cashier, for the bank, and sold it, and that the purchaser transmitted it to him to be passed to his (the purchaser's) credit. *Pendleton v. Bank of Kentucky*, 1 Monr. 177.

268. A cashier, who receives money for deposit, out of the bank, and not in banking hours, or receives its funds at places distant from the bank, and does not account for them, is liable on his official bond. *ib.*

269. A cashier's sureties were held liable until the time of his being discharged from office, though the order for his discharge (which was given upon discovery of his breach of trust) was received on Sunday morning, and was not executed until the afternoon of the next day. *M'Gill v. Bank of United States*, 12 Wheat. 511. Paine, 661.

270. Where a cashier, before his re-appointment to office, had misapplied the funds of the bank, and, after his re-appointment, borrowed money, as cashier, and placed it in the bank, to conceal his delinquency, and afterwards returned the money so borrowed, and was dismissed as a defaulter, it was held that the sureties on his last bond were answerable; as the money, that he so placed in the bank, became the property of the bank, and his subsequent conduct was a breach of the condition of that bond. *Ingraham v. Maine Bank*, 13 Mass. 208.

271. An error against the bank, in the addition of a column of figures by the cashier, is *prima facie* evidence of a loss to the bank, to the amount of such error; and the cashier and his sureties are liable therefor unless they show that the loss did not in fact accrue. *Bank of Washington v. Barrington*, 2 Pennsylv. 27.

272. If a cashier permit a transfer of stock to be made to the bank beyond the amount permitted by the charter, he is answerable to the stockholders, on his bond, for any loss thereby caused, although such transfer were authorized by a resolution of the directors. *ib.*

273. It is the duty of the cashier to forward to the state treasurer the duties on dividends declared by the bank; and if he omit so to do, he and his

sureties are liable on his bond to the amount of the injury thereby necessarily sustained by the bank. *ib.*

274. Where a charter was forfeited by a cashier's omission thus to forward such duties, and by a subsequent statute the charter was "revived and continued in as full force and ample a manner as if no forfeiture had taken place," it was held that his sureties were not liable for his defaults after the passing of that statute. *ib.*

275. A condition in a cashier's bond "to account for, settle, and pay over all monies," &c. is tantamount to the condition prescribed by statute, which is "for his good behaviour." And if it were not, yet the condition prescribed by the statute does not preclude the insertion of the former. *State Bank v. Locke*, 4 Dev. 529.

276. The receipt, by the cashier, of money on deposit, with direction to pass it to the credit of another bank, and his omission so to do, and his concealment of the fact that the money was deposited, constitute a breach of such bond, and the cashier and his sureties are liable therefor, without proof that the bank, of which he was cashier, had paid the amount of the deposit to the bank for which it was deposited. *ib.*

277. Where, in a suit on a cashier's bond issue was taken on the averment that certain false and deceptive entries were made in the books of the bank, by its clerks, with the connivance of the cashier, such books (on proof that they were kept by the clerks, and that the entries were in their hand-writing) are evidences for the purpose of laying a foundation for other testimony to show fraud, &c. by the cashier. *Union Bank v. Ridgely*, 1 Har. & Gill, 327.

278. The admissions of a cashier, made while in office, that he had misapplied the funds of the bank, are evidence against his sureties. *Pendleton v. Bank of Kentucky*, 1 Monr. 177.

279. Where a cashier applies to his own use the notes, &c. of the bank, he is liable for the full nominal amount, and cannot show that such notes, &c. were depreciated. *ib.*

280. Retaining a cashier in office, after a knowledge of his deficiency, does not excuse his surety from liability for previous defaults. *State Bank v. Chetwood*, 3 Halst. 28.

281. But if the law require the removal of a cashier for ascertained delinquency, and the managers of the bank retain him in service, after knowing such cause of removal, and connive at his misconduct, his surety is not liable for any breach of his bond subsequent to the discovery of his misdoings. *Taylor v. Bank of Kentucky*, 2 J. J. Marsh. 568.

282. In a suit on such bond, by the principal bank, a plea imputing to the directors of the branch bank (in which the principal obligor was cashier) knowledge of the cashier's delinquency, and a connivance at it, will not be sufficient; as it is not a legal presumption that what is known to the branches is communicated to the principal bank. *ib.*

283. In debt on a bond given by a cashier, "to account for all monies received by him," the plaintiffs replied, to a plea of general performance, that he had received divers sums of money, at divers times, to a certain amount, for which he had not accounted; and the rejoinder alleged that he had accounted for all monies received. Held, that the defendant was bound, in this state of the pleadings, to show that the cashier had accounted for the replication. *Exeter Bank v. Rogers*, 6 N. Hamp. 142.

284. In debt on a cashier's bond, if the defendant, on oyer, set forth a bond which recites that "C is cashier," he is estopped to deny that C is cashier. *State Bank v. Chetwood*, 3 Halst. 1.

## IX. Bank Checks.

1. A bank check is substantially the same as an inland bill of exchange; it passes by delivery, when payable to bearer, and the rules as to presentment, diligence of the holder, &c. which are applicable to the one, are generally applicable to the other. *Woods v. Schræder*, 4 Har. & J. 276. *Cruiger v. Armstrong*, 3 Johns. Cas. 5. *Conroy v. Warren*, ib. 259. *Merchants' Bank v. Spicer*, 6 Wend. 445. *Sutcliffe v. M'Dowell*, 2 N. & M. 251. *Murray v. Judah*, 6 Cow. 484. *Glenn v. Noble*, 1 Blackf. 104. *Humphries v. Bicknell*, 2 Litt. 299. *Shrieve v. Duckham*, 1 Litt. 194.

2. But where a check was drawn in March, and was not presented until October following, and the drawer, after the date of the check, had drawn large sums from the bank, and payment was refused because the drawer had not the amount of the check in the bank when it was presented, it was held that the drawer was liable, notwithstanding the delay in presenting, as it did not appear that he had sustained any damages by the delay, the failure not proceeding from any fault of the bank, but from the act of the defendant in withdrawing his funds. *Conroy v. Warren*, 3 Johns. Cas. 259.

3. Where a check was received in S, on the 14th of January, drawn on a bank in A, distant 16 miles from S, and between which places there was a daily mail, and it was not presented till Feb. 6th, the endorser was held to be discharged by the holder's laches. *Mohawk Bank v. Broderick*, 10 Wend. 304. 13 Wend. 133.

4. Greater diligence is required in presenting checks, than in presenting common inland bills of exchange. *ib. Gough v. Staats*, 13 Wend. 549.

5. The endorser of a check is discharged by want of diligence in presenting it, though he has not been prejudiced by the delay. 13 Wend. 549.

6. Where all the parties reside in the same place, omission to present a check for six days, discharges the endorser. *ib.*

7. The drawer cannot be called on for payment till after demand on the drawee; and in order to charge him, it is enough to show such demand and a refusal to pay at any time before suit, unless the drawee has failed, or the drawer has otherwise been injured by the delay. *ib.*

8. A check post-dated and negotiated is payable on demand on or after the day on which it purports to bear date. *ib. Mohawk Bank v. Broderick*, 10 Wend. 304. 13 Wend. 133.

9. In an action by the holder against an endorser, a demand of payment from the drawee must be proved, though the drawer had no funds in the drawee's hands, nor any reasonable expectation that the check would be paid. *Mohawk Bank v. Broderick*, ubi sup.

10. The negotiation and circulation of a check does not dispense with the necessity of demanding payment within a reasonable time. *ib.*

11. A party who draws a check on a bank, without funds there to meet it, is not entitled to notice of non-payment, nor discharge by the holder's not presenting it within a reasonable time. *Eichelberger v. Finley*, 7 Har. & J. 381. *Franklin v. Vanderpool*, 1 Hall, 78. *Cushing v. Gore*, 15 Mass. 74. *Mohawk Bank v. Broderick*, ubi sup.

12. To draw a check under such circumstances, if unexplained, is a fraud which deprives the drawer of all right to presentment, &c. 1 Hall, 78.

13. As the officers of a bank cannot, without violating their trust, honor a check beyond the amount of the drawer's deposits, there is no legal ground for the confidence or credit, in such case, which might entitle the

drawer to notice, &c. if he had thus drawn on individuals. 7 Har. & J. 381.

14. Where the drawer of a check on a bank informs the payee that he has withdrawn the funds on which it was drawn, a presentment is unnecessary. *Sutcliffe v. M'Dowell*, 2 N. & M. 251.

15. So where the drawee is forbidden by the drawer to pay on presentment, of which the payee has notice before the check is payable. *Lillie v. Miller*, 2 N. & M. 257, note.

16. Though the drawer, between the making of the check and the time when it should be presented, withdraws his funds from the bank, this alone will not prevent the necessity of presentment and notice. There should be a total absence of funds during all that time; and the drawer, it seems, should know, when he drew, that there would be no funds, or he will be considered only as having *overdrawn*, and be entitled to notice, &c. *Haig v. Moses*, 2 N. & M. 433.

17. A *bona fide* holder of a memorandum check, (a check not addressed to any particular bank or person,) payable to bearer, may maintain an action on it against the drawer, in his own name, though it came into his hands five years after its date. *Ellis v. Wheeler*, 3 Pick. 18.

18. But the burden of proof, in case of a check of this kind, is on the holder; and he cannot recover on it without proof that he obtained it fairly and for a valuable consideration. *Ball v. Allen*, 15 Mass. 433.

19. The holder of a check of the common form is *prima facie* to be deemed the rightful owner of it, and need not prove a consideration, unless there are suspicious circumstances. *Cruger v. Armstrong*, 3 Johns. Cas. 5. *Conroy v. Warren*, ib. 259.

20. The holder, as mere agent, of a check payable to bearer, may sue on it in his own name. If a question of *mala fide* possession arise, the jury are to decide it. *Mauran v. Lamb*, 7 Cow. 174.

21. Where the drawer of a check, on being informed that payment had been demanded, and refused, promised to arrange it, he was held not to have waved a demand, if none had been in fact made. *Brown v. Lusk*, 4 Yerg. 210.

22. Payment, by the drawer, of part of a check, after it becomes due excuses the holder from proving a demand on the bank. *Levy v. Peters*, 9 S. & R. 125. So, it seems, if the drawer pay part before it is due. *ib.*

23. A check upon a bank given in the ordinary course of business, is not presumed to be received as an absolute payment, even if the drawer have funds in the bank, but as the means whereby the holder may procure the money. *Cromwell v. Lovett*, 1 Hall, 56. *People v. Howell*, 4 Johns. 296.

24. The holder of a check, in such a case, becomes the agent of the drawer to collect the money; and if guilty of no negligence, whereby an actual injury is sustained by the drawer, he will not be answerable, if, from any peculiar circumstances attending the bank, the check is not paid. 1 Hall, 56.

25. In a suit against the drawer for the consideration of such a check, the holder may treat it as a nullity, and resort to his original cause of action. 1 Hall, 56. 6 Wend. 369. S. C.

26. The drawer of a check, though for the accommodation of the payee, is not his surety, and therefore, though a subsequent holder give time to the payee, this will not discharge the drawer, though such holder knew it was an accommodation check. As between drawer, payee, and holder, the drawer is principal, and the payee surety. *Murray v. Judah*, 6 Cow. 484.

27. Where such a check was transferred by the holder as collateral security for a prior debt, and on the drawer's failure it was appraised, and taken absolutely by the creditor at a discount, it was held that the creditor was, notwithstanding, entitled to recover against the drawer according to the face of the check, and that, on the money counts, the check was conclusive evidence against the drawer. *ib.*

28. Though a check be transferred to two as collateral security for their two several debts, yet one alone may sue on it; his possession being *prima facie* evidence that he had acquired the other's interest therein. *ib.*

29. A check needs not to be presented on the day on which it is received. *Merchants' Bank v. Spices*, 6 Wend. 443.

30. It is sufficient proof of the presentment of a check to authorize the submitting of the case to a jury, if it be shown that it was delivered by one bank to the porter of the bank on which it was drawn, and that he called, according to the course of business, to make and receive exchanges, and that the check was returned by the latter bank, as not good. *ib.*

31. It is sufficient to charge the original holder of a check as endorser, if he put the initials of his name on the back of it. *ib.*

32. A naked check, payable to A, or bearer, is not, *per se*, evidence of payment to A. It must be proved that he received the money at the bank; and in order to charge him as debtor, evidence of the consideration of the check should be given. *Patton v. Ash*, 7 S. & R. 116.

33. In declaring on a check payable 15 days after date, which the bank had refused to pay, it is not sufficient to aver a presentment after it became due, without stating the day of presentment. *Glenn v. Roble*, 1 Blackf. 104.

34. The endorser of a check for the accommodation of the drawer, to enable the latter to obtain a loan, cannot be discharged as a guarantor where the declaration contains only the money counts, though a copy of the check is served with the declaration. *Gough v. Staats*, 13 Wend. 549.

35. It seems that the payee of a check may well present it when he pleases, at any time before suit thereon against the drawer, unless the drawer can show that he was injured by the delay. *Elting v. Shook*, 2 Hall, 459.

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## GENERAL PRINCIPLES OF BANKING.

BY J. R. M'CUCCLOCH, ESQ.

*Sketch of the Bank of England.*—This great establishment, which has long been the principal bank of deposit and circulation, not in this country only, but in Europe, was founded in 1694. Its principal projector was Mr. William Paterson, an intelligent and enterprising Scotch gentleman, who was afterwards engaged in the ill-fated colony at Darien. Government being at the time much distressed for want of money, partly from the defects and abuses in the system of taxation, and partly from the difficulty of borrowing, because of the supposed instability of the revolutionary establishment, the bank grew out of a loan of 1,200,000*l.* for the public service. The subscribers, besides receiving eight per cent. on the sum advanced as interest, and 4,000*l.* a year, as the expense of management, in all 100,000*l.* a year, were incorporated into a society denominated the *Governor and Company of the Bank of England*. The charter is dated the 27th of July, 1694. It declares, amongst other things, that they shall "be capable in law, to purchase, enjoy, and retain to them and their successors, any manors,

lands, rents, tenements, and possessions whatsoever; and to purchase and acquire all sorts of goods and chattels whatsoever, wherein they are not restrained by act of parliament; and also to grant, demise, and dispose of the same.

"That the management and government of the corporation be committed to the governor, deputy governor, and twenty-four directors, who shall be elected between the 25th day of March, and 25th day of April, each year, from among the members of the company, duly qualified.

"That no dividend shall at any time be made by the said governor and company, save only out of the interest, profit, or produce arising by or out of the said capital stock or fund, or by such dealing as is allowed by act of parliament.

"They must be natural born subjects of England, or naturalized subjects: they shall have in their own name, and for their own use, severally, viz.—the governor at least 4,000*l.*, the deputy governor 3,000*l.*, and each director 2,000*l.* of the capital stock of the said corporation.

"That thirteen or more of the said governors and directors, (of which the governor or deputy governor must always be one,) shall constitute a court of directors, for the management of the affairs of the company, and for the appointment of all agents and servants, which may be necessary, paying them such salaries as they may consider reasonable.

"Every elector must have, in his own name, and for his own use, 500*l.* or more capital stock, and can only give one vote. He must, if required by any member present, take the oath of stock; or the declaration of stock, in case he be one of the people called Quakers.

"Four general courts to be held in every year; in the months of September, December, April, and July. A general court may be summoned at any time, upon the requisition of nine proprietors, duly qualified as electors.

"The majority of electors in general courts have the power to make and constitute by-laws and ordinances for the government of the corporation, provided that such by-laws and ordinances be not repugnant to the laws of the kingdom, and be confirmed and approved, according to the statutes in such case made and provided.

The corporation is prohibited from engaging in any sort of commercial undertaking, other than dealing in bills of exchange, and in gold and silver. It is authorized to advance money upon the security of goods or merchandize pledged to it; and to sell, by public auction, such goods as are not redeemed within a specified time.

It was also enacted, in the same year in which the bank was established, by statute 6, William and Mary, c. 20, that the bank "shall not deal in any goods, wares, or merchandize, (except bullion,) or purchase any lands or revenues belonging to the crown, or advance or lend to their majesties, their heirs or successors, any sum or sums of money by way of loan or anticipation, or any part or parts, branch or branches, fund or funds of the revenue, now granted or belonging, or hereafter to be granted to their majesties, their heirs and successors, other than such fund or funds, part or parts, branch or branches of the said revenue only, on which a credit of loan is or shall be granted by parliament." And in 1697 it was enacted that the "common capital and principal stock, and also the real fund of the governor, and company, or any profit or produce to be made thereof, or arising thereby, shall be exempted from any rates, taxes, assessments, or impositions whatsoever, during the continuance of the bank; and that all the profit, benefit, and advantage from time to time arising out of the management of

the said corporation, shall be applied to the uses of all the members of the said corporation of the governor and company of the Bank of England, rateably, and in proportion to each member's part, share, and interest in the common capital and principal stock of the said governor and company hereby established."

It was further enacted, in 1697, that the forgery of the company's seal, or of any sealed bill or bank note, should be felony without benefit of clergy, and that the making of any alteration or erasure in any bill or note should also be felony.

In 1696, during the great recoinage, the bank was involved in considerable difficulties, and was even compelled to suspend payment of her notes, which were at a heavy discount. Owing, however, to the judicious conduct of the directors, and the assistance of government, the bank got over the crisis. But it was at the same time judged expedient, in order to place her in a situation the better to withstand any adverse circumstances that might afterwards occur, to increase her capital from 1,200,000*l.* to 2,201,171*l.* In 1708, the directors undertook to pay off and cancel one million and a half exchequer bills they had circulated two years before, at 4½ per cent., with the interest on them, amounting in all to 1,775,028*l.* which increased the permanent debt due by the public to the bank, including 400,000*l.* then advanced in consideration of the renewal of the charter, to 3,375,028*l.*, for which they were allowed 6 per cent. The bank capital was then also doubled or increased to 4,402,343*l.* But the year 1708 is chiefly memorable in the history of the bank, for the act that was then passed, which declared, that during the continuance of the corporation of the Bank of England, "it should not be lawful for any body politic, erected or to be erected, other than the said governor and company of the Bank of England, or for any other persons whatsoever, united or to be united in covenants or partnership, exceeding the number of 6 persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable on demand, or in any less time than 6 months from the borrowing thereof."—This proviso, which has had so powerful an operation on banking in England, is said to have been elicited by the Mine-adventure Company having commenced banking business, and begun to issue notes.

The capital of the bank on which dividends are paid, has never exactly coincided with, though it has seldom differed very materially from, the permanent advance by the bank to the public. We have already seen that it amounted in 1708, to 4,402,343*l.* between that year and 1727, it was increased to near 9,000,000*l.* In 1746 it amounted to 10,780,000*l.* From this period it underwent no change till 1782, when it was increased 8 per cent., or to 11,642,400*l.* It continued stationary at this sum down to 1816, when it was raised to 14,553,000*l.*, by an addition of 25 per cent. from the profits of the bank, under the provisions of the act 56 Geo. 3 c. 96. The late act for the renewal of the charter, 3 & 4 Will. 4 c. 98, directs that the sum of 3,638,250*l.* the portion of the debt due to the bank to be repaid by the public, shall be deducted from the bank's capital; which will, therefore, be in future 10,914,750*l.*

The Bank of England has been frequently affected by panics amongst the holders of its notes. In 1745, the alarm occasioned by the advance of the Highlanders under the Pretender as far as Derby, led to a run upon the bank; and in order to gain time to concert measures for averting the run, the directors adopted the device of paying in shillings and sixpences! But they derived a more effectual relief from the retreat of the Highlanders, and

from a resolution agreed to at a meeting of the principal merchants and traders of the city, and very numerous signed, declaring the willingness of the subscribers to receive bank notes in payment of any sum that might be due to them, and pledging themselves to use their utmost endeavors to make all their payments in the same medium.

*Renewals of the Charter of the Bank of England at various periods from 1694 to 1833:—*

|                                                                                                                                                                                                                              | Capital.               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1694. Charter granted, 5 & 6 William III. the bank contributing 1,200,000 <i>l.</i> to the treasury, at 8 per cent.                                                                                                          | £ 1,200,000            |
| 1697. Renewed, till 12 months notice after 1710.                                                                                                                                                                             |                        |
| 1708. Renewed till 12 months notice after 1732, the bank contributing further to the government funds, at 6 per cent.                                                                                                        | 2,175,027              |
| 1713. Renewed till 12 months notice after 1742, the bank advancing to government at 5 per cent. interest, in 1716, and further in 1721, at 4 per cent.                                                                       | 2,000,000<br>4,000,000 |
|                                                                                                                                                                                                                              | <hr/> 9,375,027        |
| In 1727 and 1728 refunded by government,                                                                                                                                                                                     | 275,027                |
|                                                                                                                                                                                                                              | <hr/> £ 9,100,000      |
| Debt due by the government in 1738,                                                                                                                                                                                          |                        |
| 1742. Renewed till 1764—the bank advancing the further sum of 1,600,000 <i>l.</i> and in 1745, 986,000 <i>l.</i> at 3 per cent.                                                                                              | 2,586,000              |
| 1764. Renewed till 1786—the bank paying the government a bonus of 110,000 <i>l.</i> for privileges, &c.                                                                                                                      |                        |
| 1781. Renewed till 1812. The bank loaning the government 3,000,000 <i>l.</i> at 3 per cent. for three years.                                                                                                                 |                        |
| 1800. Renewed till 1833. The bank advancing to government 3,000,000 <i>l.</i> for 6 years, without interest, and loan renewed in 1807, re-payable at the peace. In 1816, the bank renewed the loan till 1833, at 3 per cent. | £ 3,000,000            |
|                                                                                                                                                                                                                              | <hr/> 14,686,800       |
| 1833. Renewed till 1855, or 12 months notice after 1845—refunded to the bank,                                                                                                                                                | 3,638,250              |
|                                                                                                                                                                                                                              | <hr/> £ 11,048,550     |

During the tremendous riots in June, 1780, the bank incurred considerable danger. Had the mob attacked the establishment at the commencement of the riots, the consequences might have proved fatal. Luckily, however, they delayed their attack till time had been afforded for providing a force sufficient to insure its safety. Since that period a considerable military force is nightly placed in the interior of the bank, as a protection in any emergency that may occur.

In the latter part of 1792 and beginning of 1793, there was, in consequence of a previous over-issue on their part, a general run on most of the private banks; and about *one third* of these establishments were forced to stop payment. This led to a considerable demand for coin from the bank.

The year 1797, is, however, the most important epoch in the recent history of the bank. Owing partly to events connected with the war in which we were then engaged—to loans to the emperor of Germany—to bills drawn on the treasury at home by British agents abroad—and partly, and chiefly, perhaps, to the advances most unwillingly made by the bank to government, which prevented the directors from having a sufficient control over their issues—the exchanges became unfavorable in 1795, and in that and the fol-

lowing year large sums in specie were drawn from the bank.\* In the latter end of 1796, and beginning of 1797, considerable apprehensions were entertained of invasion, and rumors were propagated of descents having been actually made on the coast. In consequence of the fears that were thus excited, runs were made on the provincial banks in different parts of the country; and some of them having failed, the panic became general, and extended itself to London. Demands for cash poured in upon the bank from all quarters; and on Saturday, the 25th of February, 1797, she had only 1,272,000*l.* of cash and bullion in her coffers, with every prospect of a violent run taking place on the following Monday. In this emergency an order in council was issued on Sunday the 26th, prohibiting the directors from paying their notes in cash until the sense of parliament had been taken on the subject. And after parliament met, and the measure had been much discussed, it was agreed to continue the restriction till 6 months after the signature of a definitive treaty of peace.

Parliament being sitting at the time, a committee was immediately appointed to examine into the affairs of the bank; and their report put to rest whatever doubts might have been entertained with respect to the solvency of the establishment, by showing that at the moment when the order in council appeared, the bank was possessed of property to the amount of 15,513,690*l.*, after all claims upon it had been deducted.

Much difference of opinion has existed with respect to the policy of the restriction in 1797; but, considering the peculiar circumstances under which it took place, its expediency seems abundantly obvious. The run did not originate in any over-issue of bank paper; but grew entirely out of political causes. So long as the alarms of invasion continued, it was clear that no bank paper immediately convertible into gold would remain in circulation. And as the bank, though possessed of ample funds, was without the means of instantly retiring her notes, she might, but for the interference of govern-

\* So early as December, 1794, the court of directors represented to government their uneasiness on account of the magnitude of the debt due by the government to the bank, and anxiously requested a repayment of at least a considerable part of what had been advanced. In January, 1795, they resolved to limit their advances upon treasury bills to 500,000*l.*; and at the same time they informed Mr. Pitt that it was their wish that he would adjust his measures for the year in *such a manner as not to depend on any further assistance from them.* On the 11th of February, 1796, they resolved, "That it is the opinion of this court, founded upon the experience of the late imperial loan, that if any further loan or advance of money to the emperor, or to any of the foreign states, should in the present state of affairs take place, it will, in all probability, prove fatal to the Bank of England. The court of directors, do, therefore, most earnestly deprecate the adoption of any such measure, and they solemnly protest against any responsibility for the calamitous consequences that may follow thereupon." But notwithstanding these and many other similar remonstrances, fresh advances of money were made to our foreign allies, and fresh demands upon the bank; the directors reluctantly abandoning their own better judgment, to what they truly termed the "*pressing solicitations*" of the chancellor of the exchequer, and their desire to avert "the probable distress which a refusal (on their part) might occasion, in the then alarming state of public affairs." But notwithstanding the difficulties of the bank were greatly aggravated by that conduct on the part of government against which the directors had so strongly protested, she could hardly, in any state of her affairs, have got safely over the crisis of 1797. The run upon the bank that then took place, was occasioned by alarms of invasion, and it is clear, as remarked in the text, that while they continued, no paper immediately convertible into gold could remain in circulation.

ment, have been obliged to stop payment; an event which, had it occurred, must have produced consequences in the last degree fatal to the public interests.

It had been generally supposed, previously to the passing of the restriction act, that bank notes would not circulate unless they were immediately convertible into cash; but the event showed, conformably to principles that have since been fully explained, that this was not really the case. Though the notes of the Bank of England were not, at the passing of the restriction act, publicly declared to be legal tender, they were rendered so in practice, by being received as cash in all transactions on account of government, and of the vast majority of individuals. For the first three years of the restriction, their issues were so moderate, that they not only kept on a par with gold, but actually bore a small premium. In the latter part of 1800, however, their quantity was so much increased that they fell to a discount of about 8 per cent. as compared with gold, but they soon after rose nearly to par; and it was not until 1808 that the decline of their value excited any considerable attention. Early in 1810, they were at a discount of about 13½ per cent.; and this extraordinary fall having attracted the attention of the legislature, the house of commons appointed a committee to inquire into the circumstances by which it had been occasioned. The committee examined several witnesses; and in their report, which was drawn up with considerable ability, they justly ascribed the fall to the over-issue of bank paper, and recommended that the bank should be obliged to resume cash payments within two years. This recommendation was not, however, acted upon; and the value of bank paper continued to decline, as compared with gold, till 1814.

At the period when the restriction on cash payments took place in 1797, it is supposed that there were about 280 country banks in existence; but so rapidly were these establishments multiplied, that they amounted to above 900 in 1813. The price of corn, influenced partly by the depreciation of the currency, and the facility with which discounts were obtained, but far more by deficient harvests, and the unprecedented difficulties which the war threw in the way of importation, had risen to an extraordinary height during the five years ending with 1813. But the harvest of that year being unusually productive, and the intercourse with the continent being then also renewed, prices, influenced by both circumstances, sustained a very heavy fall in the latter part of 1813, and the beginning of 1814. And this fall having proved ruinous to a considerable number of farmers, and produced a general want of confidence, such a destruction of provincial paper took place as has rarely been paralleled. In 1814, 1815 and 1816, no fewer than 240 country banks stopped payment; and *eighty-nine* commissions of bankruptcy were issued against these establishments, being at the rate of *one* commission against every *ten and a half* of the total number of banks existing in 1813.

The great reduction that had been thus suddenly and violently brought about in the quantity of country bank paper, by extending the field for the circulation of Bank of England paper, raised its value in 1817 nearly to a par with gold. The return to cash payments being thus facilitated, it was fixed, in 1819, by the act 59 Geo. 3, c. 78; commonly called Mr. Peel's act, that they should take place in 1823. But to prevent any future over-issue, and at the same time to render the measure as little burdensome as possible, it was enacted, in pursuance of a plan suggested by the late Mr. Ricardo, that the bank should be obliged, during the interval from the passing of the

act till the return to specie payments, to pay her notes, if required, in bars of standard bullion, of not less than sixty ounces' weight. This plan was not, however, acted upon during the period allowed by law; for, a large amount of gold having been accumulated at the bank, the directors preferred recommencing specie payments on the 1st of May, 1821.

The decline in the price of most articles that has taken place since the peace, has been often referred to, as a conclusive proof of the great enhancement in the value of bullion. But the inference is by no means so certain as has been represented. The prices of commodities are as much affected by changes in the cost of their production, as by changes in the quantity of money afloat. Now, there is hardly one of the great articles of commerce, the cost of which has not been considerably reduced, or which has not been supplied from new sources, within the last few years. The growth of corn, for example, has been vastly extended in France, Prussia, and generally throughout the continent, by the splitting of large estates, and the complete subversion of the feudal system; and the reduction of its price in this country is, at least, as much owing to the extraordinary increase of imports from Ireland, as to any other cause. The fall in the price of wool is most satisfactorily accounted for by the introduction and rapid multiplication of merino sheep in Germany, where they seem to succeed even better than in Spain; and by the growing imports from New Holland and elsewhere. And a very large portion, if not the whole, of the fall in the price of colonial products, is admitted, on all hands, to be owing to the destruction of the monopoly system, and the vast extension of cultivation in Cuba, Brazil, Louisiana, Demerara, &c. Although, therefore, we do not deny that the falling off in the supply of bullion from the mines, must have had some influence on prices, we hold it to be the greatest imaginable error to ascribe to it the entire fall that has taken place since the peace. Were its effect rated at 10 per cent. we believe it would be very considerably overstated.

*Cash kept by the Bank. Regulation of her Issues.* Of late the bank directors have endeavored, as a general rule, to have *as much coin and bullion in their coffers as may together amount, when the exchange is at par, to a third part of the bank's liabilities, including deposits as well as issues*; so that, in the event of the notes afloat, and the public and private deposits in the coffers of the bank, amounting to 27,000,000*l.* or 30,000,000*l.*, they would not consider the establishment in a perfectly satisfactory state, unless she was, generally speaking, possessed of about 9,000,000*l.* or 10,000,000*l.* of coin and bullion. Such a supply seems to afford every requisite security; and now that the notes of the bank are made legal tender, and that she must be less exposed than formerly to drains during panics, it may, probably, be found to be unnecessarily large.

The issues of the bank are wholly governed, at least in all ordinary cases, by what Mr. Horsley Palmer expressively calls "the action of the public:"—that is, they are increased during a favorable exchange, or when bullion is sent to the bank to be exchanged for notes, and diminished during an unfavorable exchange, or when notes are sent to the bank to be paid. If the exchange were so favorable that the bank was accumulating considerably more bullion than was equivalent to the third part of her liabilities, the directors would seem to be justified in adding to the currency by buying a larger amount of government securities, or by increasing their discounts, &c.; and conversely, if the exchange were so unfavorable as to depress the supply of coin and bullion considerably below the average proportion. But the most intelligent directors seem to think that this would be an undue in-

terference; and, in all but extraordinary cases, the rule of the bank is, to allow the public to regulate the currency for itself through the action of the exchange.

It is frequently said that the value of money, and, consequently, that the price of all sorts of property depends on the fiat of the bank, by which it is capriciously elevated at one time and depressed at another. But the account now given of the mode in which the issues of the bank are regulated, completely disproves such statements; and independently of this, every one who knows that the bank must pay her notes in coin when presented, and that coin may at all times be obtained from the mint, without any charge, in exchange for bullion, must know that the very supposition of their being true, involves a contradiction.

The annual average loss by bad debts on the discounts of the Bank of England in London, from 1791 to 1831; both inclusive, has been 31,698*l*.

*Balances of Public Money.*—In point of fact, however, a very large part of these advances has been nominal only, or has been virtually cancelled by the balances of public money in the hands of the bank. Thus, from 1806 to 1810, both inclusive, the average advances to government amounted to 14,492,970*l*. But the average balance of public money in possession of the bank during the same period, amounted to about 11,000,000*l*.; so that the real advance was equal only to the difference between these two sums, or to about 3,500,000*l*. This statement completely negatives, as Mr. Tooke has justly stated, the supposition so commonly entertained and reasoned upon as a point beyond doubt, that the bank was rendered, by the restriction, a mere engine in the hands of government for facilitating its financial operations.

The bank being enabled to employ the greater part of the balances of public money in her hands as capital, they have formed one of the main sources of the profit she has derived from her transactions with the public. This subject was brought very prominently forward in the second report of the committee of the House of Commons on public expenditure in 1807. And it was agreed in the same year, that the bank should, in consideration of the advantages derived from the public balances, continue the loan of 3,000,000*l*. made to government in 1800 for 6 years, without interest, on the same terms, till 6 months after the signature of a definitive treaty of peace. In 1816, this sum was finally incorporated with the debt due by government to the bank, at an interest of 3 per cent. In 1818, the public balances had fallen to about 7,000,000*l*.; and they have been still further reduced in consequence of measures that were then adopted. They amounted at an average of the 3 years ending with 1831, to 4,157,570*l*.

*Management of Public Debt.*—Previously to 1786, the bank received an allowance on this account—that is, for trouble in paying the dividends, superintending the transfer of stock, &c.—of 562*l*. 10*s*. a million. In 1786, this allowance was reduced to 450*l*. a million, the bank being, at the same time, entitled to a considerable allowance for her trouble in receiving contributions on loans, lotteries, &c. This, however, though long regarded as a very improvident arrangement on the part of the public, was acquiesced in till 1808, when the allowance on account of management was reduced to 340*l*. a million, on 600,000,000*l*. of the public debt; and to 300*l*. a million on all that exceeded that sum, exclusive of some separate allowances for annuities, &c. The impression, however, was still entertained, that the allowances for management should be further reduced; and the act 3 & 4 Will. 4 c. 93, for the renewal of the charter, has directed that 120,000*l*. a year shall be deducted from their amount. During the year ended the 5th of April, 1832

the bank received 251,461*l.* for the management of the public debt and annuities. This item may, therefore, be taken for the future at about 130,000*l.* a year.

It should be observed that the responsibility and expense incurred by the bank in managing the public debt are very great. The temptation to the commission of fraud in transferring stock from one individual to another, and in the payment of the dividends, is well known; and notwithstanding the skilfully devised system of checks adopted by the bank for its prevention, she has frequently sustained very great losses by forgery and otherwise. In 1803, the bank lost, through a fraud committed by one of her principal cashiers, Mr. Astlett, no less than 340,000*l.*; and the forgeries of Fautleroy the banker, cost her a still larger sum! At an average of the 10 years ending with 1831, the bank lost, through forgeries on the public funds, 40,204*l.* a year.

*Method of conducting business at the bank.*—All accounts kept at the bank with individuals, are termed *drawing accounts*; those with whom they are opened being entitled to draw checks upon them, and to send the bills and drafts in their favor to be presented by the bank, exactly as if they dealt with private bankers. There is no fixed sum with which an individual must open a drawing account; nor is there any fixed sum which the bank requires him to keep at his credit to indemnify them for their trouble in answering his drafts, &c. Mr. Horsley Palmer gave in his evidence the following statement as to the facilities granted by the bank in drawing accounts since 1825:—

1. The bank receives dividends by power of attorney for all persons having drawing accounts at the bank.
2. Dividend warrants are received at the drawing-office for ditto.
3. Exchequer bills and other securities are received for ditto; the bills exchanged, the interest received, and the amount carried to their respective accounts.
4. Checks may be drawn for 5*l.* and upwards, instead of 10*l.* as heretofore.
5. Cash boxes taken in, contents unknown, for such parties as keep accounts at the bank.
6. Bank notes are paid at the counter, instead of drawing tickets for them on the pay clerks as heretofore.
7. Checks on city bankers paid in by three o'clock may be drawn for between four and five; and those paid in before four will be received and passed to account the same evening.
8. Checks paid in after four are sent out at nine o'clock the following morning, received and passed to account, and may be drawn for as soon as received.
9. Dividend warrants taken in at the drawing office until five in the afternoon, instead of three as heretofore.
10. Credits paid into account are received without the bank-book, and are afterwards entered therein without the party claiming them.
11. Bills of exchange accepted, payable at the bank, are paid with or without advice; heretofore with advice only.
12. Notes of country bankers payable in London, are sent out the same day for payment.
13. Checks are given out in books, and not in sheets as heretofore.

A person having a drawing account *may* have a *discount account*; but no person can have the latter without, at the same time, having the former. When a discount account is opened, the signatures of the parties are entered in a book kept for the purpose, and powers of attorney are granted, empowering the persons named in them to act for their principals. No bill of exchange drawn in the country is discounted by the bank in London under 20*l.*, nor London note under 100*l.*, nor for a longer date, under existing regulations, than three months.

## SUB-TREASURY ACT.

*AN ACT to provide for the better organization of the treasury, and for the collection, safekeeping, transfer, and disbursement of the public revenue.*

Whereas, by the fourth section of the act entitled "An act to establish the Treasury Department," approved September two, seventeen hundred and eighty-nine, it was provided that it should be the duty of the treasurer to receive and keep the moneys of the United States, and to disburse the same upon warrants drawn by the Secretary of the Treasury, countersigned by the comptroller, and recorded by the register, and not otherwise; and whereas it is found necessary to make further provisions to enable the treasurer the better to carry into effect the intent of the said section in relation to the receiving and disbursing the moneys of the United States: Therefore—

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the rooms prepared and provided in the new treasury building at the seat of government for the use of the treasurer of the United States, his assistants, and clerks, and occupied by them, and also the fire-proof vaults and safes erected in said rooms for the keeping of the public moneys in the possession and under the immediate control of said treasurer, and such other apartments as are provided for in this act as places of deposit of the public money, are hereby constituted, and declared to be, the treasury of the United States. And all monies paid into the same shall be subject to the draft of the treasurer, drawn agreeably to appropriations made by law.

*Sec. 2. And be it further enacted,* That the mint of the United States, in the city of Philadelphia, in the State of Pennsylvania, and the branch mint in the city of New Orleans, in the State of Louisiana, and the vaults and safes thereof, respectively, shall be places of deposit and safekeeping of the public moneys at those points, respectively; and the treasurer of the said mint and branch mint, respectively, for the time being, shall be assistant treasurers under the provisions of this act, and shall have the custody and care of all public moneys deposited within the same, and shall perform all the duties required to be performed by them, in reference to the receipt, safekeeping, transfer, and disbursements of all such monies, according to the provisions hereinafter contained.

*Sec. 3. And be it further enacted,* That the rooms which were directed to be prepared and provided within the custom-houses in the city of New York, in the State of New York, and in the city of Boston, in the state of Massachusetts, for the use of receivers general of public monies under the provisions of the act entitled "An act to provide for the collection, safekeeping, transfer, and disbursement of the public revenue," approved July fourth, eighteen hundred and forty, shall be for the use of the assistant treasurers hereinafter directed to be appointed at those places, respectively; as shall be also the fire-proof vaults and safes prepared and provided within said rooms for the keeping of the public moneys collected and deposited with them, respectively; and the assistant treasurers from time to time appointed at those points, shall have the custody and care of the said rooms, vaults, and safes, respectively, and of all the public moneys deposited within the same, and shall perform all the duties required to be performed by them, in reference to the receipt, safekeeping, transfer, and disbursement of all such moneys, according to the provisions of this act.

**Sec. 4. *And be it further enacted,*** That the offices, with suitable and convenient rooms, which were directed to be erected, prepared, and provided for the use of receivers general of public money, at the expense of the United States, at the city of Charleston, in the state of South Carolina, and at the city of St. Louis, in the state of Missouri, under the act entitled "An act to provide for the collection, safekeeping, transfer, and disbursement of the public revenue," approved July fourth, eighteen hundred and forty, shall be for the use of the assistant treasurers hereinafter directed to be appointed at the places abovenamed; as shall be also the fire-proof vaults and safes, erected within the said offices and rooms, for the keeping of the public money collected and deposited at those points respectively; the said assistant treasurers, from time to time appointed at those places, shall have the custody and care of the said offices, vaults, and safes, erected, prepared, and provided as aforesaid, and of all the public moneys deposited within the same, and shall perform all the duties required to be performed by them, in reference to the receipt, safekeeping, transfer, and disbursement of all such monies, according to the provisions hereinafter contained.

**Sec. 5. *And be it further enacted,*** That the President shall nominate, and, by and with the advice and consent of the Senate, appoint four officers, to be denominated "assistant treasurers of the United States," which said officers shall hold their respective offices for the term of four years, unless sooner removed therefrom; one of which shall be located at the city of New York, in the state of New York; one other of which shall be located at the city of Boston, in the state of Massachusetts; one other of which shall be located at the city of Charleston, in the state of South Carolina; and one other at St. Louis, in the state of Missouri. And all of which said officers shall give bonds to the United States, with sureties, according to the provisions hereinafter contained, for the faithful discharge of the duties of their respective offices.

**Sec. 6. *And be it further enacted,*** That the treasurer of the United States, the treasurer of the mint of the United States, the treasurers, and those acting as such, of the various branch mints, all collectors of the customs, all surveyors of the customs acting also as collectors, all assistant treasurers, all receivers of public monies at the several land offices, all post-masters, and all public officers of whatsoever character, be, and they are hereby, required to keep safely, without loaning, using, depositing in banks, or exchanging for other funds than is allowed by this act, all the public money collected by them, or otherwise, at any time, placed in their possession and custody, till the same is ordered, by the proper department or officer of the government, to be transferred or paid out; and when such orders for transfer or payment are received, faithfully and promptly to make the same as directed, and to do and perform all other duties as fiscal agents of the government which may be imposed by this or any other acts of Congress, or by any regulation of the Treasury Department made in conformity to law; and, also, to do and perform all acts and duties required by law, or by direction of any of the executive departments of the government, as agents for paying pensions, or for making any other disbursements which either of the heads of those departments may be required by law to make, and which are of a character to be made by the depositaries hereby constituted, consistently with the other official duties imposed upon them.

**Sec. 7. *And be it further enacted,*** That the treasurer of the United States, the treasurer of the mint of the United States, the treasurer of the branch mint at New Orleans, all the assistant treasurers hereinbefore directed to be appointed, shall respectively give bonds to the United States faithfully to

discharge the duties of their respective offices according to law, and for such amounts as shall be directed by the secretary of the treasury, with sureties to the satisfaction of the solicitor of the treasury; and shall, from time to time, renew, strengthen, and increase their official bonds, as the secretary of the treasury may direct, any law in reference to any of the official bonds of any of the said officers to the contrary notwithstanding.

Sec. 8. *And be it further enacted*, That it shall be the duty of the secretary of the treasury, at as early a day as possible after the passage of this act, to require from the several depositaries hereby constituted, and whose official bonds are not hereinbefore provided for, to execute bonds, new and suitable in their terms, to meet the new and increased duties imposed upon them, respectively, by this act, and with sureties and in sums such as shall seem reasonable and safe to the solicitor of the treasury; and, from time to time, to require such bonds to be renewed and increased in amount, and strengthened by new sureties, to meet any increasing responsibility which may grow out of accumulations of money in the hands of the depositary, or out of any other duty or responsibility arising under this or any other law of Congress.

Sec. 9. *And be it further enacted*, That all collectors and receivers of public money, of every character and description, within the District of Columbia, shall as frequently as they may be directed by the Secretary of the Treasury, or the Postmaster General so to do, pay over to the Treasury of the United States, at the treasury, all public monies collected by them, or in their hands; that all such collectors and receivers of public monies within the cities of Philadelphia, and New Orleans shall, upon the same direction, pay over to the treasurers of the mints in their respective cities, at the said mints, all public monies collected by them, or in their hands; and that all such collectors and receivers of public monies within the cities of New York, Boston, Charleston, and St. Louis, shall, upon the same direction, pay over to the assistant treasurers in their respective cities, at their offices, respectively, all the public monies collected by them, or in their hands, to be safely kept by the said respective depositaries until otherwise disposed of according to law; and it shall be the duty of the said secretary and postmaster General respectively to direct such payments by the said collectors and receivers at all the said places, at least as often as once in each week, and as much more frequently, in all cases, as they in their discretion may think proper.

Sec. 10. *And be it further enacted*, That it shall be lawful for the Secretary of the Treasury, to transfer the moneys in the hands of any depositary hereby constituted to the treasury of the United States, to be there safely kept, to the credit of the Treasurer of the United States, according to the provisions of this act; and, also, to transfer moneys in the hands of any one depositary constituted by this act to any other depositary constituted by the same, at his discretion, and as the safety of the public monies and the convenience of the public service shall seem to him to require; which authority to transfer the monies belonging to the Post Office Department is also hereby conferred upon the Postmaster General, so far as its exercise by him may be consistent with the provisions of existing laws; and every depositary constituted by this act shall keep his account of the money paid to or deposited with him, belonging to the Post Office Department, separate and distinct from the account kept by him of other public monies so paid or deposited. And for the purpose of payments on the public account, it shall be lawful for the Treasurer of the United States to draw upon any of the said depositaries, as he may think most conducive

to the public interests, or to the convenience of the public creditors, or both. And each depository so drawn upon shall make returns to the Treasury and Post Office Departments of all monies received and paid by him, at such times and in such form as shall be directed by the Secretary of the Treasury or the Postmaster General.

Sec. 11. *And be it further enacted*, That the Secretary of the Treasury shall be, and is hereby, authorized to cause examinations to be made of the books, accounts, and money on hand, of the several depositories constituted by this act; and for that purpose to appoint special agents, as occasion may require, with such compensation, not exceeding six dollars per day and travelling expenses, as he may think reasonable, to be fixed and declared at the time of each appointment. The agents selected to make these examinations shall be instructed to examine as well the books, accounts, and returns of the officer, as the money on hand, and the manner of its being kept, to the end that uniformity and accuracy in the accounts, as well as safety to the public monies, may be secured thereby.

Sec. 12. *And be it further enacted*, That in addition to the examinations provided for in the last preceding section, and as a further guard over the public monies, it shall be the duty of each naval officer and surveyor, as a check upon the assistant treasurers, or the collector of the customs, of their respective districts; of each register of a land office, as a check upon the receiver of his land office; and of the director and superintendent of each mint and branch mint, when separate offices, as a check upon the treasurers, respectively, of the said mints, or the persons acting as such, at the close of each quarter of the year, and as much more frequently as they shall be directed by the Secretary of the Treasury to do so, to examine the books, accounts, returns, and money on hand, of the assistant treasurers, collectors, receivers of land offices, treasurers of the mint and each branch mint, and persons acting as such, and to make a full, accurate, and faithful return to the Treasury Department of their condition.

Sec. 13. *And be it further enacted*, That the said officers, respectively, whose duty it is made, by this act, to receive, keep, and disburse the public monies, as the fiscal agents of the government, may be allowed any necessary additional expenses for clerks, fire-proof chests, or vaults, or other necessary expenses of safekeeping, transferring, and disbursing said monies; all such expenses of every character, to be first expressly authorized by the Secretary of the Treasury, whose directions upon all the above subjects, by way of regulation and otherwise, so far as authorized by law, are to be strictly followed by all the said officers: *Provided*, That the whole number of clerks to be appointed by virtue of this section of this act shall not exceed ten; and that the aggregate compensations of the whole number shall not exceed [eight] sixteen thousand dollars, nor shall the compensation of any one clerk so appointed exceed eight hundred dollars per annum.

Sec. 14. *And be it further enacted*, That the Secretary of the Treasury may, at his discretion, transfer the balances remaining with any of the present depositories, to any other of the present depositories, as he may deem the safety of the public money or the public convenience may require: *Provided*, That nothing in this act shall be so construed as to authorize the Secretary of the Treasury to transfer the balances remaining with any of the present depositories, to the depositories constituted by this act, before the first day of January next: *And provided*, That, for the purpose of payments on public account, out of balances remaining with the present depositories, it shall be lawful for the treasurer of the United States to draw upon any of the said depositories as he may think most conducive to the public interests, or to the convenience of the public creditor, or both.

Sec. 15. *And be it further enacted*, That all marshals, district attorneys, and others having public money to pay to the United States, and all patentees wishing to make payment for patents to be issued, may pay all such monies to the treasurer of the United States, to the treasurer of either of the mints in Philadelphia or New Orleans, to either of the other assistant treasurers, or to such other depository constituted by this act as shall be designated by the Secretary of the Treasury in other parts of the United States to receive such payments, and give receipts or certificates of deposit therefor.

Sec. 16. *And be it further enacted*, That all officers and other persons, charged by this act, or any other act, with the safekeeping, transfer, and disbursement of the public moneys, other than those connected with the Post Office Department, are hereby required to keep an accurate entry of each sum received, and of each payment or transfer, and that if any one of the said officers, or of those connected with the Post Office Department, shall convert to his own use, in any way whatever, or shall use, by way of investment in any kind of property or merchandise, or shall loan, with or without interest, or shall deposit in any bank, or shall exchange for other funds except as allowed by this act, any portion of the public moneys entrusted to him for safekeeping, disbursement, transfer, or for any other purpose, every such act shall be deemed and adjudged to be an embezzlement of so much of the said monies as shall be thus taken, converted, invested, used, loaned, deposited, or exchanged, which is hereby declared to be a felony; and any failure to pay over or to produce the public moneys entrusted to such person shall be held and taken to be *prima facie* evidence of such embezzlement; and if any officer charged with the disbursements of public monies shall accept or receive, or transmit to the Treasury Department to be allowed in his favor, any receipt or voucher from a creditor of the United States, without having paid to such creditor, in such funds as the said officer may have received for disbursement, or such other funds as he may be authorized by this act to take in exchange, the full amount specified in such receipt or voucher, every such act shall be deemed to be a conversion by such officer to his own use of the amount specified in such receipt or voucher; and any officer or agent of the United States, and all persons advising or participating in such act, being convicted thereof before any court of the United States of competent jurisdiction, shall be sentenced to imprisonment for a term of not less than six months nor more than ten years, and to a fine equal to the amount of the money embezzled. And upon the trial of any indictment against any person for embezzling public monies, under the provisions of this act, it shall be sufficient evidence, for the purpose of showing a balance against such person, to produce a transcript from the books and proceedings of the treasury, as required in civil cases, under the provisions of the act entitled "An act to provide more effectually for the settlement of accounts between the United States and receivers of public money," approved March third, one thousand seven hundred and ninety-seven; and the provisions of this act shall be so construed as to apply to all persons charged with the safekeeping, transfer, or disbursement of the public money, whether such persons be indicted as receivers or depositaries of the same; and the refusal of such person, whether in or out of office, to pay any draft, order, or warrant, which may be drawn upon him by the proper officer of the treasury department, for any public money in his hands belonging to the United States, no matter in what capacity the same may have been received or may be held, or to transfer or disburse any such money promptly, upon the legal requirement of any authorized officer of the United States, shall be deemed and taken,

upon the trial of any indictment against such person for embezzlement, as *prima facie* evidence of such embezzlement.

Sec. 17. *And be it further enacted*, That until the rooms, offices, vaults, and safes, directed by the first four sections of this act to be constructed and prepared for the use of the treasurer of the United States, the treasurers of the mints at Philadelphia and New Orleans, and the assistant treasurers at New York, Boston, Charleston, and St. Louis, can be constructed and prepared for use, it shall be the duty of the Secretary of the Treasury to procure suitable rooms for offices for those officers at their respective locations, and to contract for such use of vaults and safes as may be required for the safekeeping of the public monies in the charge and custody of those officers respectively; the expense to be paid by the United States.

And whereas, by the thirtieth section of the act entitled "An act to regulate the collection of duties imposed by law on the tonnage of ships or vessels, and on goods, wares, and merchandises imported into the United States," approved July thirty-one, seventeen hundred and eighty-nine, it was provided that all fees and dues collected by virtue of that act should be received in gold and silver coin only; and whereas, also, by the fifth section of the act approved May ten, eighteen hundred, entitled "An act to amend the act entitled 'An act providing for the sale of the lands of the United States in the territory northwest of the Ohio, and above the mouth of Kentucky river,'" it was provided that payment for the said lands shall be made by all purchasers in specie, or in evidences of the public debt; and whereas experience has proved that said provisions ought to be revived and enforced, according to the true and wise intent of the constitution of the United States—

Sec. 18. *And be it further enacted*, That on the first day of January, in the year one thousand eight hundred and forty-seven, and thereafter, all duties, taxes, sales of public lands, debts, and sums of money accruing or becoming due to the United States, and also all sums due for postages, or otherwise, to the General Post Office Department, shall be paid in gold and silver coin only, or in treasury notes issued under the authority of the United States: *Provided*, That the Secretary of the Treasury shall publish, monthly, in two newspapers at the city of Washington, the amount of specie at the several places of deposit, the amount of treasury notes or drafts issued, and the amount outstanding on the last day of each month.

Sec. 19. *And be it further enacted*, That on the first day of April, one thousand eight hundred and forty-seven, and thereafter, every officer or agent engaged in making disbursements on account of the United States, or of the General Post Office, shall make all payments in gold and silver coin, or in treasury notes, if the creditor agree to receive said notes, in payment; and any receiving or disbursing officer or agent who shall neglect, evade, or violate the provisions of this and the last preceding section of this act shall, by the Secretary of the Treasury, be immediately reported to the President of the United States, with the facts of such neglect, evasion, or violation; and also to Congress, if in session; and if not in session, at the commencement of its session next after the violation takes place.

Sec. 20. *And be it further enacted*, That no exchange of funds shall be made by any disbursing officers or agents of the government, of any grade or denomination whatsoever, or connected with any branch of the public service, other than on exchange for gold and silver; and every such disbursing officer, when the means for his disbursements are furnished to him in gold and silver, shall make his payments in the money so furnished; or when those means are furnished to him in drafts, shall cause those drafts to

be presented at their place of payment, and properly paid according to the law; and shall make his payments in the money so received for the drafts furnished, unless in either case, he can exchange the means in his hands for gold and silver at par. And it shall be, and is hereby, made the duty of the head of the proper department immediately to suspend from duty any disbursing officer who shall violate the provisions of this section, and forthwith to report the name of the officer or agent to the President, with the fact of the violation, and all the circumstances accompanying the same and within the knowledge of the said secretary, to the end that such officer or agent may be promptly removed from office, or restored to his trust and the performance of his duties, as to the President may seem just and proper: *Provided, however,* That those disbursing officers having, at present, credits in the banks, shall, until the first day of January next, be allowed to check on the same, allowing the public creditors to receive their pay from the banks either in specie or bank notes.

Sec. 21. *And be it further enacted,* That it shall be the duty of the secretary of the treasury to issue and publish regulations to enforce the speedy presentation of all government drafts for payment at the place where payable, and to prescribe the time, according to the different distances of the depositaries from the seat of government, within which all drafts upon them, respectively, shall be presented for payment; and, in default of such presentation, to direct any other mode and place of payment which he may deem proper; but, in all these regulations and directions, it shall be the duty of the secretary of the treasury to guard, as far as may be, against those drafts being used or thrown into circulation as a paper currency, or medium of exchange. And no officer of the United States shall, either directly or indirectly, sell or dispose to any person or persons, or corporations, whatsoever, for a premium, any treasury note, draft, warrant, or other public security, not his private property, or sell or dispose of the avails or proceeds of such note, draft, warrant, or security in his hands for disbursement, without making return of such premium, and accounting therefor by charging the same in his accounts to the credit of the United States; and any officer violating this section shall be forthwith dismissed from office.

Sec. 22. *And be it further enacted,* That the assistant treasurers directed by this act to be appointed shall receive, respectively, the following salaries per annum, to be paid quarter-yearly at the treasury of the United States, to wit: the assistant treasurer at New York shall be paid a salary of four thousand dollars per annum; the assistant treasurer at Boston shall be paid a salary of two thousand five hundred dollars per annum; the assistant treasurer at Charleston shall be paid a salary of two thousand five hundred dollars per annum; the assistant treasurer at St. Louis shall be paid a salary of two thousand five hundred dollars per annum; the treasurer of the mint at Philadelphia shall, in addition to his present salary, receive five hundred dollars annually, for the performance of the duties imposed by this act; the treasurer of the branch mint at New Orleans shall also receive five hundred dollars annually, for the additional duties created by this act; and these salaries, respectively, shall be in full for the services of the respective officers, nor shall either of them be permitted to charge or receive any commission, pay, or perquisite, for any official service, of any character or description whatsoever; and the making of any such charge, or the receipt of any such compensation, is hereby declared to be a misdemeanor, for which the officer convicted thereof, before any court of the United States of competent jurisdiction, shall be subject to punishment by fine or imprisonment, or both, at the discretion of the court before which the offence shall be tried.

Sec. 23. *And be it further enacted*, That there shall be, and hereby is appropriated, to be paid out of any money in the treasury not otherwise appropriated, the sum of five thousand dollars, to be expended, under the direction of the secretary of the treasury, in such repairs or additions as may be necessary to put in good condition for use, with as little delay as may be consistent with the public interests, the offices, rooms, vaults, and safes herein mentioned, and in the purchase of any necessary additional furniture and fixtures, in the purchase of necessary books and stationery, and in defraying any other incidental expenses necessary to carry this act into effect.

Sec. 24. *And be it further enacted*, That all acts or parts of acts which come in conflict with the provisions of this act be, and the same are hereby, repealed.

APPROVED, August 6th, 1846.

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## TREASURY NOTES.

*An Act to authorize an issue of Treasury Notes and a Loan.*

*Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled*, That the president of the United States is hereby authorized to cause treasury notes to be issued for such sum or sums as the exigencies of the government may require; and in place of such of the same as may be redeemed, to cause others to be issued; but not exceeding the sum of ten millions of dollars, of this emission outstanding at any one time, and to be issued under the limitations and other provisions contained in the act entitled "An act to authorize the issue of treasury notes," approved the 12th of October, one thousand eight hundred and thirty-seven, except that the authority hereby given to issue treasury notes shall expire at the end of one year from the passage of this act.

Sec. 2. *And be it further enacted*, That the president, if in his opinion it shall be the interest of the United States so to do, instead of issuing the whole amount of treasury notes authorized by the first section of this act, may borrow on the credit of the United States, such an amount of money as he may deem proper, and issue therefor stock of the United States for the sum thus borrowed, in the same form, and under the same restrictions, limitations, and provisions as are contained in the act of Congress, approved April fifteenth, one thousand eight hundred and forty-two, entitled "An act for the extension of the loan of eighteen hundred and forty-one, and for an addition of five millions of dollars thereto, and for allowing interest on treasury notes due:" *Provided, however*, that the sum so borrowed, together with the treasury notes issued by virtue of this act, shall not in the whole, exceed the sum of ten millions of dollars: *And provided further*, that no commission shall be allowed or paid for the negotiation of the loan authorized by this act; and also that the said stock shall be redeemable at a period not longer than ten years from the issue thereof.

Sec. 3. *And be it further enacted*, That the treasury notes and the stock issued under the provisions of this act shall not bear a higher rate of interest than 6 per cent. per annum, and no part thereof shall be disposed of at less than par.

Sec. 4. *And be it further enacted*, That no compensation shall be made to any officer whose salary is fixed by law, for preparing, signing, or issuing treasury notes; nor shall any clerks be employed beyond the number authorized by the act herein referred to.

**Sec. 5. And be it further enacted,** That the sum of fifty thousand dollars be, and the same is hereby appropriated, out of any money in the treasury not otherwise appropriated, for the purpose of paying the amount of certain treasury notes, which, having been received or redeemed by any authorized officer of the government, were subsequently purloined or stolen, and put into circulation without evidence on their face of their having been cancelled, to the respective holders who may have received the same, or any of them, for a full consideration, in the usual course of business, without notice or knowledge of the same having been stolen, or cancelled, or altered, and without any circumstances to cast suspicion on the good faith or due caution with which they may have received the same.

APPROVED, July 22, 1846.

Under the act to establish the sub-treasury, passed August, 1846, the following gentlemen have been appointed sub-treasurers at the places named:

|                                  |                |
|----------------------------------|----------------|
| William C. Bouck of New York,    | at New York.   |
| Henry Hubbard of New Hampshire,  | at Boston.     |
| William Laval of South Carolina, | at Charleston. |
| George Penn of Missouri,         | at St. Louis.  |

## SCOTCH BANKS.

The following sketch is from the pen of J. R. McCulloch, in Brande's Encyclopedia.

The act of 1708, preventing more than six individuals from entering into partnership for carrying on the business of banking, did not extend to Scotland. In consequence of this exemption, several banking companies, with numerous bodies of partners, have always existed in that part of the empire. The Bank of Scotland was established by act of parliament in 1695. By the terms of its charter it enjoyed, for twenty-one years, the exclusive privilege of issuing notes in Scotland. Its original capital was only 100,000*l.*; but it was increased to 200,000*l.* in 1744, and now amounts to 1,500,000*l.*, of which 1,000,000*l.* has been paid up.

The Royal Bank of Scotland was established in 1727. Its original capital was 151,000*l.*; at present it amounts to 200,000*l.*, which has been all paid up.

The British Linen Company was incorporated in 1746, for the purpose, as its name implies, of undertaking the manufacture of linen. But the views in which it originated were speedily abandoned, and it became a banking company only. Its paid up capital amounts to 500,000*l.*

Exclusively of the above, there are two other chartered banks in Scotland; the commercial bank, established in 1810; and the National Bank of Scotland, established in 1825. The former has paid up capital of 600,000*l.*, and the latter of 500,000*l.*

None of the other banking companies established in Scotland, are chartered associations, and the partners are jointly and individually liable to the whole extent of their fortunes, for the debts of the firms. Some of them, as the Aberdeen Town and Country Bank, the Dundee Commercial Bank, the Perth Banking Company, &c., have very numerous bodies of partners. Generally speaking, they have been eminently successful. An original share, 150*l.*, of the stock of the Aberdeen Banking Company, established in 1767, is now (1838) worth no less than 2,500*l.* Their affairs are uniformly conducted by a board of directors chosen by the shareholders.

There are very few banks with less than six partners in Scotland. Almost

all the great joint stock banks have numerous branches; so that there is hardly a town or village of any consequence without two or more banks.

The Bank of Scotland began to issue one-pound notes as early as 1704, and their issue has since been continued without interruption. With only one exception, all the Scotch banks issue notes; and taking their aggregate circulation at from 3,500,000*l.* to 4,000,000*l.*, it is supposed that from 2,000,000*l.* to 2,500,000*l.* consists of notes for *l.* In 1825 it was proposed to suppress one-pound notes in Scotland as well as in England; but the measure having been strongly objected to by the people of Scotland, as being at once oppressive and unnecessary, was abandoned.

There have been very few bankruptcies among the Scotch banks. This superior stability is to be ascribed to a variety of causes; partly to the great wealth of the early established banks, which had a considerable influence in preventing an inferior class of banks acquiring any hold on the public confidence; partly to the comparatively little risk attending the business of banking in Scotland; partly to the facilities afforded by the Scotch law for attaching a debtor's property, whether it consists of land or moveables; and partly, and principally, perhaps, to the fact of the Scotch banks being but indirectly and slightly affected by a depression of the exchange and an efflux of bullion.

The circumstances now mentioned render it unnecessary to enforce that suppression of local issues in Scotland, which is so indispensable in England, where the system of provincial banking is of a very inferior description, the risk attending the business much greater, and where any excess in the amount of the currency necessarily occasions a fall of the exchange, and a demand for bullion. The commerce and population of Scotland are too limited, and that country is too remote from the metropolis, or from the centre of the monied world, the pivot on which the exchanges turn, to make it of importance that her currency should be identical with that of England. We believe that the Scotch attach much more importance than it deserves, to the issue of paper, and especially to the issue of one-pound notes; still, however, we do not think that the circumstances are at present such as to call for, or to warrant any attempt to introduce any material changes in their banking system.

All the Scotch banks receive deposits, even of the low amount of 10*l.*, and allow interest on them at from one to two per cent. below the market rate. But should a deposit be unusually large, as from 5,000*l.* to 10,000*l.*, a special agreement is usually made with regard to it. This part of the system has been particularly advantageous. It, in fact, renders the Scotch banks a sort of savings' banks for all classes; and their readily receiving all sorts of deposits at a reasonable rate of interest, has tended to diffuse a spirit of economy and parsimony among the people that would not otherwise have existed. The total deposits in the hands of the Scotch banks are believed at present (1838) to exceed 25,000,000*l.* of which fully a half is understood to be in sums of from 10*l.* to 200*l.*

The Scotch banks make advances in the way of discounts and loans, and on what are called cash-credits or cash-accounts. By the latter are meant credits given by the banks for specified sums to individuals, each of whom gives a bond for the sum in his account, with two or more individuals as sureties for its payment. Persons having such accounts draw upon them for whatever sums within their amount they have occasion for, repaying these advances as they find opportunity, but generally within short periods. Interest is charged only on the average balance which may be found due to the bank. The total number of these accounts in Scotland in 1826 was esti-

mated at about 12,000; and it may now, perhaps, be taken at about 14,000. They are believed to average about 500*l.*; few are for less than 100*l.*, and fewer still above 5,000*l.*

It has been contended by no less an authority than Adam Smith, that this species of accommodation gives the Scotch merchants and traders a double command of capital. "They may discount their bills of exchange," says he, "as easily as the English merchants, and have, besides, the additional conveniency of their cash accounts." But this is an obvious error. The circulation will take off only a certain quantity of paper; and to whatever extent it may be issued by means of cash accounts, so much the less can be issued in the way of discounts. The advantage of a cash account does not really consist in its enabling a banker to enlarge his advances to his customers, but in the extreme facility it affords of making them. An individual who has obtained such an account may operate upon it at any time he pleases, and by drafts, for any amount; an advantage he could not enjoy to any thing like the same extent, without an infinite deal of trouble and expense, were the loans and advances made to him through the discounting of bills. The Scotch banks draw upon London at twenty days' date. This is denominated the par of exchange between London and Edinburgh.

*Irish Banks.*—The Bank of Ireland was established in 1783, and the same restriction as to the number of partners in other banks that formerly prevailed in England, was enacted in its favor. Owing to that and other causes the bankruptcies of private banks have been more frequent in Ireland than in England. In 1821 this restriction was repealed, as respects all parts of the country more than fifty Irish miles from Dublin. Since that period several banking companies, with large bodies of partners, have been set on foot in different parts of the country; of these the Provincial Bank, founded on the Scotch model, is among the most flourishing. The charter of the Bank of Ireland expired in 1838; but it will continue to go on till it receive notice to that effect. The Irish as well as the Scotch banks issue notes for 1*l.*

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## STATE FINANCES.

### *To the Holders of Indiana Bonds in the United States.*

Having acted in behalf of a large body of the holders of Indiana Bonds in Europe, in a negotiation with the state for the adjustment thereof; and a law having been passed at the last session of the legislature making provision for the payment of the bonds of the state on the principles therein expressed, and which has been communicated to the parties abroad, I have received by the Caledonia steamer the following resolutions adopted by the committee in London having the business in charge, viz :

#### RESOLUTIONS.

1st. That under the circumstances stated in the report of Mr. Charles Butler, confirmed by a letter from his Excellency James Whitcomb, dated 5th February last, addressed to Mr. Palmer, it is the opinion of the undersigned that it will be for the interest of the bondholders of the state of Indiana to concur in the principle laid down in the act of the legislature passed at Indianapolis on the 19th January last, for the adjustment of the public debt of that State, by the payment of one moiety of the principle and interest by taxation, and the other moiety by the property and tolls of the canal

from the state line adjoining Ohio to Evansville on the Ohio river, such property to be assigned to three trustees, and the State to be freed from responsibility on that portion of the debt and interest to be secured.

2d. That Mr. C. Butler be requested to apply to the bondholders of the state of Indiana, resident in the United States, for their co-operation with the bondholders in Europe, in carrying out the arrangement upon the principle stated in the foregoing resolution.

London, 30th May, 1846.

Signed by

|   |                              |
|---|------------------------------|
| { | N. M. ROTHSCHILD & SONS.     |
|   | PALMER, MACKILOP, DENT & CO. |
|   | BARING, BROTHERS & CO.       |
|   | FRED'K HUTH & CO.            |
|   | MORRISON, SONS & CO.         |
|   | MAGNIAC, JARDINE & CO.       |

In order to carry out the object of the last resolution, I take this method of respectfully requesting the holders of bonds, who may be desirous of securing the benefit of the law, to call at my office for information on the subject or otherwise advise me of their address, and of the amount held by them respectively, prior to the 11th day of July next. Unless certain provisions of the law be complied with by the first of January, 1847, it cannot take effect. Prompt action on the part of bondholders is therefore desirable.

CHARLES BUTLER,  
No. 20 Nassau-st. New-York.

Dated New-York, 27th June, 1846.

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THE BANKING SYSTEM.

BY ALEXANDER HAMILTON, &C.

The recent financial schemes of the general government, and the plan so pertinaciously adhered to, of "separating the government from the banks" seems to demand the publication of some ideas entertained by the eminent and experienced heads of the treasury in former years. Distinguished from the crude, inoperative, and impracticable views of our times, the opinions of Hamilton, Crawford and McLane, may be read to advantage.

ALEXANDER HAMILTON.

No man, placed in the office of the secretary of the treasury, whatever theoretic doubts he may have brought into it, would be a single month without surrendering those doubts to a full conviction that banks are essential to the pecuniary operations of the government.

No man, having a practical knowledge of the probable resources of the country, in the article of specie, (which he would with caution rate beyond the actual revenues of the government,) would rely upon the annual collection of four millions and a half of dollars, without the instrumentality of institutions that give a continual impulse to circulation, and prevent the stagnation to be otherwise expected from locking up from time to time, large sums for periodical disbursements; to say nothing of the accommodations which facilitate to the merchant the payment of the considerable demands made upon him by the treasury.

No man, practically acquainted with the pecuniary ability of individuals

in this country, would count upon finding the means of those anticipations of the current revenue for the current service, which have been and will be necessary, from any other source than that of the banks.

No prudent administrator of the finances of the country, therefore, but would yield to the disposition, which has been acknowledged as alike essential to the interest of the government, and to the satisfactory discharge of his trust; a disposition which would naturally lead to good offices within the proper and justifiable bounds.

All moneys collected on account of the United States, and deposited in banks, *to the credit of the treasurer*, are considered as in the treasury *from the time of deposit*. The steady course with regard to the standing revenue is, that the money deposited in banks passes immediately to the credit of the treasurer. But it is necessary to discharge the payers, that receipts of the treasurer should be endorsed upon warrants signed by the secretary, countersigned by the comptroller, and registered by the register; which is the course regularly observed.

After moneys are deposited in banks to the credit of the treasurer, they are in his control, though they may not legally be disbursed but upon warrants of the above description. If deposited without passing, in the first instance, to the credit of the treasurer, the means used for placing them in his custody and disposal, are warrants of the like kind.

In respect to any moneys of the United States deposited in banks, but not passed to the credit of the treasurer, the banks are considered as directly responsible to the United States. In the case of deposits to the credit of the treasurer, they are responsible, in the first instance, to him; ultimately, to the United States.

ALBERT GALLATIN.

A previous accumulation of treasure, in time of *peace*, might, in a great degree, defray the extraordinary expenses of *war*, and diminish the necessity of either loans or additional taxes. It would provide, during periods of prosperity, for those adverse events to which every nation is exposed, instead of increasing the burdens of the people at a time when they are least able to bear them; or of impairing, by anticipations, the resources of ensuing generations. And the public moneys of the United States not being locked up and withdrawn from the general circulation, but, on the contrary, deposited in banks, and continuing to form a part of the circulating medium, the most formidable objection to that system, which has, nevertheless, been at times adopted with considerable success in other countries, is thereby altogether removed. It is also believed that the renewal of the charter of the Bank of the United States, may, amongst other advantages, afford to government an opportunity of obtaining interest on the public deposits whenever they shall exceed a certain amount. Should the United States, contrary to their expectation and desire, be involved in a war, it is believed that the receipts of the year 1808 will not be materially affected by the event, inasmuch as they will principally arise from the revenue accrued during the present year. The amount of outstanding bonds due by importers, after deducting the debentures issued on account of re-exportations, exceeds, at this time, sixteen millions of dollars. The deductions to be made from these, on account of subsequent re-exportations, would, in case of war, be less than usual; for exportations will then be checked as well as importations; and, in proportion as these will decrease, a greater home demand will be created for the stock on hand, and the necessity of re-exporting be diminished.

That the revenue of the United States will, in subsequent years, be con-

siderably impaired by a war, neither can nor ought to be concealed. It is, on the contrary, necessary, in order to be prepared for the crisis, to take an early view of the subject, and to examine the resources which should be selected for supplying the deficiency and defraying the extraordinary expenses.

A maritime war will, in the United States, generally and deeply affect, whilst it continues, the resources of individuals; as not only commercial profits will be curtailed, but principally because a great portion of the surplus of agricultural produce necessarily requires a foreign market. The reduced price of the principal articles exported from the United States will operate more heavily than any contemplated tax. And, without inquiring whether a similar cause may not still more deeply and permanently affect a nation at war with the United States, it seems to follow that, so far as relates to America, the losses and privations caused by the war, should not be aggravated by taxes, beyond what is strictly necessary. *An addition to the debt* is doubtless an evil; but experience having now shown with what rapid progress the revenue of the Union increases in time of peace—with what facility the *debt* formerly contracted has, in a few years, been reduced—a hope may confidently be entertained that all the evils of the war will be temporary, and easily repaired; and that the return of peace will, without any effort, afford ample resources for reimbursing whatever may have been borrowed during the war.

The duties on importation generally may, in case of war, be considerably increased—perhaps doubled—with less inconvenience than would arise from any other mode of taxation. Without resorting to the example of other nations, experience has proven that this source of revenue is, in the United States, the most productive, the easiest to collect, and the least burdensome to the great mass of the people. In time of war, the danger of smuggling is diminished; the scarcity of foreign articles prevents the duty ever falling on the importer; the consumers are precisely those members of the community who are best able to pay the duty; and the increase of domestic manufactures, which may be indirectly affected, is in itself a desirable object.

The advantages derived by government from the bank are nearly of the same nature with those obtained by individuals who transact business with similar institutions, and may be reduced to the following heads:

1. *Safekeeping of the public monies.*—This applies not only to monies already in the treasury, but also to those in the hands of the principal collectors, of the commissioners of loans, and of several other officers, and affords one of the best securities against delinquencies.

2. *Transmission of public monies.*—As the collectors will always, in various quarters of the extensive territory of the Union, either exceed or fall short of the expenditures in the same places, a perpetual transmission of money, or purchases of remittances, at the risk and expense of the United States, would become necessary, in order to meet those demands; but this is done by the bank, at its own risk and expense, for every place where one of its branches is established, which embraces all payments of any importance.

3. *Collection of the revenue.*—The punctuality of payments introduced by the banking system, and the facilities afforded by the bank to the importers indebted for revenue bonds, are amongst the causes which have enabled the United States to collect, with so great facility, and with so few losses, the large revenue derived from the impost.

4. *Loans.*—Although the prosperity of past years has enabled government,

during the present administration, to meet all the public demands without recurring to loans, the bank had heretofore been eminently useful in making the advances which, under different circumstances, were necessary. There was a time when, exclusively of the six per cent. stock held by the institution as part of the original subscription, the loans obtained by government from the bank amounted to \$6,200,000. And a similar disposition has been repeatedly evinced whenever the aspect of public affairs has rendered it proper to ascertain whether new loans might, if wanted, be obtained.

The numerous banks now established under the authority of the several states, might, it is true, afford considerable assistance to government in its fiscal operations. There is none, however, which could effect the transmission of public monies with the same facility, and to the same extent, as the Bank of the United States is enabled to do, through its several branches. The superior capital of that institution offers, also, a greater security against any possible losses, and greater resources in relation to loans. Nor is it eligible that the general government should, in respect to its own operations, be entirely dependent on institutions over which it has no control whatever. A national bank, deriving its charter from the national legislature, will, at all times, and under every emergency, feel stronger inducements, both from interest and from a sense of duty, to afford to the Union every assistance within its power.

The result of that plan would be—1st. That the United States, receiving an interest on the public deposits, might, without inconvenience, accumulate, during years of peace and prosperity, a treasure sufficient to meet periods of war and calamity, and thereby avoid the necessity of adding, by increased taxes, to the distresses of such periods; 2d. That they might rely on a loan of eighteen millions of dollars on any sudden emergency; 3d. That the payment of the greater part of the proposed increase of capital being made in ten annual instalments, that increase would be gradual, and not more rapid than may be required by the progressive state of the country; 4th. That the bank itself would form an additional bond of common interest and union amongst the several states.

In a former communication to the committee of ways and means, it was suggested that "treasury notes," bearing interest, might to a certain extent be issued, and to that extent diminish the amount to be directly borrowed. The advantage they would have, would result from their becoming a part of the circulating medium, and taking, to a certain degree, the place of bank notes. It is evident, however, that, for the same reason, the issue must be moderate, and never exceed the amount which may circulate without depreciation.

It may be proper to repeat, that, so long as the public credit is preserved, and a sufficient revenue is provided, no doubts are entertained of the possibility of procuring on loan, the sums wanted to defray the extraordinary expenses of a war; and that the apprehensions expressed relate solely to the terms of the loans—to the rate of interest at which they can be obtained.

In answering the inquiries of the committee on subjects so intimately connected with the most important questions of national concern, it became an imperious duty to represent every circumstance precisely as it was, or appeared to be, and without exaggerating or disguising any of the difficulties which must be encountered. To understand these to their full extent, will afford the best means of overcoming them; and there is none which appears insurmountable or even discouraging. What appears to be of vital importance is, that *the crisis* should at once be met by the adoption of efficient measures, which will with certainty provide means commensurate with the expense; and by preserving unimpaired, instead of abusing, that

public credit on which the public resources so eminently depend, will enable the United States to persevere in the contest until an honorable peace shall have been obtained.

ALEXANDER J. DALLAS.

In making a proposition for the establishment of a national bank, I cannot be insensible to the high authority of the names which have appeared in opposition to that measure upon constitutional grounds. It would be presumptuous to conjecture that the sentiments which actuated the opposition have passed away; and yet it would be denying to experience a great practical advantage, were we to suppose that a difference of times and circumstances would not produce a corresponding difference in the opinions of the wisest as well as of the purest men. But, in the present case, a change of private opinion is not material to the success of the proposition for establishing a national bank. In the administration of human affairs, there must be a period when discussion shall cease, and decision shall become absolute. A diversity of opinion may honorably survive the contest; but, upon the genuine principles of a representative government, the opinion of the majority can alone be carried into action. The judge who dissents from the majority of the bench, changes not his opinion, but performs his duty, when he enforces the judgment of the court, although it is contrary to his own convictions. An oath to support the constitution and the laws is not, therefore, an oath to support them, under all circumstances, according to the opinion of the individual who takes it; but it is emphatically an oath to support them according to the interpretation of the legitimate authorities. For the erroneous decisions of a court of law, there is the redress of a censorial, as well as of an appellate jurisdiction. Over an act founded upon exposition of the constitution, made by the legislative department of the government, but alleged to be incorrect, we have seen the judicial department exercise a remedial power. And even if all the departments, legislative, executive, and judicial, should concur in the exercise of a power which is either thought to transcend the constitutional trust, or to operate injuriously upon the community, the case is still within the reach of a competent control, through the medium of an amendment to the constitution, upon the proposition not only of Congress, but of the several states. When, therefore, we have marked the existence of a national bank for a period of twenty-years, with all the sanctions of the legislative, executive, and judicial authorities; when we have seen the dissolution of one institution, and heard a loud and continued call for the establishment of another;—when under these circumstances, neither Congress nor the several states have resorted to the power of amendment, can it be deemed a violation of the right of private opinion to consider the constitutionality of a national bank as a question forever settled and at rest?

But, after all, I should not merit the confidence which it will be my ambition to acquire, if I were to suppress the declaration of an opinion, that in these times the establishment of a national bank will not only be useful in promoting the general welfare, but that it is necessary and proper for carrying into execution some of the most important powers constitutionally vested in the government.

WILLIAM H. CRAWFORD.

The degree of credit which a bank can employ, in proportion to its capital, depends upon a variety of circumstances. If the community reposes great confidence in the prudence and integrity of those who direct its concerns; if the capital employed is small in proportion to the demand for the

transmission of money ; if there is no other bank whose local situation repels its circulation from those sections of country the produce of which is ultimately carried to the place where it is established, the credit which it will be able to employ will be very great. Where all these facilities are wanting, the extent of the credit which it will employ will be very inconsiderable. The additional efficiency which, in the latter case, will be imparted to capital invested in banks, will, it is believed, not countervail the evils which necessarily result from their establishment.

Among the advantages which have been supposed most strongly to recommend their establishment, especially in a community whose resources are rapidly expanding, their capacity suddenly to increase the currency to the utmost demand for it, has been considered the most important.

In a country where the currency is purely metallic, no considerable addition can be made to it, without giving, at the time of its acquisition, articles in exchange of equal value. No addition can be made to the currency without affecting, to the extent of such addition, the enjoyments of the community. The amount so added, will, to the same extent, diminish the quantity of articles which would otherwise be imported into the country for domestic consumption or for re-exportation.

Ordinarily, the currency of one country will not be exported to another, because its value in every country is nearly the same. It will not, therefore, like other commodities, command a commercial profit upon exportation. It will be taken from one country to another only when the price of commodities in the former is so high as to produce a loss in the latter equal to the expense of transporting specie. It is this condition, annexed to every acquisition to the currency of a state when it is purely metallic, of diminishing, to the same extent, the enjoyments of the community, which affords the most efficient protection against its becoming redundant. It is equally efficient in guarding against a deficiency, to an extent that can seriously affect the interest of the community. But this condition is not annexed to the increase of the currency by the issue of bank notes, even when convertible into specie. The notes by which the currency is suddenly augmented, do not, in any degree, diminish the enjoyments of the community. No equivalent is, by such issue, transferred to another community, as is invariably done when an acquisition is made to a metallic currency. Whenever the currency can be augmented, except from such transfer, it must be subject to some degree of fluctuation in quantity. Every addition made to the currency by the issue of bank notes, changes the relation which previously existed between the amount of the currency, and the amount of the commodities which are to be exchanged through its agency. Their issue depends not upon receiving in exchange articles of equal value, but upon a pledge of the credit of one or more individuals to the amount of such issue. No evil can result to the community from the advance of the capital of a bank in exchange for the credit of individuals. In that case, no addition is made to the amount of the currency previously in circulation. It is perfectly immaterial to society whether this capital be lent by individuals or corporations. The relation between the currency and the exchangeable commodities of the state, is not disturbed. But when their credit is greatly extended, the currency is expanded, and that relation is deranged. An expansion of the currency, through the agency of banks, will generally occur only in periods of prosperity. During such periods, enterprise will be fostered, industry stimulated, and the comfort and happiness of the people advanced, without the factitious aid of an expansive currency. But there can be no doubt that a sudden increase of the currency during periods of prosperity

through the agency of bank issues, gives additional force and activity to the national enterprise. Such an increase will be followed by a general rise in the value of all articles, especially of those which cannot be exported. The price of lands, houses, and public stock, will be augmented in a greater degree than if no such increase had taken place.

As a financial resource, the issue of treasury notes is justifiable only where the deficiency which they are intended to supply is small in amount, and temporary in its nature. As a measure of alleviation, it will be more likely to do harm than good. If a sufficient amount of those notes of any description whatever should be issued, and put into circulation where they are most wanted, unless they were given away, a debt in that part of the Union would be contracted to the extent of the issue. It might enable the borrowers to pay debts previously contracted, but their relative situation would be the same. Unless the currency became vitiated by the relief which was afforded, the ultimate payment of the debt would consummate the ruin which the measure was intended to prevent. But it is probable that the sums which might be advanced by way of loan would, in a great degree, be lost. The government is not, from its nature, qualified for operations of this kind. The general system of credit which has been introduced by the agency of banks, and by the inevitable effect of the measures of the general government, has produced an artificial state of things, which requires repression rather than extension. The issue of treasury notes, for the purpose of alleviating the general distress, would tend to increase this unnatural and forced state of things, and give to it a duration which it would otherwise never attain. If much of the evil resulting from a decreasing currency had not already been suffered, there might be some plausible reason for urging the issue of treasury notes as a measure of alleviation. This ground cannot be urged in its favor; it is, therefore, indefensible, upon the ground of expediency as well as of principle.

RICHARD RUSH.

This substantial prosperity, the result of the general industry, fostered by good laws, and a just economy in the public administration—laws which, by enlarging the home demand for the productions of the soil, have aided in supplying deficiencies in the foreign demand, and which, by superadding to exports, the results of manufacturing, to those of agricultural labor, have tended to open new avenues to external traffic.

LOUIS McLANE.

On this supposition, the first secretary of the treasury, in his memorable reports of January and December, 1790, recommended a national bank as “an institution of primary importance to the finances, and of the greatest utility in the operations connected with the support of public credit;” and various communications since made to congress show that the same views were entertained of their duties by others who have succeeded him in the department.

The indispensable necessity for such an institution for the fiscal operations of the government in all its departments, for the regulation and preservation of a sound currency, for the aid of commercial transactions generally, and even for the safety and utility of the local banks, is not doubted, and, as is believed, has been shown in the past experience of the government, and in the general accommodation and operations of the present bank.

The present institution may, indeed, be considered as peculiarly the offspring of that necessity, springing from the inconveniences which followed

the loss of the first Bank of the United States, and the evils and distresses incident to the excessive, and, in some instances, fraudulent issues of the local banks during the war. The propriety of continuing it is to be considered not more in reference to the expediency of banking generally, than in regard to the actual state of things, and to the multiplicity of state banks already in existence, and which can neither be displaced, nor in other manner controlled in their issues of paper by the general government. This is an evil not to be submitted to; and the remedy at present applied, while it preserves a sound currency for the country at large, promotes the real interest of the local banks by giving soundness to their paper.

It is not intended to assert that the Bank of the United States, as at present organized, is perfect; or that the essential objects of such an institution might not be attained by means of an entirely new one, organized upon proper principles, and with salutary limitations. It must be admitted, however, that the good management of the present bank, the accommodation it has given the government, and the practical benefits it has rendered the community, whether it may or may not have accomplished all that was expected from it, and the advantages of its present condition, are circumstances in its favor entitled to great weight, and give it strong claims upon the consideration of congress in any future legislation upon the subject.

SAMUEL D. INGHAM.

If these views be correct, silver ought to be the standard measure of property in the United States, and maintained, by mint regulations, as the chief material for metallic currency. But if there were no paper medium like that of the Bank of the United States, circulating freely in all parts of the Union, and everywhere convertible into the standard, at a very moderate discount, gold coins would be almost indispensable. Without them, every traveller, even from state to state, and often from one county to another, must either encumber himself with silver, or be exposed to vexatious embarrassments and impositions.

PUBLIC CREDIT.

For the benefit of the legislature and people of Maryland, *the only State upon the Atlantic borders now under suspension*, we republish the following remarks from the pen of Alexander Hamilton, Secretary of the Treasury from October, 1789; to January, 1795.

Our readers, and particularly those in the states of Louisiana, Indiana, Illinois, and Michigan, cannot digest too carefully, nor weigh too seriously, the observations which have emanated from the distinguished Hamilton, to whom the country is so highly indebted for a complete system of finance and for his exertions to maintain state credit.

To attempt to enumerate the complicated variety of mischiefs in the whole system of the social economy, which proceed from a neglect of the maxims that uphold public credit, and justify the solicitude manifested by the house on this point, would be an improper intrusion.

If the maintenance of public credit, then, be truly so important, the next inquiry which suggests itself is, By what means is it to be effected? The ready answer to which question is, by good faith; by a punctual performance of contracts. States, like individuals, who observe their engagements, are respected and trusted; while the reverse is the fate of those who pursue an opposite conduct.

Every breach of the public engagements, whether from choice or necessity, is, in different degrees, hurtful to public credit. When such a necessity does truly exist, the evils of it are only to be palliated by a scrupulous attention, on the part of the government, to carry the violation no further than the necessity absolutely requires, and to manifest, if the nature of the case admit of it, a sincere disposition to make reparation whenever circumstances shall permit. But, with every possible mitigation, credit must suffer, and numerous mischiefs ensue. It is, therefore, highly important, when an appearance of necessity seems to press upon the public councils, that they should examine well its reality, and be perfectly assured that there is no method of escaping from it, before they yield to its suggestions. For, though it cannot safely be affirmed that occasions have never existed, or may not exist, in which violations of the public faith, in this respect, are inevitable; yet there is great reason to believe that they exist far less frequently than precedents indicate, and are oftenest either pretended, through levity or want of firmness; or supposed, through want of knowledge. Expedients often have been devised to effect, consistently with good faith, what has been done in contravention of it. Those who are most commonly creditors of a nation, are, generally speaking, enlightened men; and there are signal examples to warrant a conclusion, that, when a candid and fair appeal is made to them, they will understand their true interest too well to refuse their concurrence in such modifications of their claims as any real necessity may demand.

Persuaded as the secretary is that the proper funding of the present debt will render it a national blessing, yet this he regards as the true secret for rendering public credit immortal.* And he presumes that it is difficult to conceive a situation in which there may not be an adherence to the maxim. At least, he feels an unfeigned solicitude that this may be attempted by the United States, and that they may commence their measures for the establishment of credit with the observance of it.

Credit, public and private, is of the greatest consequence to every country. Of this it might be emphatically called the invigorating principle. No well-informed man can cast a retrospective eye over the progress of the United States, from their infancy to the present period, without being convinced that they owe, in a great degree, to the fostering influence of credit, their present mature growth. This credit has been of a mixed nature, mercantile and public, foreign and domestic. Credit abroad was the trunk of our mercantile credit, from which issued ramifications that nourished all the parts of domestic labor and industry. The bills of credit emitted, from time to time, by the different local governments, which passed current as money, co-operated with that resource. Their united force, quickening the energies and bringing into action the capacities for improvement of a new country, was highly instrumental in accelerating its growth.

Credit, too, animated and supported by the general zeal, had a great share in accomplishing, without such violent expedients as, generating universal distress, would have endangered the issue, that revolution, of which we are so justly proud, and to which we are so greatly indebted.

Credit, likewise, may, no doubt, claim a principal agency in that increase of national and individual welfare since the establishment of the present government, which is so generally felt and acknowledged, though the true causes of it are not as generally understood. It is the constant auxiliary of almost every public operation; has been an indispensable one in those measures by which our frontiers have been defended; and it would not be

difficult to demonstrate that, in a recent and delicate instance, it has materially contributed to the safety of the state.

There can be no time, no state of things, in which credit is not essential to a nation, especially as long as nations in general continue to use it as a resource in war. It is impossible for a country to contend, on equal terms, or to be secure, against the enterprise of other nations, without being able equally with them to avail itself of this important resource; and to a young country, with moderate pecuniary capital, and not a very various industry, it is still more necessary than to countries more advanced in both. A truth not less weighty for being obvious and frequently noticed.

Public credit has been well defined to be, "a faculty to borrow, at pleasure, considerable sums on moderate terms; the art of distributing, over a succession of years, the extraordinary efforts found indispensable in one; a means of accelerating the prompt employment of all the abilities of a nation, and even of disposing of a part of the overplus of others."

This just and ingenious definition condenses to a point the principal arguments in favor of public credit, and displays its immense importance.

Let any man consult the actual course of our pecuniary operations, and let him then say whether credit be not eminently useful. Let him imagine the expense of a single campaign in a war with a great European power; and let him then pronounce whether credit would not be indispensable. Let him decide whether it would be practicable, at all, to raise the necessary sum by taxes within the year; and let him judge what would be the degree of distress and oppression which the attempt would occasion to the community. He cannot but conclude that war, without credit, would be more than a great calamity—would be ruin.

But credit is not only one of the main pillars of the public safety; it is among the principal engines of useful enterprise and internal improvement. As a substitute for capital, it is little less useful than gold or silver in agriculture, in commerce, in the manufacturing and mechanic arts.

The proof of this needs no labored deduction. It is matter of daily experience in the most familiar pursuits. One man wishes to take up and cultivate a piece of land; he purchases upon *credit*, and, in time, pays the purchase money out of the produce of the soil improved by his labor. Another sets up in trade; in the credit founded upon a fair character, he seeks, and often finds, the means of becoming, at length, a wealthy merchant. A third commences business as manufacturer or mechanic, with skill, but without money. It is by credit that he is enabled to procure the tools, the materials, and even the subsistence of which he stands in need, until his industry has supplied him with capital; and even then he derives, from an established and increased credit, the means of extending his undertakings.

Among the circumstances which recommend credit, and indicate its importance in the whole system of internal exertion and amelioration, it is impossible to pass unnoticed its unquestionable tendency to moderate the rate of interest—a circumstance of infinite value in all the operations of labor and industry.

If the individual capital of this country has become more adequate to its exigencies than formerly, it is because individuals have found new resources in the public *credit*—in the funds to which that has given value and activity. Let public credit be prostrated, and the deficiency will be greater than before. Public and private credit are closely allied, if not inseparable. There is, perhaps, no example of the one being in a flourishing, where the other was in a bad state. A shock to public credit would, therefore, not only

take away the additional means which it has furnished, but, by the derangements, disorders, distracts, and false principles, which it would engender and disseminate, would diminish the antecedent resources of private credit.

The United States possess an immense mass of improvable matter; the development of it, continually making, may be said to enlarge the field of improvement as it progresses; and though the active capital of the country has, no doubt, considerably increased, it is probable that it does not bear, at present, a much greater proportion to the objects of employment than it has done at any former period. Credit, upon this hypothesis, of every kind, is nearly as necessary to us now as it ever was. But, at least, it may be affirmed, with absolute certainty, that, to a country so situated, credit is peculiarly useful and important.

If the United States observe, with delicate caution, the maxims of credit, as well towards foreigners as their own citizens, in connexion with the general principles of an upright, stable, and systematic administration, the strong attractions which they present to foreign capital will be likely to ensure them the command of as much as they may want, in addition to their own, for every species of internal amelioration.

Credit is an *entire* thing. Every part of it has the nicest sympathy with every other part; wound one limb, and the whole tree shrinks and decays.

It is in vain to attempt to disparage credit by objecting to its abuses. What is there not liable to abuse or misuse? The precious metals, those great springs of labor and industry, are also the ministers of extravagance, luxury, and corruption. Commerce, the nurse of agriculture and manufacturers, if overdriven, leads to bankruptcy and distress. A fertile soil, the principal source of human comfort, not unfrequently begets indolence and effeminacy. Even liberty itself, degenerating into licentiousness, produces a frightful complication of ills, and works its own destruction.

It is wisdom, in every case, to cherish whatever is useful, and guard against its abuse. It will be the truest policy of the United States to give all possible energy to public credit, by a firm adherence to its strictest maxims; and yet to avoid the ills of an excessive employment of it by true economy and system in the public expenditures; by steadily cultivating peace; and by using sincere, efficient, and persevering endeavors to diminish present debts, prevent the accumulation of new, and secure the discharge, within a reasonable period, of such as it may be, at any time, matter of necessity to contract. It will be wise to cultivate and foster private credit, by an exemplary observance of the principles of public credit, and to guard against the misuse of the former by a speedy and vigorous administration of justice, and by taking away every temptation to run in debt, founded in the hope of evading the just claims of creditors.

BANK STATISTICS.

SOUTH CAROLINA.

At the annual meeting of the stockholders of the Bank of Charleston, on Monday, the 6th of July, 1846, the president of the institution submitted the following report:

Bank of Charleston, South Carolina.

GENTLEMEN:

The president and directors of the Bank of Charleston, S. C., have the pleasure to submit to the stockholders their annual report upon the affairs of the bank, required by the provisions of the charter.

These statements consist of:

- 1st. The profit and loss account.
- 2d. The cashier's general statement.
- 3d. The monthly balance sheet.
- 4th. The suspended debt account, and cash committee's report.

The net profits of the year's business, after deducting current expenses, &c., it will be seen, amounts to \$ 231,581 07

From which two semi-annual dividends of 3 per cent. each, have been paid to the stockholders, amounting to 189,648 00

Leaving to credit of reserved profits, 41,933 07
The losses of the bank in the same time amount to 31,919 57

Leaving a surplus over all losses and expenses of \$ 10,013 50

The general condition of the bank on the 30th of June, 1846, the close of our fiscal year, is fully set forth in the cashier's statement. The following abstract represents the condition of the bank in reference to its cash liabilities and cash resources on that day, viz:

Bills in circulation,	\$ 1,016,114 00	Gold and silver,	\$ 397,331 12
Deposits,	536,852 00	Foreign and dom. exch.	1,897,131 44
Due to distant banks,	391,230 00	Due from distant banks,	340,228 86

We also annex the following statement of the monthly averages of its leading items:

Monthly Averages.

Of bills in circulation,	\$ 1,249,131	Of coin,	\$ 618,594
Deposits,	555,411	Foreign exchange,	444,488
Dues to distant banks for collections,	1,051,424	Domestic exchange,	1,253,827
		Dues from banks,	849,593

The suspended debt account embraces every thing lying over under protest in the bank, under any circumstance whatever, and amounts at present to \$ 156,816 17

But from which may be deducted for money received on account, but held in trust by the cashier for the present, 8,609 26

Leaving the true balance of \$ 148,206 91

Every claim on this account considered as bad, has been previous to this date written off, under the direction of the committee on the suspended debt.

The cash assets of the bank have been carefully examined several times during the year, by committees of the bank, the last of which was on the 30th June, and all found correct.

These statements will enable the stockholders to obtain a correct view of the operations of the bank for the past year, and it is hoped that on examination, the results will prove satisfactory.

We may add, in conclusion, that unusual circumstances have occurred within the past year, greatly to disturb the regular course of business, and to render all commercial transactions more than usually hazardous and unsatisfactory. We refer particularly to the railroad mania that prevailed in England in the early part of the season, threatening at one time the most fearful results; and to the failure, almost universally, in the provision crops—producing high prices, speculation, and ruin, to many, in its consequences. But above all, we may mention the constant agitation and alarm, in which the public mind has been kept in this country, by the unsettled and precarious condition of the Oregon and other questions of foreign policy.

The effects of these adverse causes has been, as already shown, seriously felt by this bank, in common with others. We have, nevertheless, been

enabled from the profits of the year's business, amply to provide for our losses, besides paying the usual dividends to our stockholders, and leaving the surplus as stated, to go to the credit of reserved profits.

H. W. CONNER, *President.*

State of the Bank of Charleston, S. C. June 30th, 1846.

RESOURCES.

Bills Discounted,.....		\$ 1,741,542 75
Domestic Bills of Exchange,.....		1,046,300 98
Sterling Exchange,.....		531,102 33
French Exchange,.....		319,727 23
Bonds and Mortgages,.....		460,400 81
Suspended Debt,.....		156,816 17
Due by distant Banks,.....		340,228 86
Due by city Banks,.....		4,038 59
Due by Agencies,.....		205,321 96
Foreign Premium Account,.....		51,878 22
Bonus, for charter, &c.....		53,125 00
Personal Estate,.....		26,737 57
Real Estate,.....		64,223 10
Expense Account,.....		15,601 65
Louisville, C. and C. R. R. Bonds,.....		270,559 41
Bank of Charleston Stock,—forfeited to the Bank,.....		8,154 31
Georgia 6 per cent. State Bonds,.....		32,467 08
South Carolina State 6 per cent. Stock,.....		26,231 25
South Carolina 5 per cent. Sterling Bonds, payable in England,...		19,280 00
Profit and Loss—balance on account,.....		11,103 78
Losses chargeable to Contingent Fund,.....		201,584 70
English Letters of Credit,.....		888 89
Notes of City Banks on hand,.....	\$ 31,600 00	
Do. Country do.	23,705 00	
		<hr/>
		55,805 00
SPECIE—Gold, Silver, and Change.		397,331 12
		<hr/>
		\$ 6,039,950 66

LIABILITIES.

Capital Stock,.....		\$ 3,160,300 00
Due to distant Banks,.....		391,230 60
Due to city Banks,.....		14,833 34
Due to Agencies,.....		432,029 85
Due to Government Officers,.....		2,367 90
Discount Account,.....	\$ 57,959 83	
Premium Account,.....	76,299 13	
Interest Account,.....	30,807 32	
		<hr/>
		165,066 28
Dividends unclaimed,.....		9,047 25
Contingent Fund—for reserved profits,.....		266,609 89
Individual Depositors,.....		536,852 05
Bills in Circulation,.....		1,061,114 00
		<hr/>

A. G. ROSE, *Cashier.*

6,039,950 66

BANKS OF CONNECTICUT.

Report to the Honorable General Assembly of the State of Connecticut, now in session in New Haven:

The subscribers, bank commissioners, respectfully report—

That soon after our appointment last year, we addressed circulars to all

the banks and saving institutions in the state, requiring of them frequent statements from the officers of the banks of their condition; in addition to which we have made a personal examination of each bank and savings institution, at least once during the year.

We can cheerfully say, that all the officers of these institutions have made full and very satisfactory answers to all inquiries we have made, and have forwarded their balance sheets with commendable punctuality; and we have the satisfaction of believing that the banks in this state are in a sound and safe condition, and the public need have no apprehension of their ability to meet all demands that can be rightfully made upon them. In most cases, the officers of the banks have manifested a very laudable ambition to strictly adhere to all existing laws in the management of the institutions under their charge, as well as to accommodate the public for whose benefit they were created. They are very few, if any cases, in which a single individual or company have been permitted to obtain a very large amount of indebtedness, thereby hazarding the safety of the bank, and monopolizing any particular branch of business.

The past has been a very prosperous year with all the banks in the state, for the reason that the agricultural, manufacturing and mechanic interests of the country have been in successful and active operation; and could the present state of things remain without being disturbed by any legislative innovation, we might reasonably hope and expect that our present prosperity would continue. It will be seen by a comparison with former years that the banks are considerably extended, more so than at any former period; at the same time, it should be remarked that the business of the country is much greater than formerly; consequently, more money is wanted to carry it on, and there has been no increase of banking capital in the state since 1836. It will also be observed that the circulation of the banks, in the aggregate, is larger than at any former period; yet it does not reach the amount allowed by law.

The whole amount of banking capital in the state is \$ 8,475,630 00, and they are allowed by their charters to circulate once-and-a-half the amount of their capital stock and deposits; so that it will be seen that \$ 12,713,445 00 would be their legal limit, besides that which they are entitled to have on their deposits.

Their circulation, according to the returns hereunto annexed, is only \$ 4,565,947 00, being a very little more than one-third the amount they are entitled to, saying nothing of their deposits.

It is believed to be impossible for the banks, so long as the system of frequent redemption at the Suffolk Bank is continued, to sustain as large a circulation as they are legally entitled to, unless it is those of small capital.

This system of redemption, your commissioners believe to be a very salutary one for the banks and the people. It serves as a check upon excessive issues, and so long as the banks promptly meet their redemptions at that point, their bills will not be liable to be discredited.

From the time we first received our appointment in 1844, to the present, we have urged upon the banks the importance that, while they were in easy circumstances and in prosperity, to prepare and fortify themselves against any revulsion that might by the operation of trade, or any other cause, be brought upon them; and we can say that most of them have manifested a desire to comply with this request; and by a reference to the report of last year, it will be seen that their surplus fund has been increased, and also their specie on hand has been considerably increased; although we think that some of the banks are still deficient in this very important item.

We have deemed this course important for many reasons; not only that they might be prepared to meet any ordinary revulsion that might come upon them, but that they may be able to continue dividends. For it is a fact that a large proportion of the stockholders in our banks are old people, widows, and minors, who depend mainly for the means of their support upon the earnings of these institutions, and to be deprived of them would be productive of much distress, as well as embarrassing to the business part of community.

It will be seen by reference to the balance sheets hereunto annexed, that the amount of real estate, suspended paper, and other unavailable means, compared with former years, is very much reduced, which is very gratifying to us; yet we should be still more highly gratified to see that no bank had any other real estate in their assets than their banking-houses—many of them have no other.

The practice which formerly existed with many of the banks in this state, of keeping a large amount of their funds in the hands of brokers, has very generally been discontinued, and very properly so, in our judgment. The losses which they suffered from this course of doing business, were very large.

The office of bank commissioner has been abolished in many, if not all the states, soon after a brief trial of such a supervision as is usually exercised by these officers. We cannot believe that any other system that has come to our knowledge as having been tried, has proved to be an improvement upon ours. The course adopted in the state of New York, of requiring all the banks in the state to make a report of their condition on a given day, cannot very well be otherwise than injurious to the business part of the community. They will of course prepare themselves for the occasion, by reducing their loans and discounts, so as to make a satisfactory report; and it is almost uniformly the case that complaints are made, and not without reason, that good paper brings a high rate of interest just before quarter day, and immediately thereafter money is plenty. There is not a state in the Union that we know of, in which the banks have so many guards thrown around them as in Connecticut. In the first place, the stockholders who own the bank, appoint their own agents, and the state in all cases where *they* own stock, appoint one or more state directors, and the commissioner of the school fund is authorized by law to examine each bank in which that fund has any stock, and the stockholders have a right to appoint a committee of examination at such time as they choose, and the legislature have constituted a board of general supervision of all the banks, through bank commissioners, clothed with ample powers. Still, it is claimed by some, that further and more stringent legislation is required for the regulation of banks, while other institutions which have a larger capital than any one bank in the state, and are peculiarly the objects of special interest, to present and future generations, are safe with the general supervision of one man. We think no further legislation for the regulation of banks is requisite, with the exception perhaps of an alteration of the law limiting loans to directors. Whether more than two commissioners are necessary for this state, is for the legislature to determine.

We last year called the attention of the general assembly to the law limiting loans to directors and corporations, and a partial alteration was made. We are still of the opinion that no good, but on the contrary, much inconvenience arises from that part of the law which prohibits a corporation from obtaining a discount of even a draft, when a member of such corporation is a director in a bank, and already gone to his individual limit as a director. We would again recommend a repeal of that part of the law.

The several savings institutions in the state, we are pleased to say, are managed with very great fidelity to the interest of those for whose benefit they were created. They have become the depositories of a very large amount of money. So far as we can learn, the managers of these very valuable institutions, intend that the benefit to be derived from them shall be confined exclusively to the poor, and laboring classes. We have made a very careful examination of their assets, comparing every note with the account rendered, and we find the securities so far as we are able to learn, to be ample, and the interest very promptly paid. In the New Haven Bank, which we visited in January last, we found that all the interest due the first of that month, to have been paid.

These institutions have been established in many parts of the world, and for the purpose of enabling those persons who accumulate money very gradually, and by their own personal efforts, to have some place where it can not only be safe, but may increase. Without these institutions or something of the kind, this class of persons would be compelled to keep their little earnings by them, subject to all the dangers of depreciation or loss. When once a person begins to get a deposit, the desire to increase it is usually so great, that their earnings accumulate very rapidly; more so, probably, than in any other way. A few dollars will be placed in these institutions, which, were it not for them, would be expended for that which could be dispensed with. We consider them not only safe depositories, when judiciously managed, for the small surplus earnings of the industrious and laboring classes, but also strong incentives to economy and highly beneficial to society.

All which is respectfully submitted.

E. CHAPPELL,
WILLIAM MATHER, Jr. } Bank
NELSON BREWSTER, } Commissioners.

New Haven, May 14, 1846.

SAVINGS' BANKS OF CONNECTICUT.

Abstract of the condition of the several savings' banks of Connecticut, April, 1846, according to the report of the bank commissioners.

	Deposits.	Depositors.
Society for Savings—Hartford.	\$ 976,963	7898
New Haven Savings' Bank,	403,237	2295
Middletown Savings' Bank,	548,308	3478
Bridgport Savings' Bank,	125,791	761
Tolland Savings' Bank,	52,437	559
Willimantic Savings' Institute,	22,362	215
Norwich Savings' Society,	357,708	2448
New London Savings' Bank,	240,779	1246
Plainfield Savings' Bank,	18,610	

For the condition of the banks of Connecticut, see August No. of Bankers' Magazine, page 73.

FINANCES OF EUROPEAN STATES.

FRANCE—1843—DEBT, fr. 470,000,000.

Table exhibiting the budget of receipts and expenses in the years 1843 and 1830, with the increase or decrease, respectively.

BUDGET OF RECEIPTS.

Nature of the Service—1843.	Francs.
Direct contributions	402,012,768
Registrations, stamps, domains	237,041,110
Products of forests and the fisheries	34,862,000
Indirect contributions, tobacco and snuff	252,481,000
Customs and salt	193,227,000
Post Office	48,393,000
Universities	4,084,482
Casual products of departmental service	11,400,000
Products and revenue of Algeria	2,440,000
Product of the income of the Indies	1,050,000
Receipts of the colonies	5,994,000
Sundry products of the budget	13,188,000
Extraordinary resources	75,000,000
	<hr/>
Total	1,281,173,360
Same for 1830	979,787,135
	<hr/>
Excess in 1843	301,386,225

BUDGET OF EXPENSES.

Nature of the Service—1843.	Francs.
Debt consolidated or liquidated	264,174,531
Special loans for canals and other works	10,445,300
Interest of capital reimbursable under different heads	23,250,000
Annuities	62,558,000
Dowries	15,970,000
Department of Justice	20,393,875
of Public Worship	37,485,544
of Foreign Affairs	8,453,291
of Public Instruction	16,493,233
of the Interior	97,996,107
of Agriculture and Commerce	13,055,507
of Public Works, ordinary service	61,410,900
extraordinary service	69,320,000
of War, ordinary service	294,840,792
extraordinary service	35,740,000
of Marine—ordinary service	102,465,876
extraordinary service	4,440,000
of Finances	17,126,380
Expenses of administration and collection	142,380,741
Reimbursements, restitutions, &c.	63,261,300
	<hr/>
Total	1,353,261,377
Same for 1830	972,839,879

AUSTRIA—1843.

Debt, 1,019,944,214 florins, at 48½ cents, (including new loan of 1843)—
 \$ 494,672,943 79.

	Florins=48½ cent's.
The public debt of Austria, on 1st of January, 1842, was	969,964,214
The amount of interest, and the annual sum designated for the sinking fund, is	42,847,224
The sinking fund in 1842 was	182,081,181
And brought in 1842	10,776,801
The floating debt in 1842 was	30,000,000
A new loan has been contracted the present year, (1843,) at 5 per cent. interest, of	50,000,000
3,000,000 of which has been paid in	

The regular public revenue of Austria is 150 millions of florins, but it may be increased to 200 millions, and is in a prosperous state.

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 THE NETHERLANDS—1843.

Debt, 1,292,265,300 florins, at 40 cents = \$516,906,120.

We have prepared the following abstract of the public debt of the Netherlands, from the original of a full and detailed statement, transmitted from the American Chargé at the Hague, in a communication addressed to the editor, dated on the 26th December, 1844. We are assured that these aggregates may be fully relied on.

| Funded Debt.                                                                  | Capital.            | Interest.  |
|-------------------------------------------------------------------------------|---------------------|------------|
|                                                                               | Florins = 40 cents. |            |
| 1. Ancient debt, great book, at 2½ per cent.                                  | 840,000,000         | 21,000,000 |
| 2. New debt, at 5 per cent.                                                   | 221,257,900         | 11,062,895 |
| 3. Debt of the old <i>syndicat</i> of liquidation, 4½ pr. ct.                 | 99,000,000          | 4,455,000  |
| 4. Do. do. do. 3½ pr. ct.                                                     | 24,520,000          | 858,200    |
|                                                                               | 1,184,777,900       | 37,376,095 |
| Floating Debt.                                                                |                     |            |
| 1. Reimbursable bonds on the domains, payable at the market price—5 per cent. | 15,987,400          | 799,370    |
| 2. Treasury bonds, at 4 per cent.                                             | 25,000,000          | 1,000,000  |
|                                                                               | 40,987,400          | 1,799,370  |
| Colonial Debt, guaranteed by the state.                                       |                     |            |
| 1. At 5 per cent.                                                             | 64,000,000          | 3,200,000  |
| 2. At 4 per cent.                                                             | 2,500,000           | 100,000    |
|                                                                               | 66,500,000          | 3,300,000  |
| RECAPITULATION.                                                               |                     |            |
| Funded debt                                                                   | 1,184,777,900       | 37,376,095 |
| Floating debt                                                                 | 40,987,400          | 1,799,370  |
| Colonial debt                                                                 | 66,500,000          | 3,300,000  |
|                                                                               | 1,292,265,300       | 42,475,465 |

## THE PUBLIC DEBT OF THE NETHERLANDS.

The treasury of the kingdom of the Netherlands being nearly exhausted, with heavy arrears and a large floating debt, which rendered it doubtful, whether the interest on the funded debt could henceforward be paid in full, the government proposed to the states general a loan for 127,000,000 florins, (§ 50,800,000) towards which the late king, previous to his decease, subscribed 10,000,000 florins; the said loan, bearing 3 per cent. interest, to be issued at *par*, and at 3 per cent. below, in combination with voluntary gifts to the treasury, and with the alternative of property-tax of nearly 1½ per cent. on an average, should the whole sum not be completed by voluntary subscription. After serious and protracted discussions, this important measure was carried in the beginning of March, 1844, and towards the latter end of the same month the loan was proposed to the public, and entirely taken in the short space of ten days; all classes of the community throughout the whole kingdom having contributed their share—even laborers, servants, and females sending in small donations; and the reigning king of the Netherlands, with the other members of the royal family, together with the capitalists, subscribed large sums towards the completion of the loan. The importance of the sacrifices made by the subscribers may be inferred from the price of the new 3 per cent. stock, which, during the progress of the subscriptions, was at 72 per cent, and about the middle of April at 75 to 76 per cent.

The benefits which Holland will derive from the aforementioned sacrifices are, the restoration of the public credit, and the probability that government will be enabled to reduce, by the voluntary assent of the stockholders, the interest on the 5 per cent. debt, or to redeem the capital of the principal part of it, which must ultimately lead to some reduction of the existing heavy taxes.

On the same subject, a foreign paper says:

“Very little attention seems to have been bestowed upon the financial proceedings which have lately taken place in Holland, but they are deserving of notice. For many years after the revolution of 1830, by which Belgium was separated from Holland, the large expenses to which the latter country was subjected obliged her to have recourse to annual loans. This excess of expenditure was occasioned chiefly by the necessity of providing for the punctual payment of interest on the public debt, as the whole burden of it fell upon Holland, even for that portion of it for which Belgium was ultimately to be responsible under the treaty which acknowledged the independence of the latter kingdom. Since the final adjustment of the debt between the two countries, Holland has been seriously occupied with the re-establishment of order in her finances, having in view to make a permanent provision for the annual interest, and also a reduction of her five per cents to a rate more in accordance with the diminished rate of interest which money bears in the country. The chief measure proposed for this object was a property-tax; but as that form of taxation was felt by the government to be objectionable in a country already so much burdened by taxation, it was resolved to make an appeal to the patriotic feelings of the nation, and the capitalists were invited to subscribe voluntarily to a loan of 127,000,000 guilders\* in a 3 per cent. stock at *par*, which would furnish the government with such a sum of money as would enable them to reduce the 5 per cents. and supersede the necessity of a property-tax. This appeal has been fully responded to, and the whole amount has been subscribed. The success of this measure is most creditable to the Dutch people, and shows that a high feeling exists among them for the support of the national credit, such as

\* Guilder = 40 cents of our currency.

should always characterise a commercial country, where the maintenance of public faith and the strict observance of a contracted obligation must always be considered as a paramount duty."

*Revenue and Expenses of the Netherlands.*

## BUDGET OF REVENUE FOR 1844.

|                                                                | Florins = 40 cents. |
|----------------------------------------------------------------|---------------------|
| Direct contributions                                           | 22,058,800          |
| Excise                                                         | 18,949,900          |
| Indirect contributions                                         | 10,557,000          |
| Clearances, navigation duties, &c.                             | 4,942,000           |
| Assaying of worked gold and silver                             | 145,364             |
| Domains, 1,562,000; post office, 1,400,000; lotteries, 500,000 | 3,462,000           |
| Fishing and hunting licenses                                   | 105,000             |
| Sales of public domains, and other receipts                    | 898,000             |
| Income for interest of debt                                    | 400,000             |
| Income subsidies from foreign possessions                      | 6,500,000           |
| Surplus revenue of colonial administration                     | 2,000,000           |
| <b>Total</b>                                                   | <b>70,018,064</b>   |

## BUDGET OF EXPENSES FOR 1844.

|                                   |                           |
|-----------------------------------|---------------------------|
| Royal household                   | 1,250,000                 |
| High colleges, and king's council | 647,088                   |
| Department of foreign affairs     | 548,960                   |
| of judiciary                      | 2,358,568                 |
| Home department                   | 4,220,271                 |
| Department of Reformed church     | 1,651,589                 |
| of Catholic church                | 563,715                   |
| of marine                         | 5,456,362                 |
| of colonies                       | 99,376                    |
| Finances—national debt—interest   | 35,125,828                |
| Financial department              | 5,856,726                 |
| War department                    | 12,235,000                |
| Incidental expenses               | 500,000                   |
| <b>Total</b>                      | <b>florins 70,513,483</b> |
| <b>Total 1845</b>                 | <b>70,142,624</b>         |

## PRUSSIA.

Debt, 647,000,000 francs = \$121,312,500.\*

| Revenues.                                                   | Rix dollars. † |
|-------------------------------------------------------------|----------------|
| 1. From the administration of domains and forests.....      | 9,924,641      |
| From which deduct—                                          |                |
| Expenses of administration, encumbrances and taxes, &c..... | 3,261,279      |

\* The Gotha Almanac for 1844 states the Prussian debt at \$120,660,000.

† Berlin rix dollar = 69 cents.

|                                                                                                                                                                     |                                                                                                                                                                                                                                  |            |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Part of the revenue reserved to the public trust fund,<br>(crown-fides commissions,) inclusive of 73,099 rix-<br>dollars agio (premium) on 648,240 thalers in gold, |                                                                                                                                                                                                                                  | 2,578,099  | 5,833,378  |
|                                                                                                                                                                     |                                                                                                                                                                                                                                  |            | 4,090,163  |
| 2.                                                                                                                                                                  | From the redemption and sales of demesne lands, for the more prompt discharge of the public debt.....                                                                                                                            |            | 1,000,000  |
| 3.                                                                                                                                                                  | From the administration of mines, furnaces, and salt works.....                                                                                                                                                                  |            | 1,100,000  |
|                                                                                                                                                                     | To which is to be added, proceeds of the porcelain manufactory at Berlin,.....                                                                                                                                                   |            | 17,241     |
| 4.                                                                                                                                                                  | From the administration of the posts.....                                                                                                                                                                                        |            | 1,400,000  |
| 5.                                                                                                                                                                  | From the administration of lotteries.....                                                                                                                                                                                        |            | 863,200    |
| 6.                                                                                                                                                                  | From the administration of taxes and imposts on real estate.....                                                                                                                                                                 |            | 9,842,807  |
|                                                                                                                                                                     | Classification (poll) tax.....                                                                                                                                                                                                   |            | 6,890,346  |
|                                                                                                                                                                     | On trades.....                                                                                                                                                                                                                   |            | 2,336,969  |
|                                                                                                                                                                     | Import, export, and transit duties; excise on the consumption of domestic productions; relay tolls; duties on shipping, and on the use of ports, canals, locks, bridges, and other means of communication; also from stamps..... | 29,081,434 |            |
|                                                                                                                                                                     | The expenses of administration are.....                                                                                                                                                                                          | 8,606,856  |            |
|                                                                                                                                                                     |                                                                                                                                                                                                                                  | 25,475,078 |            |
|                                                                                                                                                                     | Receipt from the salt regie.....                                                                                                                                                                                                 | 6,981,720  |            |
|                                                                                                                                                                     | Expenses of purchase and administration are.....                                                                                                                                                                                 | 2,666,420  |            |
|                                                                                                                                                                     |                                                                                                                                                                                                                                  | 4,315,300  |            |
| 7                                                                                                                                                                   | From other sources, not comprehended under the above heads.....                                                                                                                                                                  |            | 346,590    |
|                                                                                                                                                                     | Aggregate revenue                                                                                                                                                                                                                |            | 57,677,194 |

Expenditures.

|     |                                                                                                                                                                                       |              |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1.  | On account of the public debt, viz.                                                                                                                                                   | Rix-dollars. |
|     | Interest on the general and provincial state debts, and current expenses of administration.....                                                                                       | 4,961,885    |
|     | For the extinction of the debt.....                                                                                                                                                   | 2,251,115    |
|     | Interest and extinction of later provincial debts.....                                                                                                                                | 40,920       |
| 2.  | On account of pensions, competencies, and annuities,.....                                                                                                                             | 2,217,648    |
| 3.  | Permanent annuities.....                                                                                                                                                              | 1,184,988    |
| 4.  | For various central departments,.....                                                                                                                                                 | 330,518      |
| 5.  | For the ministry of spiritual affairs, education, and medicine.....                                                                                                                   | 3,119,940    |
| 6.  | For the ministry for the interior, and for the general commissions..                                                                                                                  | 2,752,656    |
| 7.  | For the ministry for foreign affairs.....                                                                                                                                             | 729,304      |
| 8.  | For the ministry of war, inclusive of the grants of the great military orphan asylum at Potsdam, and its affiliated institutions.....                                                 | 24,604,208   |
| 9.  | For the ministry of justice, and the ministry for the revision of laws                                                                                                                | 2,277,938    |
| 10. | For the ministry of finance, and general state treasury.....                                                                                                                          | 158,653      |
| 11. | For the general administration of demesnes and forests.....                                                                                                                           | 99,909       |
| 12. | To the ministry of finance, for the administration for commerce and trade, as also for the ordinary land and water improvements, exclusive of chaussées.....                          | 2,008,917    |
| 13. | To the same, for the repair and construction of chaussées, inclusive of the means for the payment of interest and capital of advances taken up for the construction of chaussées..... | 2,782,800    |
| 14. | For the provincial governments.....                                                                                                                                                   | 1,704,489    |
| 15. | For the principal and country stables.....                                                                                                                                            | 173,306      |
| 16. | For the redemption of minor passive-rents.....                                                                                                                                        | 100,000      |
| 17. | For loss in recoining coins of deficient weight by long wear.....                                                                                                                     | 400,000      |
| 18. | For charitable uses, the escheated estates of persons deceased without legal heirs.....                                                                                               | 16,000       |
| 19. | For extraordinary exigencies, as for chaussée, river, harbor, and other improvements.....                                                                                             | 2,500,000    |

|                                                                                                                                                                 |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 20. Disposition-fund, for royal mercies of all kinds.....                                                                                                       | 250,000    |
| 21. For revenue deficits, in particular to cover a deficit to be expected in the post-office revenues, in consequence of the proposed reduction of postage..... | 1,000,000  |
| 22. For contingencies, (unforeseen expenditures).....                                                                                                           | 500,000    |
| 23. For the collection of a fund to cover engagements in railroads, and for the increase of the principal reserve capital.....                                  | 1,462,000  |
|                                                                                                                                                                 | 57,677,194 |

Expenditures 57,677,194

## MISCELLANEOUS.

**AMERICAN STOCKS IN LONDON.**—Barings' Circular, 18th July, says: "In American stocks there is certainly more firmness, and business to some extent has been done in Pennsylvania stocks at improved rates. For other securities or quotations are still mostly nominal. Alabama 5's, 56 to 62; Indiana 5's, 28 to 32; Illinois 6's, 28 to 32; Kentucky 6's, 87 to 89; Louisiana U. Bank, 77 to 80; do. Con. Association, 1848, 68 to 70; Massachusetts 5's, sterling, 100 to 102; Maryland 5's, sterling, 60 ex coupons; Mississippi Planters, 45 to 50; do. Union, 20; New York 5's, 83 to 86 ex dividend; Pennsylvania 5's, 62 to 65; South Carolina, 1868, 90; New-Orleans city, 60, sellers; U. S. Bank Shares, 15s to 17s.

**SPECIE.**—Eighty-three thousand dollars in specie was received here yesterday from the land offices above. J. A. Hellenstein, the receiver at Milwaukee, brought down, on the steamer Galena, \$ 35,000; Thos. Dyer, the receiver at Chicago, brought down on the same boat, 28,000; and Gen. Van Antwerp, the receiver at Fairfield, Iowa, brought down, on the Laclede, \$ 20,000—all of which was deposited in the State Bank of Missouri. [*St. Louis Rep. of 29th.*]

If any argument were necessary to show the decided advantage of a U. S. Bank, it would be seen in this perpetual shipment from and to various parts of the Union of specie funds. Each shipment being accompanied by one or more persons, at a heavy cost and great risk to the government.

**BANK OF THE UNITED STATES.**—The auditors appointed by the Court of Common Pleas for the city and county of Philadelphia, to make distribution of the funds in the hands of James Dundas, Mordecai D. Lewis, Samuel W. Jones, Robert S. Petfield and Robert Howell, assignees of the deed of assignment, made by the Bank of the United States on the first day of May, eighteen and forty-one, have reported dividends to the amount of forty-eight and eight-tenths per cent (48 8-10) on the principal and interest of the post notes, provided for by that assignment.

**WHAT A CITY CAN DO, AND WHAT A STATE CANNOT DO.**—The city of New York with a population of 270,000, in 1835, contracted a debt of twelve millions of dollars for the single object of providing pure and abundant water for the inhabitants. The Croton Works, forty miles in length, were prosecuted to completion in five years, and the city, from its own resources, pays promptly the annual interest on the loan.

The state of Maryland has a population of 500,000, and a funded debt

amounting, with arrearages of interest, to fifteen millions of dollars, and resources far beyond those of New York city; yet the legislature adjourned in 1846 without providing for the payment of the interest on the public debt of the state. With Pennsylvania on one side and Virginia on the other, Maryland with ample means, lacks energy and honesty enough to pay its creditors. The results are that Maryland six per cent. stock, is 77 in the market; New York city five per cent stock, 93 in the market; New York state six per cent. stock, 106.

**COUNTERFEITS.**—A new counterfeit fifty dollar note on the Miners' Bank of Pottsville, has been discovered. It is evidently a new emission and altogether unlike the genuine. The good notes have for a vignette a female, with the denomination "50" in large characters worked in, and two female figures on each side. It is the only plate the bank has in circulation. The counterfeit has a medallion head on the left end of the note.

**EXTENSIVE FRAUD.**—A circular, issued by the trustees of the bank of Alabama, states that some months since, a person by the name of Bryan Hines, of Greene county, Alabama, executed to Mr. Hawn, of Tuscaloosa, a deed of trust, securing to said bank on the payment of over \$60,000, a number of slaves, some sixty and upwards, nineteen mules, and eight head of horses; that since the date of said deed of trust, Hines has fled, carrying with him all the property pledged, that the present residence of the delinquent is to the trustees unknown. In view of this breach of trust, the trustees offer for the recovery of the property, one-fourth the amount it may bring at public sale, and they are further authorized by the Governor of Alabama to offer, for the apprehension and conviction of said Hines, the sum of \$250; an indictment having been found against him by the grand jury of Greene county for swindling.

**SMITHSONIAN INSTITUTION.**—We learn from the National Intelligencer, that the Board of Regents consists of the following persons:

|                                               |                      |
|-----------------------------------------------|----------------------|
| The VICE PRESIDENT of the United States,      | } <i>Ex-officio.</i> |
| The CHIEF JUSTICE of the United States,       |                      |
| The MAYOR of the City of Washington,          |                      |
| Senator GEORGE EVANS, of Maine.               |                      |
| Senator SYDNEY BREESE, of Illinois.           |                      |
| Senator ISAAC S. PENNYBACKER, of Virginia.    |                      |
| Representative ROBERT DALE OWEN, of Indiana.  |                      |
| Representative WILLIAM J. HOUGH, of New York. |                      |
| Representative HENRY W. HILLIARD, of Alabama. |                      |
| RUFUS CHOATE, of Massachusetts.               |                      |
| GIDEON HAWLEY, of New York.                   |                      |
| RICHARD RUSH, of Pennsylvania.                |                      |
| WILLIAM C. PRESTON, of South Carolina.        |                      |
| ALEXANDER DALLAS BACHE, of Washington.        |                      |
| JOSEPH G. TOTTEN, do.                         |                      |

The time fixed by law for the first meeting of the Board of Regents, is the first Monday in September, 1846.

## BANK ITEMS.

**SEVENTH WARD BANK, NEW YORK**—August 17, 1846.—At a meeting of the Board of Directors held this day, Daniel Brown, Esq. was elected President in place of Gilbert Hopkins, Esq. resigned.

**FARMERS' BANK OF VIRGINIA**.—Arthur Goodwyn has been appointed Cashier of the branch of the Farmers' Bank of Virginia at Fredericksburg, in place of Hugh M. Patton, deceased.

**GIRARD BANK, PHILADELPHIA**.—This institution resumed business on the tenth of August, 1846: the trustees having conveyed the assets of the bank into the hands of the newly elected board of directors. The stock is now selling at \$ 10 per share.

We learn that a number of accounts have been opened in it by prominent capitalists and mercantile houses, and there is every reason to believe that it will soon be able to do a good business.—*Philadelphia Price Current*.

**MANUFACTURERS AND MECHANICS' BANK OF NANTUCKET**.—Notice has been given to the holders of claims against said Bank, that a dividend of 45 per cent. will be paid on all claims proved before the 31st July. Apply to Wm. Dehon, No. 39 Court street, Boston.

## SEMI-ANNUAL DIVIDENDS.

|                       |                                  |              |           |
|-----------------------|----------------------------------|--------------|-----------|
| <b>RHODE ISLAND</b> — | Fall River Union Bank, Tiverton, |              | 4 per ct. |
| <b>NEW YORK,</b>      | Bank of America,                 | New York,    | 3 1-2     |
| "                     | North River Bank,                | "            | 3 1-2     |
| "                     | Seventh Ward Bank,               | "            | 3 1-2     |
| "                     | Leather Manufacturers' Bank,     | "            | 3 1-2     |
| "                     | Bank of Commerce,                | "            | 3         |
| "                     | Tradesmen's Bank,                | "            | 5         |
| "                     | Butchers and Drovers' Bank,      | "            | 5         |
| "                     | Manhattan Company,               | "            | 3         |
| "                     | N. Y. Life Insurance & Trust Co. | "            | 3 1-2     |
| "                     | Exchange Bank, Albany,           |              | 3 1-2     |
| "                     | State Bank,                      | "            | 5         |
| "                     | Commercial Bank, Rochester,      |              | 3 1-2     |
| <b>OHIO,</b>          | Clinton Bank, Columbus,          |              | 5         |
| "                     | Lafayette Bank, Cincinnati,      |              | 3         |
| <b>LOUISIANA,</b>     | Bank of Louisiana,               | New Orleans, | 4         |
| "                     | Mechanics and Traders' Bank,     | "            | 3         |
| <b>MISSOURI</b>       | Bank of State of Missouri,       | St. Louis,   | 3 1-2     |

**DEATH**.—At Buffalo, in August, 1846, OLIVER LEE, President of the Attica and Buffalo Railroad Company, and of Oliver Lee & Co's Bank, at Buffalo.

Mr. Lee for many years has been identified with the general and financial business of Western New York. His early advantages were defective, but he had a strong, clear head, and great practical sagacity and acuteness in business affairs. The loss of such a man will be severely felt, but we understand his death will cause no interruption in the business of the bank bearing his name.

PRICES OF STOCKS.

NEW YORK, AUGUST 26, 1846.

| GOVERNMENT SECURITIES. Offered. Asked. |      |      |      | Offered. Asked.               |      |     |  |
|----------------------------------------|------|------|------|-------------------------------|------|-----|--|
| U. S. Loan 6 per ct.                   | 1862 | 103  | 103  | Chemical Bank,                | 150  | —   |  |
| do. do. 5 do.                          | 1853 | 97   |      | Fulton Bank,                  | 116  | 117 |  |
| <b>STATE SECURITIES.</b>               |      |      |      | N. Y. Chemical Manufac. Co.   | 92   | 94  |  |
| New York 7 per cent.                   | 1848 | 101½ | 102  | Del. & Hud. Canal Co. Bank,   | 150  |     |  |
| do. 7 do.                              | 1849 | 103  |      | Dry Dock Bank,                |      | 56  |  |
| do. 6 do.                              | —    | 106  | 108  | Butchers & Drovers' Bank,     | 111  | 112 |  |
| do. 5½ do.                             | —    | 101  | 103  | Mechanics & Traders' Bank,    | 105  | —   |  |
| do. 5 do.                              | 1850 | 96   | 98   | National Bank,                | 97   | 99  |  |
| do. 5 do.                              | 1855 | 96   | 98   | Merchants' Exchange Bank,     | 103  | —   |  |
| do. 5 do.                              | 1858 | 96   | 98   | Leather Manufacturers' do.    | 103  | —   |  |
| do. 5 do.                              | 1860 | 96   | 99   | Seventh Ward Bank,            | 90   | 100 |  |
| do. Astor Fives.                       |      |      | 96½  | State Bank of New-York,       | 85   | —   |  |
| do. 4½ do.                             | —    | —    | —    | Bank of Commerce,             | 94   | 95  |  |
| Ohio 6 per cent.                       | 1860 | 93   | 93   | Do. do. Scrip,                | 94   | 95  |  |
| do. 6 do.                              | 1860 | 93   | 93   | N. A. Trust & Banking Co.     | 8    | 8½  |  |
| do. 6 do.                              | 1870 | 93½  | 94   | Del. & Hud. Canal Scrip Stock | 143  | 146 |  |
| do. 5 do.                              | 1856 | 80   | 85   | Mechanics' Banking Associa.   | 94   | —   |  |
| do. 7 do.                              | —    | 101  | 102  | American Exchange Bank,       | 84   | —   |  |
| Kentucky 6 per cent.                   | 1871 | 98½  | 99   | Long Island Bank,             | 101  | 104 |  |
| do. 5 do.                              | —    | 80   | 85   | Brooklyn Bank,                | 20   | 25  |  |
| do. payable in N. Y.                   | —    | 85½  | 86   | Atlantic Bank, Brooklyn,      | 98   | 101 |  |
| Illinois 6 per cent.                   | 1860 | —    | —    | <b>TRUST COMPANIES.</b>       |      |     |  |
| do. 6 do.                              | 1870 | 33   | 33   | N. Y. Life Ins. & Trust Co.   | 106½ | 109 |  |
| Indiana St'g 5 per ct. 25 yrs.         | 30   | 30   | 33   | Farmers' Loan & Trust Co.     | 25   | 25½ |  |
| do. Dol. 5 do. 35 yrs.                 | 30   | 33   | 33   | Ohio Life Ins. & Trust Co.    | 96   | 96½ |  |
| Arkansas 6 per ct.                     | —    | —    | 43   | <b>MISCELLANEOUS.</b>         |      |     |  |
| Michigan 6 per ct.                     | —    | 25   | —    | New-York Gas Light Co.        | 115  | 118 |  |
| Pennsylvania 5 per ct.                 | —    | 66½  | 67½  | Manhattan Gas Light Co.       | 86   | 88  |  |
| CITY, &c.                              |      |      |      | Canton Co. Balt.              | 32½  | 33  |  |
| N.Y. City 7 per ct.                    | 1847 | —    | 103  | East Boston Co.               | 14   | 15  |  |
| do. 7 do.                              | 1852 | 104  | 104½ | <b>FOREIGN INSTITUTIONS.</b>  |      |     |  |
| do. 7 do.                              | 1857 | 106  | 109  | United States Bank,           | 4    | 4½  |  |
| do. 5 do.                              | 1850 |      |      | N. O. Canal & Banking Co.     | 40   | —   |  |
| do. Water Loan do.                     | 1858 | 94   | 94½  | City Bank of N. Orleans,      | 64   | 65  |  |
| Brooklyn 6 per ct.                     | —    | 101  | 105  | Commercial Bank of N. O.      | 26   | 30  |  |
| <b>BANKS.</b>                          |      |      |      | Franklin Bank, Cincinnati,    | 90   | 93  |  |
| Bank of New York,                      |      | 120  |      | La Fayette Bank, do.          | 77   | 80  |  |
| Manhattan Bank,                        |      | 93   | 95   | Illinois State Bank,          | 9½   | 10  |  |
| Merchants' Bank,                       |      | 106  | 108  | Vicksburg Com. & R. R. Bk.    | 6    | 6   |  |
| Mechanics' Bank,                       |      | 105½ | 106  | Morris Canal & Banking Co.    | 5½   | 6½  |  |
| Union Bank,                            |      | 113  | 115  | <b>RAILROADS.</b>             |      |     |  |
| Bank of America,                       |      | —    | 95   | New York & Erie,              | 50   | 51  |  |
| City Bank,                             |      | 104  | 106  | Mohawk,                       | 51   | 52  |  |
| Phoenix Bank,                          |      | 84   |      | Harlem,                       | 55½  | 56  |  |
| North River Bank,                      |      | 95½  | 96   | Utica and Schenectady,        | 109  | 110 |  |
| Tradesmen's Bank,                      |      | 117  | 123  |                               |      |     |  |

THE  
**BANKERS' MAGAZINE,**  
 AND  
**State Financial Register.**  
 SEPTEMBER, 1846.

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CONTENTS.

| ARTICLE.                                                                                                                                                                                                                                                                     | PAGE. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| I.—THE SUB-TREASURY: by a Constitutionalist, . . . . .                                                                                                                                                                                                                       | 127   |
| II.—BANK BIOGRAPHY: Sketch of the late Preserved Fish, . . . . .                                                                                                                                                                                                             | 130   |
| III.—FINANCIAL POLICY OF THE UNITED STATES, . . . . .                                                                                                                                                                                                                        | 134   |
| IV.—LEGAL MISCELLANY: One hundred and twenty-six decisions<br>in the U. S. Courts, in reference to the following subjects:<br>1. Stockholders' Rights and Liabilities.<br>2. Tax on Banks.<br>3. Cashiers' and Clerks' Bonds, and Remedy thereon.<br>4. Bank Checks. . . . . | 137   |
| V.—GENERAL PRINCIPLES OF BANKING: by J. R. McCulloch, Esq. No. 2. History and Management of the Bank of England, . . . . .                                                                                                                                                   | 147   |
| VI.—SUB-TREASURY OF THE UNITED STATES. Act of Congress passed August, 1846, . . . . .                                                                                                                                                                                        | 156   |
| VII.—TREASURY NOTES. Act of Congress for their issue, August, 1846, . . . . .                                                                                                                                                                                                | 163   |
| VIII.—SCOTCH BANKS. Their History, Mode of Management, &c. By J. R. McCulloch, Esq., author of the Commercial Dictionary, . . . . .                                                                                                                                          | 164   |
| IX.—STATE FINANCES: Circular to the holders of Indiana Bonds, . . . . .                                                                                                                                                                                                      | 166   |
| X.—THE BANKING SYSTEM: Opinions of Alexander Hamilton, Albert Gallatin, Alexander J. Dallas, W. H. Crawford, Richard Rush, Louis McLane, Samuel D. Ingham, upon the expediency, utility and necessity of Banks to the government and the people . . . . .                    | 167   |
| XI.—PUBLIC CREDIT. Its importance and necessity illustrated. By Alexander Hamilton, former Secretary of the Treasury, . . . . .                                                                                                                                              | 174   |
| XII.—BANK STATISTICS OF THE UNITED STATES,<br>1. Annual Report and Condition of the Bank of Charleston, July, 1846.<br>2. Annual Report of the Bank Commissioners of Connecticut, 1846.<br>3. Deposits and Depositors of the Savings Banks of Connecticut. . . . .           | 177   |
| XIII.—PUBLIC DEBT, REVENUE AND EXPENDITURES OF EUROPE,<br>1. France. 2. Austria. 3. Netherlands. 4. Prussia. . . . .                                                                                                                                                         | 183   |
| XIV.—MISCELLANEOUS, . . . . .                                                                                                                                                                                                                                                | 188   |
| XV.—BANK ITEMS, . . . . .                                                                                                                                                                                                                                                    | 190   |
| XVI.—SEMI-ANNUAL DIVIDENDS, . . . . .                                                                                                                                                                                                                                        | 190   |
| XVII.—PRICES OF STOCKS at New York, August 26, 1846, . . . . .                                                                                                                                                                                                               | 191   |

THE  
BANKERS' MAGAZINE  
AND  
State Financial Register.

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VOL. I.]

OCTOBER, 1846.

[NO. IV.]

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GOVERNMENT FINANCES,  
AND A NATIONAL CURRENCY.

THE sub-treasury of the United States has been in partial operation for some weeks past, and by this time the government have had some means of judging of the advantages and disadvantages of its establishment. We say *partial operation*, because the sub-treasurers at the different posts have not all entered upon their duties. The experiment will now have a fair trial, and experience, that stern judge, will soon demonstrate the effects of its workings.

The government must soon learn that the sub-treasury cannot transfer funds from one remote point to another, either with facility or without heavy expense. This is the point of *inconvenience*: while others of equal importance will soon develop themselves, viz. 1, increased hazards or want of security to the public treasure, while in the hands of public officers. 2. Vast physical labor and increased expense in the collection, disbursements and transfer of funds. 3. Occasional loss and perpetual expense in the shipment of specie funds. 4. The utter impracticability of executing strictly that feature of the law which requires payment of public funds, from and to disbursing offices, *IN COIN*.

In the dealings of the general government with merchants, manufacturers, and other classes of the community, and even with its own clerks at Washington, the government will find that *SPECIE* is a burden and an excessively inconvenient medium of exchange or of payment.

Congress authorized, on the 22d July last, the issue of ten millions of dollars in treasury notes. These are now in part in circulation. It is found, however, that they do not make a part of the *active* circulation in the commercial community. Instead of being passed from hand to hand, as with ordinary bank notes, they are remitted to Washington, New York, &c. for redemption. As long as there are public deposits in the banks at Boston,

New York, Philadelphia, &c., these treasury notes will be received by the deposit banks *as cash*: but the inquiry arises, to what rate of depreciation will they fall when these balances shall be exhausted, as must soon be the case?

A national currency is highly desirable, both on the score of safety and of equality, and such a currency can be created and kept up to the amount of thirty or forty millions of dollars, more easily than the present limited amount of ten millions. This can be done, however, only by making the notes equivalent to specie at New York; and by adapting the denominations of the notes to the wants of the business community, viz. fives, tens, twenties, fifties, hundreds and thousands. There is no reason why the promise to pay of the general government should not be as readily circulated throughout the union, as the promise of a bank with a limited capital of one or more millions. The government notes would have a preference over local currency in every state in the union, **IF THEY WERE CONVERTIBLE INTO SPECIE ON DEMAND AT NEW YORK ALONE.** They would, in fact, assume the same value and universal acceptance that was for many years held by the United States Bank notes.

It would only be necessary for the government to adopt the sound principle of a well managed bank—to maintain *a fair basis for redemption.*

The Bank of England maintains at this moment a circulation equivalent to one hundred millions of dollars, and its rule of action is, according to Mr. McCulloch, to hold in its vaults specie to the amount of one-third of its cash liabilities. (See Bankers' Magazine, p. 153.)

This proportion would be unnecessarily large in our country, where a national circulation would enter into the business transactions of thirty different states and territories. It is wanted peculiarly for the travelling community, and for payments at land offices, where there is no uniform local circulation; and where the labor of carrying specie is a severe tax upon the holders. At present, a person in travelling from Boston to New Orleans, or between any two points equally remote, is compelled to use the bank notes of six or eight different states, and subjected at the same time to various counterfeits and rates of discount. These evils and inconveniences could be obviated by a well regulated national currency, based upon specie. In accomplishing this, however, the present system of endorsing notes and giving receipts for them at the custom house must be dispensed with. They must be adapted to circulation, redemption and transmission with the same facility as an ordinary bank note. All unnecessary forms should be excluded, and when the proper regulations are adopted, the government would find no difficulty whatever in keeping up an average circulation of one hundred millions.

We want a currency that will be *at par* at Portland and St. Louis, at Galena and Savannah, and at every nook and corner where the immense inland commerce of the union extends.

## TRADE OF THE WEST.

● A meeting of western merchants was held at Rathbun's hotel, Broadway, New York, on the 28th September, to take into consideration the measures to be adopted for the improvement of the Western lakes and rivers.

The increasing importance of these great channels of commercial intercourse requires some concentrated action on the part of those who are so deeply interested in the condition and progress of the western states. It is now necessary for some authorities to take the subject in hand, and cause such improvements to be made as are absolutely necessary for the *safety* of the internal trade of the West. If the aid of the general government cannot be secured for these national purposes, the improvements of the great national highways, then the individual states must act in the premises. The general government has hitherto conceded that its action in the case was proper, by the establishment of numerous light-houses, which are located *five hundred and fifty feet* above tide water: viz. at Chicago, Milwaukie, Buffalo, &c., exercising thereby a control over the subject. But this control is now in a measure suspended, owing to the views of the executive; and, although the *trade* of these waters is not suspended, yet it is subject to enormous losses for the want of appropriations for the improvement of harbors and rivers. The losses of property within the last three months, on the Mississippi river alone, arising from impediments which a few thousand dollars' outlay could have obviated, are greater than the amount required for the improvement of all the lakes and rivers of the West. There is not, we understand, one good *natural* harbor on the lakes. They are all the result of artificial aids. Those at Buffalo, Erie, Cleveland, Oswego and Chicago, which have come under our own personal observation, are altogether *artificial harbors*.

The Mississippi and its tributaries more particularly require the proposed aid, because the navigation is more uncertain, irregular and more obstructed, and because there is a larger amount of property annually at risk.

The following is a correct estimate of the number of steamboats built in 1846, at five places on the Ohio and Mississippi rivers:

|                         | Boats.    | Tonnage.     | Cost.           |
|-------------------------|-----------|--------------|-----------------|
| New Albany, . . . . .   | 11        | 1,659        | \$ 118,500      |
| ● Louisville, . . . . . | 16        | 4,152        | 270,000         |
| St. Louis, . . . . .    | 10        | 2,912        | 180,500         |
| Cincinnati, . . . . .   | 29        | 7,209        | 505,500         |
| Pittsburg, . . . . .    | 42        | 5,428        | 325,500         |
|                         | <hr/> 108 | <hr/> 21,360 | <hr/> 1,400,000 |

There are at this time no less than 750 steamboats on the Western waters, whose tonnage will not fall short of 160,000 tons, and which have cost in their construction and equipment not less than \$ 12,000,000. What a magnificent picture of Western progress is presented in these facts.

Our readers will find the remarks of Mr. Calhoun of the senate, (page 213,) and our statistical tables in the present number, well worthy a perusal in the consideration of this subject.

The value of cotton received at New Orleans alone, during the past twelve months, is *forty millions* of dollars, every bale of which was exposed to extreme hazards of navigation—hazards which can, in a great measure, be hereafter obviated by the expenditure of a few thousand dollars.

The meeting before mentioned was organized by the selection of Mr. W. D. Wilson, of Milwaukie, President; Mr. R. Fergus, of Chicago, and Mr. Thos. Sherwood, of Buffalo, Vice-Presidents; Mr. W. M. Hall, of Buffalo, and Mr. E. D. Bull, of Copper Harbor, Secretaries.

The President stated the object of the meeting, after which a committee of five was appointed to draft resolutions expressive of the views of the meeting, as follows: John A. Brown, of Milwaukie, Morgan Bates, of Detroit, G. M. Atwater, of Cleveland, Geo. R. Babcock, of Buffalo, and Mr. A. Harascythy, of Wisconsin.

After the committee retired, the President requested Col. King, of New York, who had lately returned from a tour of our inland seas, to favor the meeting with his views upon the subject, whereupon Col. King responded in a strain of spirited remarks suitable to the occasion.

The committee reported the following resolutions, which were unanimously adopted:

*Whereas*, the great and rapidly increasing trade and commerce of the Western lakes and rivers, which at the present moment are more than one-half of the foreign commerce, and fully equal in amount to our coasting trade of the country, should command the protection of our national government; and whereas it is of the first importance to have a concert of action of the friends of this great interest, in order to present it to our national legislature in a proper light, therefore—

*Resolved*, That we heartily approve of the recommendation of the Western press for a convention of all the interests involved in lake and river navigation, proposed to be held in the summer of 1847.

*Resolved*, That we recommend the city of Chicago as the most suitable point for holding said convention, and the 17th of June next as the most favorable time.

*Resolved*, That we view the commercial interests of this great state, and the Atlantic states generally, as closely identified with those of the Western lakes and rivers, and we cordially invite their co-operation, expecting to see them all fully represented in the proposed convention.

*Resolved*, That we view with the highest gratification the interest already manifested in this city favorable to the proposed convention, and that we hope soon to see a hearty response by them to this important movement.

*Resolved*, That we pledge our individual exertions to secure a general attendance and representation of interest in this convention, from the communities where we severally reside.

*Resolved*, That we tender our thanks to those of the press of this city who have lent their columns to favor the object of this meeting, and we earnestly call upon the press generally, to keep the subject before their readers, and to publish the proceedings of this meeting entire.

Mr. Jackson, of Wisconsin, then addressed the meeting upon the subject before them, in a few energetic remarks.

Mr. Burr then offered the following resolution, which was heartily adopted, when the meeting adjourned, viz.

*Resolved*, That the thanks of this meeting be tendered to our worthy host, who, ever alive to Western interests, in his usual spirit of accommodation, has obligingly furnished us the gratuitous use of his rooms.

The following gentlemen were named by the officers of the meeting, as the committee of correspondence and arrangements :—

*Chicago*, Wm. B. Ogden, S. Lysle Smith, Geo. W. Dole; *Milwaukee*, Byron Kilbourn, Wm. Duane Wilson; *Detroit*, Augustus S. Porter; *Cleveland*, John W. Allen; *Buffalo*, James L. Barton; *St. Louis*, David Chambers.

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## CURIOSITIES OF ACCOUNTS.

Our readers will find, at page 85 of this work, some curious instances of private banking in old Ireland. To these we might add some even more ludicrous instances of banking in the United States, particularly in Mississippi, Ohio, &c. At some future day, when the materials can be collected together, we may take occasion to sum them up, and serve them to our readers. The private history of a bank note could at times make known some curious and startling developments as to its birth, growth, and final evaporation into mid-air.

Such was the facility and rapidity in the manufacture of paper money, during the years 1835-7, 1839-41, that many a large paper holder of the day would find himself, on the following morning, the possessor of

"The baseless fabric of a vision."

During a journey on the Ohio, in the year 1841, we were informed of an instance of the appreciation of paper money in that region, which was rather laughable. The captain of a steamboat had stopped to "wood," in other words to obtain a supply of wood, at one of the ordinary landings, and, after learning the price in currency or good money, he inquired the price if paid in the notes of a certain Ohio bank, whose issues had been very large and them in disrepute, and the bank considered on the brink of insolvency. "Cord for cord" was the reply of the wood owner, and he resumed his cigar, perfectly indifferent to "the trade."

But of accounts: book-keeping is a subject with which comparatively few are familiar. Professional accountants or teachers recommend such a multiplicity of books of account, that the affairs of a commercial house are frequently in utter confusion, and not to be unravelled by the principal or by the book-keeper himself. There is a very common neglect of the balance sheet, or it is not taken more than once a-year, when it should invariably be done once a month. Banks generally make a balance sheet weekly, and some of them twice a week.

On the other hand, there are persons who have no system at all in their accounts, no system of book-keeping, nor method of arriving annually or semi-annually at the results of their business. We have heard of one large manufacturing establishment, whose sales amount to more than \$ 300,000 per annum; wherein there is neither cash book, journal, day book nor in-

voice book. No invoice book to record their foreign and domestic bills of purchases; no cash book to record receipts, disbursements and balance of cash on hand; no journal by which to ascertain the aggregate of sales, expenditures, expenses, and other items. A rational merchant will inquire, how could such a house know its condition? We reply, only by a general summary or estimate. Cash payments to or from were posted directly into the ledger; a balance sheet had never been taken, in a business of twenty years standing. The bill book showed the amount of indebtedness of the house. The bills receivable, open accounts, and stock on hand, were the opposites. Deduct the first from the other three would show the result *in general terms*. Of course a division of profits could not take place; a division of property might be made in case of dissolution.

We have heard of an instance yet more remarkable. A disbursing officer of the government, some years since, whose annual public disbursements were about \$ 150,000, *kept no account book of any sort whatever*. Book-keeping not being taught at West Point, a primitive mode of debits and credits was established, viz. the sums were received in large and even amounts, *and retained in the head*. Not a dollar was paid without taking a voucher and a duplicate. At the end of the quarter or period of settlement, a list of payments, per vouchers, was prepared from the documents themselves. The aggregate of these, deducted from the cash received, showed the balance due the government. A bank contained the deposits, and an iron chest contained the vouchers. If a discrepancy of a large amount occurred, the check book would set it right. But inasmuch as small accounts were paid from the petty cash, and the officer's private funds were kept in a mixed condition with the small cash of the government, a small error would not be observed, and could not be traced if observed at all. At the general periodical settlement with the government, a surplus of several hundred dollars in the iron chest would be presumed and *assumed* as the probable amount of private cash unexpended. We have no doubt that such a loose system, or something similar, has been, and yet is, the *modus operandi* of many at this day—of persons who are utterly ignorant of the A, B, C, of book-keeping, and whose ignorance and inexperience perpetually lead them into difficulties. With such a crude system as above described, none but a person of very close economy, attention to business and an *algebraic* head, could hold office without suffering large pecuniary losses in the course of a few years.

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## C O R R E S P O N D E N C E .

BANK OF ———, September, 21, 1846.

J. SMITH HOMANS, Esq., *Baltimore, Md.*

SIR:—I have been much pleased, thus far, with the appearance and matter of your "Bankers' Magazine," and deem it a useful periodical, if carefully conducted, but your digest of law appears to have been indited without sufficient care in its selection, with reference to late statutes: for in-

stance, in the September number, on page 140, ¶ 221, "banks are not liable, in New York, to be assessed to work on the highways." This *was* the case, but if your contributor had understood his department he would have known that in the laws of New York, of 1837, ch. 431, p. 468, there is a statute authorising the taxing of banks for highway labor. We expect *correct* information from a magazine designed to instruct us, and evidently conducted with ability.

Very respectfully, yours,

—————, Cashier.

NOTE.—We wish that more of our readers would take the same pains that our New York correspondent does to test the accuracy of our legal and other details. The common fault with bank officers is a disinclination to *study* their profession in its various bearings, and an impression that there is nothing to learn of it by reading. We have been told repeatedly by presidents and cashiers *that they have not time to read*. This is a mistake on their part. If they have not time they can make it.

Our correspondent will bear in mind, however, that we cannot be *posted up* in all the changing and fickle legislation of every state. "The world is governed too much" is very true, and especially so of the United States, as a general government and as individual states. We cannot keep pace with the proceedings of all our state legislatures and with the decisions in all the state courts. Our readers will find the New York cases more frequently quoted by us, because the decisions in the courts of that state are generally received throughout the country as sound.

Our correspondent will find the law department of our magazine one of its most valuable features, and we propose to keep in view this subject, by adding recent decisions of the English and American courts in relation to the business of banks, bankers and brokers. The cases selected for the present number from the first two volumes of Howard's Reports of the Supreme Court U.S. are especially worthy of attention: because they are emphatically *the law of the land*, and cannot be appealed from.

We take this occasion to urge our friends at a distance to furnish us with such contributions upon bank matters, state finances, &c. as they can. There are legal statutes, customs and practices in some states that are not known in others. The Bankers' Magazine is a legitimate and appropriate channel for the communication of such intelligence, relating to the business, liabilities, duties, &c. of banks and bankers; and we shall be glad to receive contributions from competent writers for publication.

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## AMERICAN STOCKS IN LONDON.

We avail ourselves of the letter of the London correspondent of the New York Courier and Inquirer, under date of September 3, 1846, for the following items:

MEXICAN STOCK, which, previous to the new conversion, stood at 32, gradually declined, during the progress of the war, to 22;—suddenly rose, on Lord Palmerston's declaration, that preliminary steps had been taken towards mediating between the contending nations; and then, on the arrival of the steamer last Saturday, jumped to 25½, and even as high as 27½;—

though it is again declining, and is now at 26. Every one admits that the stock is nearly valueless, and not likely to pay dividends for many years to come, if at all;—yet large transactions continue to be made, because it is a highly speculative stock, and the loan being for 50,000,000, many are interested; and the market being a large one, the speculators know that they can at all times readily buy, sell, or even borrow, any requisite amount of stock.

The size of the loan is a great advantage to the bondholders; and I have often pointed out the disadvantage which our state stocks labor under by reason of their subdivision into small amounts;—their bearing interest—and being redeemable at different rates and in different places.

Pennsylvania stock attracts more attention than any other, because it is almost entirely a five per cent. stock, and the only one in which buyers and sellers are likely to meet.

Alabama has eleven different kinds of stock, if not more. Sterling 5 per cents.; sterling 6 per cents.; dollar 5 per cents.; dollar 6 per cents.;—some payable half yearly in London; and some otherwise payable in New York, and some whose dividends are only annually payable. Thus a purchaser can seldom find for sale the exact kind of stock which he already holds; and a seller must suffer in price because his bonds are not the exact thing wanted.

The difficulties thus created form the principal reason why the unimpeachable stocks of Alabama are so nominal in price, and that price so low. If all the bonds of that state were similar in character, in amount and rate of interest, and payable at the same place, they would command a price at least 8 or 10 per cent. better than now, solely because they would be more marketable. This fact is very imperfectly known, and yet it is all important.

It would be much to the advantage of all the states, if Maryland would, immediately upon the meeting of her legislature, pass a bill to fund all *ar-rears* in a 5 per cent. stock, and agree to *PAY* all *future* dividends. The present system of paying these coupons which are still outstanding and about three years overdue, though better than not paying them at all, will not do much to restore the credit of that state: though the act, which made overdue coupons receivable for taxes, enabled many of the poorer holders to realize something towards an income by the sale of their coupons; thus redeeming them from the necessity of sacrificing their bonds, and furnishing them with nearly the same income that they would have received, had they kept their money in British consols.

The last transaction in *Camden & Amboy*, was at 75 for the sterling fives. This is ruinously low; and it is surprising that the proprietors of that railway have not appeared here as purchasers of their own bonds. Had they established a small sinking fund, it would have prevented such an inordinate depression; and given color to the belief that the company really intended to pay their bonds. As it is, for aught the English bondholders know to the contrary, the company may be "absent" when the year 1864 arrives, and the mortgagees of the road may find a worn out line, engines in which fires cannot be made, and carriages fit only for making them; and as the company is a body corporate, the individual shareholders may be in no way responsible for its debts; although they may have divided among themselves the entire produce of the road. It would be much to the credit of the company, if, instead of dividing all the money it can grasp, it were to create a sinking fund, to relieve itself of its indebtedness.

The Bank of England has again reduced the rate of interest to three per cent. Of course money is a drug. Every one can command, on good security, as much as he requires, and the railway market feels, to some extent, the buoyancy of speculation.



## COMMERCIAL STATISTICS.

## COTTON.

[We copy from the New Orleans Price Current the following remarks relating to the Cotton Crop of the West—also tables of exports of certain staples, all which will be found valuable as matters of reference.—*Editor B. M.*]

It seemed to be the general impression that the commercial year now brought to its termination opened with unusually flattering prospects for an active and prosperous trade in nearly all the leading products which constitute the business of our market. Our most important export staple, cotton, under the influence of a rapidly increased consumption, both in this country and in Europe, had steadily recovered from an unparalleled state of depression, and the future seemed still to present a promise of progressive amendment, through the hoped for continuance of the same favorable auspices. The teeming resources of the West were known to have been developed in unusual abundance; and although, in view of the ample supplies, prices were not expected to attain a high range, yet it appeared probable that the various productions of the farming states would meet with a ready market, at fair remunerating rates. The sober and steady course of trade, however, so confidently hoped for, and so much to be desired, in a general view, was soon disturbed by the introduction of unexpected influences. Among the most important of these was the failure, to a considerable extent, of the grain and potato crops of Great Britain, and some parts of the continent, which had an unfavorable effect upon the cotton market, while the same cause, coupled with Sir Robert Peel's proposition for a material reduction and final repeal of the corn duties of England (which measure it was mainly instrumental in precipitating) gave a speculative impulse to operations in breadstuffs, which—as is usual in such cases—were carried far beyond the point of prudence; and the common result of such infatuation has been evidenced in a disastrous reaction. Among the other adverse influences which have been brought to bear upon the course of trade may be mentioned the scarcity of money in England, consequent upon the extravagant speculations in rail-way schemes, the agitation of the Oregon question, the Mexican war, with other matters less prominent—all combining to produce disaster, disappointment, and gloom, instead of the realization of the high hopes with which the season opened, and marking the fallibility of all human calculation. Happily the Oregon controversy, which rendered imminent a collision with the most formidable European power, has been settled, and, as we believe, upon a basis which is satisfactory to the great majority of both countries. The Mexican war is still in progress, and its probable duration is altogether problematical. It is not calculated, however, to cause much disturbance to the general business of the country, further than may be incidental to some derangement of the finances, but it is sincerely to be hoped that an honorable and advantageous arrangement will soon be effected, which will restore peace to our borders, and extend the benefits of civilization, agriculture and commerce into regions long disturbed by civil discord and revolution. This controversy once happily concluded we shall again be at peace with all nations, with a prospect, so far as the future can be discerned, of an indefinite immunity from hostile collision with foreign powers; and our country, with its mighty and diversified interests, will move onward to the attainment of its brilliant destiny. Measures of national policy, may frequently disturb the course of trade, and it is perhaps to be regretted that these are

not characterized by more permanency; but the aggregate business of the country is still progressive, and that which is found to be an evil to-day may be corrected by the wise councils of a subsequent period. Important changes relating to commerce and finance have recently been made in this country, and in England, and their operation, whether for good or evil, remains to be tested. Opinions on this point are, of course, widely variant; and as it is not our province to discuss measures which have become so exclusively political, we can only hope that, upon a fair and impartial trial of the operation of these laws upon the great interests of the country, the good will be retained, and the evil, should any be demonstrated, promptly corrected.

**COTTON.**—The season commencing on the 1st September last may be said to have opened under highly flattering prospects for ready sales, at fair prices—a position of the market in favorable contrast with the gloomy features which characterised the advent of the previous year. This cheering promise was derived from a view of the unparalleled degree of activity which prevailed in the manufactures, both of Europe and this country, and bright anticipations were very generally entertained, notwithstanding the early impression which prevailed that the crop would prove a large one. As the season advanced, however, its progress demonstrated a very material falling off in the amount of production, as compared with the previous year—a circumstance which would unquestionably have led to an important enhancement of prices under a continuance of the favorable features which marked the opening of the commercial year. But before this conviction became strong enough to act upon to any important extent a variety of adverse elements were brought into operation, which tended in a material degree to disappoint the flattering anticipations that were indulged in the early part of the season. The most prominent of these obstacles to a prosperous progress in the market were the partial failure of the grain and potato crops of Europe; the inordinate speculations in railway shares, both in England and on the continent, and the consequent tightness in the money market; the agitation of the Oregon question; the glutted position of the Asiatic markets, and a variety of other impediments which were not calculated on, and which need not here be enumerated. The excessive depression of the previous year, however, has been avoided, and the closing rates are a fraction higher than those which prevailed at the opening of the season. As regards the crop of 1845, it was early manifest that excessive drought for a long period had materially curtailed the extent of the production in South Carolina, Georgia, Alabama, &c.; but at the same time an impression prevailed that the increased yield in the sections of country bordering on the Mississippi river would go far to counterbalance the deficiency in the states on the Atlantic. The result, however, proves that this calculation was widely erroneous, and is another among the many instances on record which evidence the futility of early estimates. According to our General Cotton Table, to which we beg reference, the total receipts at all the shipping ports, up to the latest dates amount to 2,056,314 bales, against 2,417,812 bales at same time last year—showing a deficiency of 361,498 bales. This amount includes 1321 bales received at this port from Texas, while that State was still a foreign country; and when this item is deducted, and certain additions are made for the stocks on hand at Macon, Augusta and Hamburg, the receipts overland at Philadelphia and Baltimore, &c., the *crop of the United States*, as made up by the New York Shipping and Commercial List, will probably be not far from 2,075,000 bales, against 2,304,503 bales last year. This amount, however, will not include any shipments which may have been made from Texas to the Northern ports, or to

Europe, since the 16th day of February last, the date of the transfer of the custom houses to the United States, of which there are no published accounts, but which, as well as the stocks at the shipping ports—if there be any—now properly belong to the *crop of the United States*. We have now arrived at the proper point for a brief exposition of the progress of our own market.

The first bale of the crop of 1845 came to hand on the 30th July, being seven days later than the first receipt of the previous year. For many days subsequently, however, only a few trifling lots arrived, and it was not until the latter part of August that any sales of consequence took place, the rates in these transactions being  $7\frac{1}{2}$  a  $9\frac{1}{2}$  cents for good middling to good fair, with a tolerably ready demand for France, Great Britain and the North, particularly for the finer qualities. On the 1st September the receipts of new crop had reached 6846 bales, against 5720 bales at same time the year previous, and our quotations were  $7\frac{1}{2}$  a  $9\frac{1}{2}$  cents for good middling to good and fine. During the first week in September, owing to the limited number of buyers, accumulating stock and declining exchanges, a reduction of  $\frac{1}{2}$  a  $\frac{1}{2}$  a cent took place on the low and middling qualities, the finer grades being well sustained, owing to their comparative scarcity, and to the fact that thus far the demand had been almost exclusively confined to them. During the remainder of the month of September the market exhibited but a moderate degree of activity, being unfavorably influenced by apprehensions of short crops of bread-stuffs in Europe, particularly Great Britain, though prices were tolerably well maintained. On the 1st October accounts of a more favorable promise of the grain crops of Great Britain, which had led to extensive sales of cotton in Liverpool, at advanced prices, produced an improvement in our market of  $\frac{1}{2}$  a  $\frac{3}{4}$  of a cent, and prices continued to be well sustained until the close of the month, when the market was again unfavorably influenced by advices from England of a large stock, a tight money market, and a deficiency in the crops. From this period the market moved forward with various fluctuations, as influenced mainly by the favorable or unfavorable character of the European advices, though without exhibiting any extraordinary feature, calling for more extended detail. It may be remarked, however, upon a general view of the season's business, that a fair degree of steadiness has prevailed in prices, the extreme fluctuations for the middling to middling fair qualities being  $6\frac{1}{2}$  a 7, and  $7\frac{1}{2}$  a  $8\frac{1}{2}$  cents—the highest in the middle of October, and the lowest in the latter part of May, when a sudden advance in freights and a decline in exchanges were added to other adverse influences. The season closes with a light stock in factor's hands, the whole quantity on hand, including all on shipboard not cleared, being only 6332 bales.

The total receipts at this port since 1st September last, from all sources, are 1,052,633 bales. This amount includes 12,240 bales received from Mobile and Florida, which being deducted makes what we term our receipts proper 1,041,393 bales. In this last amount there are included 1321 bales received from Texas between the 1st September and the 6th January, at which latter date the cotton of Texas ceased to be considered a foreign production; so that the actual receipts of *United States Cotton*, properly belonging to this port are 1,040,072 bales. The total exports during the same period are 1,054,857 bales, of which 562,320 bales were shipped to Great Britain, 159,528 to France, 112,927 to other foreign ports, and 220,082 to United States ports, including 5000 bales to Western States. In the exports to Great Britain there is a decrease of 23,568, and to other foreign ports of 12,566 bales, while to France there is an increase of 34,508, and to United States ports of 71,867 bales.

The crop of 1845 having thus been disposed of, it may not be improper to take a glance at the probable prospects, as regards a market, for the crop now advancing to maturity. It can hardly be said that these present the highly flattering promises which marked the opening of the past season, yet we see no good reason for despondency upon this branch of the interest at issue. It is true that the passage of the new tariff act may somewhat check the progress of manufactures in this country; but those in operation, particularly those producing the heavier fabrics, are said to be so well established, and so skilfully and economically conducted, that they scarcely need fear competition. At all events, wherever the manufactured articles may be produced, the raw material must be consumed, and the probable extent of this consumption, and of the supply of the raw material, are of course the ruling incidents to which the attention of all interested parties is directed. The great controlling market of Liverpool, which during the greater portion of the past season has been kept in a state of depression altogether unlooked for at this period of last year, and by causes which are familiar to all, begins to exhibit symptoms of amendment. Notwithstanding a falling off in the average weekly amount taken by consumers during the six months ended July 1, 1846, of about 2000 bales per week, compared with the same period last year, yet the quantity on hand at the latest date was 272,000 bales less than at same time last year, resulting from the large deficiency in the crop of this country. The total stock of all descriptions at Liverpool on the 31st July was 792,000 bales, of which 558,000 bales were American, being the smallest stock at a similar period since 1842. It is conceded that the spinners are but very lightly stocked, having bought with extreme caution, and barely for immediate wants, throughout nearly the entire season, though according to recent accounts they were operating rather more freely, under the conviction that the United States crop of 1845 could not exceed 2,100,000 bales, and partially influenced also by the rather unpromising accounts from this country in regard to the crop now in progress. The total stock in all the ports of Great Britain on the 1st July (when a half-yearly statement was made up,) was 930,800 bales, against 1,244,700 bales at the same time last year. Of this amount 597,200 bales were American, against 915,300 bales of that description at same period last year. The quantity taken by consumers during the six months ended on the 1st July was 54,757 bales less than during the same period last year, but it is supposed that the *actual consumption* has not diminished, and there would seem to be a fair prospect that at least an equal ratio will be maintained, as among the favorable circumstances the important home market is likely to be somewhat extended through the operation of the new corn laws, which secure cheap bread to the multitude, enabling them to buy more freely of the manufactured products. It should here be remarked, however, that advices from England represent the trade in goods and yarns to have been barely remunerating for some time past, and any material enhancement of the cost of the raw material would be likely to force the spinners into working short time, and thus reduce the consumption, unless a corresponding improvement should be realized in the markets for the manufactured articles. In France there has also been a falling off in the amount taken for consumption, as compared with last year, the relative amount of deliveries during the six months ended on the 1st July being 200,329 bales in 1846, and 246,452 in 1845. There has, however, been a still greater falling off in the amount of supply; so that the stock on hand at the latest dates was some 15,000 bales less than at same time last year. In the Northern ports, according to the tabular statement of the New York Shipping and Commercial List, the stocks are somewhat larger than last year, being at that port, on the 19th

ult. 54,200 bales, against 44,200 at same time in 1845. The ratio of consumption, however, is said to be greater than last year, and as new supplies will be unusually late in going forward there is every probability that the stock held at the North will be reduced below those of last year before they can be replenished to any important extent. From all the foregoing considerations, and some others which we have no space to expatiate upon, we repeat that we see no good cause for despondency as regards the prospects of a market, at fair remunerating prices, even though our planters should secure a liberal yield.

In proposing a few remarks upon the prospects of the growing crop we are fully sensible of the delicacy of our subject, and of the extreme caution which is requisite in treating of a matter of such paramount importance as a great agricultural and commercial interest, involved as it is, at this early period of the season, in so much uncertainty. Experience has over and again demonstrated the fallacy of anything like positive estimates of the probable amount of production, while yet the plant is so far from maturity, and subject to so many vicissitudes; and as we have never allowed ourselves to indulge in any speculative calculations upon a matter so entirely problematical, we shall abstain on this occasion from presenting any fancied result in figures, under the conviction that interests are involved which are quite too serious to be made the subject of theoretical conclusions. But while we disclaim all intention to offer speculations on the final result of the crop we may be permitted to make some allusion to its present position; a position which may have an important bearing on its future prospects. We have already, on repeated occasions, in our reports upon the cotton market, alluded to the reiterated declarations from the country that the crop was backward; attributed mainly to a late and unfavorable spring. The correctness of these assertions may now be considered settled, as we shall proceed to demonstrate. The first arrival of the new crop was on the 7th of August, being seven days later than the first receipts last year, and fifteen days later than the first receipts of the year previous. It was only a part of a bale, however, (some 160 pounds) and was evidently forced forward prematurely to gain the eclat of sending the *first bale* to market. It was therefore no criterion of the forwardness of the crop, as is clearly shown by the fact that up to this date we have received only 140 bales of the new growth, against 6846 bales last year and 5720 the year previous. Apart from this backwardness of the plant—a point which is fully established—there appeared, up to within some four or five weeks past, a tolerable prospect for something like an average yield, provided a favorable picking season should ensue; but since then the caterpillar or army worm, and also the boll worm, have made their appearance, to a greater or less extent, in most sections of the cotton growing regions, including Texas, and are said to be making great ravages;—on some plantations nearly destroying whole crops. The appearance of these destructive agents seems to have created more alarm among the planters this season than usual, from the fact that their advent has been about a month earlier than in previous years, while the crop generally is said to be fully three weeks later; thus making a difference of some seven weeks in the position of the plant when first attacked, and rendering it much more susceptible of injury. Frequent and heavy rains, too, within the past two or three weeks, have operated very unfavorably, being calculated to retard the maturing of the bolls, and causing the lower forms to fall to the ground instead of ripening. At the same time, however, these heavy showers are said to have somewhat checked the progress of the caterpillars, beating them from the plant to the ground, and causing many to be swept away by the floods which they occasioned. On

the whole it seems to be generally admitted that the prospects thus far present a marked contrast to the flattering promise in this region at the same period last year. As we have before remarked, however, any attempt to estimate the probable final result at this early period of the season, or even for many weeks to come, while yet so many circumstances may intervene of a favorable or unfavorable character, would be presumptuous in the extreme; and we can only leave the solution of so important a problem to time, taking care to note impartially the developments of the season's progress.

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### GOLD MINES IN RUSSIA.

The average production of the precious metals for five years ending in 1835, and the value for the year 1836, were given officially as follows :

|         | Average to 1835. |             |              | 1836.         |
|---------|------------------|-------------|--------------|---------------|
| Gold    | 350 pouds.       | 14,000 lbs. | \$ 5,145,000 | \$ 6,210,288. |
| Platina | 110 "            | 4,400 "     | 369,000      | 660,800       |
| Silver  | 1,260 "          | 50,000 "    | 1,234,000    | 1,357,552     |

Circumstances have of late so far increased the production of gold, that the value obtained from the mines for 1843 is, on high authority, rated at £4,000,000= \$ 19,000,200. The mines are, for the most part, situated in the Ural mountains, and are worked by the serf labor, with the application of fire, instead of the more expensive use of quicksilver. The application of increased labor, in consequence of the delay of the export of the other Russian staples, has been given as a reason for the increased quantities produced. This accumulation of gold is beginning to be scattered abroad by the movement of the Russian government. This year, already near £ 2,000,000 has been received in London and Germany. This increased supply will have doubtless, simultaneously with the receipt of quicksilver from China, an effect similar to that produced on the markets of the world by the discovery of the mines in Africa, viz. to diminish the relative value of gold throughout the world. The effect upon the United States will be, doubtless, to assist the operation of the gold bill of 1834, which raised the relative value of gold and silver. The old estimate of gold to silver, 15 to 1, was found too low at the market value. This operated to restrain the circulation of gold, and to cause its export to Europe, as being more valuable than silver. A remedy for this evil had long been sought for. At length, in 1834, the value of gold was raised to 16 to 1; since when, the coinage and circulation of gold have been constantly on the increase. The supply from Russia is likely to decrease its value in proportion to that of silver, and enhance the flow of gold to the United States.

The present very small demand for silver is not in consequence of adverse exchanges, but of a demand for silver as a commodity. The currency of Russia is mostly paper, and the government have made great efforts to reform it. About four years ago an ukase was issued, having for its object the increase of the silver currency of the empire; that metal being, among a poor population, preferable to gold. The ukase had at the time very little effect; but of late years an immense serf population have been employed in washing the gold of the Ural mountains, and the production is excessive. The highest authority places the annual production at £4,000,000. Recently an application was made to the Bank of England by the Russian govern-

ment, to know what use they could make of £6,000,000, and no favorable answer could be obtained. Arrangements were, however, in progress to exchange it for silver, in order to redeem the paper roubles. This process has been going on by the accumulation in the hands of the house of Rothschilds of \$ 6,000,000 of silver, which has caused a gradual advance in the price of that metal.

South American dollars have advanced it  $\frac{3}{4}$ d. per oz. since February, which is 1 $\frac{1}{2}$  per cent. and will find their way to Russia, causing a continued rise in silver. In fact, the enormous supply of gold will immediately tend to advance the price of all other articles throughout the world, silver among others, and to require a re-adjustment of the standards of all nations. In England, gold is to silver as 15 to 1; the increased abundance of the former metal may reduce it to 12 to 1. The operation in the United States will be, as is already begun to be felt, to induce an export of silver and an import of gold.

The imports into the United States for the six months of 1844, were \$ 1,000,000 less than in the same period of 1842, when the import of \$ 23,000,000 of specie commenced. The imports for July were little over \$ 7,000,000, which will give \$ 21,000,000 for the quarter, or \$ 2,000,000 less than the same quarter of 1841.

*The gold sands of Siberia.*—In a late volume of the *Annales des Mines*, there is an article from the *Gazette du Commerce* of St. Petersburg, giving an account of the history and product of the lately discovered beds of gold-producing sands in Siberia. A brief summary of the article follows:

“It was not until a period considerable later than that in which gold sands had been discovered in beds lying on the sides of the Ural mountains, that riches of a similar kind were found in Siberia. Researches had been made by two enterprising merchants of the name of Popoff, in different parts of the country, without success; and it was not until the year 1829 that one of these brothers discovered, at the foot of the Altai mountains, in the government of Jomsk, on the borders of the Birikoulka, some indications of gold. The quantity, however, was very small; and the ore containing a larger proportion than usual of silver, the doubts of finding rich beds of gold sand in Siberia were confirmed.

“But in the year 1830, the Altai mines, which had up to that period belonged to the imperial cabinet, were, with a view to unite all establishments of the kind under one administration, put under the direction of the minister of finances. More regular researches under this direction were more successful than former ones had been; and in the course of the same year a considerable bed of golden sand was discovered, to which the name of Yegorievsky (St. George) was given.

“This discovery changed entirely the opinion which had been formed of the unproductiveness of the soil of Siberia, and became the signal at which the enterprise of individuals was aroused. As the region of the district of Kolyvan belonged to the government, attention was at first directed to the chain of neighboring mountains between the Tom and the Yennessai, where the first discoveries had been made by Popoff. In 1832, the rich layer designated Voskressensky was discovered on the borders of the Kondoustouyoule, and at this point the labors of those interested were directed for several years. In 1836 they began to extend their researches farther in an eastern direction, and carried them quite to the frontiers of the government of Irkoutsk. In that inhospitable country, bristling with rocks, and almost inaccessible, a succession of very rich layers of auriferous sands was discovered on the borders of Birouzka. The number of explorers increasing, however, constantly, the researches were pushed still farther north, and in

the course of the years 1840 and 1841, between the rivers bearing the names of upper and lower Tougouzka, a great number of auriferous sand beds were found, equally remarkable for their extent and richness, and surpassed all former discoveries in the immensity of treasure! More recent researches have been pushed beyond this region towards the north and east, and they are still going on, and will probably before long be carried beyond the chain of mountains which separates the sources of the Yennessei from the basin of the Lenia.

"The establishments for washing organised in the district of the government mines in the district between the Obi and the Tom, produce annually from 30 to 35 pounds of gold, (a pound being equal to about 12,800 rix dollars,) without counting an almost equal quantity contained in the silver drawn from the mines, so that the gold found in this district amounts in a year to 60 or 70 pounds. [One pound is equal to 40 lbs. English.]

"In the district between the Tom and the Yennessei are several rich beds, the most important of which is that of Voskressensky, belonging to the merchants of Rozanoff and Balandure, situated in the basin of Kiy, on the banks of the Kondoustouyoule. This bed is celebrated for its richness, the produce of gold being, when it was first discovered, not less than five zolotnicks\* of gold for 100 pounds of sand. It has produced, since its discovery in 1832 to 1842, 330 pounds of gold, equal in value to 4,200,000 rix dollars. Its produce in 1842 was 40 pounds. The sands at present worked do not afford over 2½ zolotnicks of gold to 100 pounds of sand. In this district is the bed worked by the Popoff company, as well as a number of others by other companies.

"In the bed worked by the Popoff company, a lump of the native gold has been recently found, weighing 24½ pounds; it was enclosed in a fragment of quartz, of which it had penetrated every part. The produce of auriferous sand beds in the government of Tomsk and Yennesseik, wrought by individuals, in the year 1842, was 107 pounds of gold.

"In the Kirghisan steppes gold beds have also been discovered and worked with good success. The work is done almost exclusively by the Kirghises, under contract with the undertakers; and they are by degrees withdrawn from the wandering life of nomades, to a life bordering on civilization. The produce of these mines in 1842 did not exceed 8 pounds.

"The most extensive and richest beds of gold sand are found in the more distant countries between the Yennessei and the Lenia. Among the most remarkable of these, is the Vliko Nicolalevsky, on the banks of the Khouna, belonging to the merchant Tolkatcheff. This mine produced, in 1842, 78 pounds of gold. Another, on the banks of the same river, called the Velico-Nikolskoi, produced, in 1842, 25 pounds. Several other beds on the left of the river Biriowza produced together, in 1842, 115 pounds of gold. In another region, on the banks of the Pekine, is the bed which belongs to the merchant Nikita Miasnikoff, from which was taken, in 1842, more than 100 pounds of gold. The proprietor of this mine has become one of the richest merchants in Russia.

"On the banks of the same river is the bed of Nicholas Miasnikoff, which produced, in 1842, more than 28 pounds of gold, and on the Schaorgane is one belonging to a company, which produced 36 pounds. In the basin of the Mouroschna is one which produced, in the same year, over 44 pounds, and another which produced 4 pounds. In the basin of the Pita are three which produced 14½, 34½, and 6 pounds, respectively. In the basin of the Tougouzka are three beds which produced, last year, 4 pounds, 6 pounds, and 21

\* One zolotnick=1lb. 1oz. English.

pounds, respectively. The whole of the establishments for washing beyond the upper Toungouzka, produced together, in 1842, over 364 pounds of gold.

“Adding to these quantities the metal produced from mines or sand beds worked for account of the crown, Siberia produced, in the course of the year 1842, in round numbers, the following quantities:

|                                                                       |             |
|-----------------------------------------------------------------------|-------------|
| By means of washing from beds of sand belonging to the crown,         |             |
| together with those worked by individuals, . . . . .                  | 632 pounds. |
| Gold extracted from silver taken from the mines of Kolyvan, . . . . . | 30 “        |
| From gold-producing sand beds in the Ural mountains, . . . . .        | 310 “       |

—  
972 pounds.”

The same volume of the *Annales des Mines*, from which the above facts are taken, contains a letter from M. Koucharoff, an officer in the imperial corps of mining engineers, to Mr. Humboldt, describing the mass (pepite) of gold recently discovered in the Ural. He says this mass is the largest known in the world. It was found in the auriferous sands of Miask, not far from the famous mines of Tzarevo Nikolaefsk, in the southern Ural. This mine, and a neighboring one, which had been visited by Mr. Humboldt, have yielded up to the last year nearly 400 pounds, 6,552 kilograms of gold; and very remarkable pepites, or masses, have been found in them. This monster pepite was discovered Oct. 26, 1842. It weighed 2 pounds, (70 pounds,) and 92 zolotnicks, (36 kilograms, .020758.) This pepite was lying on a stratum of diorite of the bed of auriferous sand, at a depth of 4½ archines (3 metres) from the surface of the soil, and under the corner of the works. This lump has been taken to St. Petersburg, and placed in the museum of the mining engineers. The following note of Mr. Humboldt is appended to the letter containing the above description:

“The largest piece of platina found as yet at Nijui Jageuleg weighs 20 pounds Russian, 34 zolotnicks.

|                                                                                                                                                                                  |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| The lump of gold found at Miask in 1826, . . . . .                                                                                                                               | 10 kils.* 118 |
| Lump found in Anson county, North Carolina, United States, 1821, . . . . .                                                                                                       | 21 “ 70       |
| Grano de oro, found in the Rio Hayna, and dropped to the bottom of the sea, (see my <i>Critical Examination of the Geography of the Continent</i> , vol. iii, p. 333,) . . . . . | 14 “ 500      |
| Monster lump of Miask, found in 1842, . . . . .                                                                                                                                  | 36 “ 020”     |

According to the letter of the Court Cancrine, of the 3d of December, 1842, Siberia east of the Ural produced, in 1842, the quantity of 479 pounds of gold, equal to 7,846 kilograms; and all Russia probably 970 pounds of gold, equal to 15,889 kilograms.

St. PETERSBURGH, June 5, 1846.—The quantity of gold extracted from the mines in this country last year was 1371 pounds, at the value, in English money, of £3,160,000. Within the last five years, the total quantity obtained has been 5949 pounds, of the value of £12,792,000. Of late the quantity of gold has greatly increased, with every prospect of the increase continuing. England hitherto has taken our gold, but now our government fears that England will not be able to take all the country produces, and it is a matter of some difficulty to know what is to be done with the remainder. There is a great scarcity of sailors in our merchant marine, and the government has, in consequence, afforded further facilities with respect to the employment of foreigners.

The reductions in the tariff have been made, and take effect from the 18th

\* A kilogram = 2 1-5 lbs. English.

instant. The ukase says that they have been made in order to give activity to foreign commerce and national industry.

It is announced that the emperor intends to abolish slavery in some provinces in which it still exists. When he was last at Warsaw, he created some surprise by walking in the streets without being accompanied and without protection. He created still more surprise, also, by entering a public coffee-house, frequented by disaffected persons, and partaking of refreshments. The persons present uncovered before him, and he returned their politeness. Every one of those persons would have been glad to have caused his death; but as he was alone, and undefended, they disdained to touch him. This speaks volumes in favor of the Polish character.

*A summary statement of the average annual amount of coinage of gold and silver, of late years, in various countries; and the amount in proportion to their population.*

| Countries.                           | Annual coinage,<br>in U. S. dollars. | Present<br>population. | U. S. cents,<br>per head. |
|--------------------------------------|--------------------------------------|------------------------|---------------------------|
| United States, . . . . .             | 4,300,000                            | 17,000,000             | 25.3                      |
| Mexico, . . . . .                    | 12,000,000                           | 7,700,000              | 155.8                     |
| Colombia, . . . . .                  | 2,000,000                            | 3,200,000              | 62.5                      |
| Peru, . . . . .                      | 3,000,000                            | 1,700,000              | 176.5                     |
| Chili, . . . . .                     | 400,000                              | 1,500,000              | 26.7                      |
| Bolivia, . . . . .                   | 1,500,000                            | 1,500,000              | 100                       |
| Brazil, . . . . .                    | 60,000                               | 5,000,000              | 1.2                       |
| Great Britain and Ireland, . . . . . | 7,300,000                            | 25,000,000             | 29.2                      |
| British India, . . . . .             | 13,300,000                           | 113,000,000            | 11.8                      |
| France, . . . . .                    | 25,600,000                           | 33,500,000             | 76.4                      |
| Sweden, . . . . .                    | 690,000                              | 3,000,000              | 23                        |
| Denmark, . . . . .                   | 128,000                              | 2,000,000              | 6.4                       |
| Saxony, . . . . .                    | 340,000                              | 1,700,000              | 20                        |
| Prussia, . . . . .                   | 1,800,000                            | 13,000,000             | 13.8                      |
| Austria, . . . . .                   | 6,000,000                            | 34,000,000             | 17.5                      |
| Spain, . . . . .                     | 400,000                              | 12,000,000             | 3.3                       |

## PUBLIC DEBT OF SPAIN.

The principal holders of Spanish bonds have addressed to Senor Mon, the Spanish Minister of Finance, the following representation in regard to the debt of the Spanish Government:—

*To his Excellency Senor Mon, Minister of Finance:—*We, the undersigned, holders of Spanish stock, hail with great satisfaction the return of your excellency to the administration of the finances of Spain.

From the talent which you have displayed, and the improvements you introduced, we feel assured that your having resumed the post of minister will prove highly advantageous to the state, and beneficial to the interests of its foreign creditors.

We beg to call your attention to the present deplorable condition of the Spanish stock, and to the repeated disappointment which the bondholders have sustained at so long a period having been permitted to elapse without any provision being made for their claims.

In the year 1840 the arrears of interest were capitalised, and converte

into a three per cent. stock. The bondholders, conscious of the financial difficulties under which the country labored, accepted this very inadequate payment, as the earnest of a more favorable arrangement hereafter; but even this insignificant measure has not been carried out, and dividends for six years have been allowed to accumulate without any means being taken for their liquidation. The debt of Spain presents this anomaly—that while a small fraction of it is paying interest, the great bulk, possessing similar rights and placed under similar circumstances, is neglected and unprovided for.

We are convinced that your excellency will see the necessity of making some great exertion to relieve your country from this false position, and we are encouraged in this expectation when we see the powers with which you were invested by the second article of the laws of estimates of 1845. You are there authorised to proceed to the settlement of the national debt, both internal and external, to provide payment of the interest out of the surplus of the public revenue and taxes, and even to make a prudential increase to the latter for that purpose. Under these powers you proposed to act, and now that you again occupy that position which will enable you to avail yourself of them, the bondholders confidently expect that you will take the earliest opportunity of redeeming your pledge.

When we look around at the improved condition of the Spanish nation—when we see the favorable terms upon which money has been raised by the government for internal improvements—when we view the railways in progress and in contemplation, promoted by Spanish enterprise and supported by Spanish capital, we feel assured that the resources of the country are adequate to the fulfilment of its engagements, and that an intelligent and judicious minister like your excellency will be able immediately to render these resources available to their gradual liquidation.

We trust that you will give us an early and favorable reply, which we shall have great pleasure in communicating to all parties interested in Spanish stock.

**N. M. ROTHSCHILD & SONS.**

**J. & S. RICARDO & Co.**

**JAMES CAPEL**, on the behalf of a large holder of Spanish five per cent. bonds, taken in the loan of 1835, and held by him since, and in my custody.

**DEMPSTER HEMING.**

**HENRY CHARD**, holder of a very large amount of Spanish stock.

**LAURENCE. CAZENOVE & PEARCE.** for large holders of passive bonds and active five per cent. bonds.

**SIMON SAMUEL**, a large holder of active, deferred, and passive Spanish bonds.

**DANIEL MOCATTA**, on account of several considerable holders.

**THOMAS MOXON, JR.**, for self and for several holders of a very considerable amount of five per cent. bonds and some deferred bonds and passive.

**HENRY SMITH**, a holder of five per cent., and all the drawn, deferred, and passive stock.

**T. BUCKLER LETHBRIDGE.**

**PREECE & EVANS**, holders of a very large amount of Spanish stock.

**HENRY KEMBLE, M. P.**

**R. R. OAKLEY.**

**J. C. M'MULLEN**, on the behalf of owners of a very considerable amount of five per cent. bonds.

**EDWARD KEMBLE.**

**J. H. PEPPERCORNE.**

**J. J. WALEY**, for self and several friends, holders.

## NATIONAL DEBT OF EUROPE.

The following table is taken from a leading German publication. As to the aggregates, they are, we presume, only approximations; some appear, on comparison with similar tables, to be overrated, and others underrated; for financial purposes, it could not, therefore, be implicitly relied on, either for 1842 or 1843.

| Country.                         | Debt.             | Inhabitants. | Average of debt to each inhabitant. |
|----------------------------------|-------------------|--------------|-------------------------------------|
| Holland . . . . .                | 800,000,000       | 3,000,000    | † \$ 266                            |
| England . . . . .                | 5,556,000,000     | 25,000,000   | 222                                 |
| Frankfort-on-the-Maine . . . . . | 5,000,000         | 55,000       | 90                                  |
| France . . . . .                 | 1,800,000,000     | 83,500,000   | 54                                  |
| Bremen . . . . .                 | 3,000,000         | 55,000       | 54                                  |
| Hamburg . . . . .                | 7,000,000         | 155,000      | 45                                  |
| Denmark . . . . .                | 93,000,000        | 2,100,000    | 44                                  |
| Greece . . . . .                 | 44,000,000        | 1,000,000    | 44                                  |
| Portugal . . . . .               | 144,000,000       | 3,800,000    | 38                                  |
| Lubeck . . . . .                 | 1,700,000         | 45,000       | 37                                  |
| Spain . . . . .                  | 467,000,000       | 12,000,000   | 35                                  |
| Austria . . . . .                | 880,000,000       | 12,000,000   | 81                                  |
| Belgium . . . . .                | 120,000,000       | 4,000,000    | 30                                  |
| Papal States . . . . .           | 67,000,000        | 2,500,000    | 26                                  |
| Hesse-Hamburg . . . . .          | 587,000           | 25,000       | 23                                  |
| Saxe-Meiningen . . . . .         | 3,000,000         | 140,000      | 21                                  |
| Anhalt Kothen . . . . .          | 800,000           | 39,000       | 20                                  |
| Brunswick . . . . .              | 5,000,000         | 260,000      | 19                                  |
| Bavaria . . . . .                | 72,350,000        | 4,250,000    | 17                                  |
| Naples . . . . .                 | 126,000,000       | 7,600,000    | 16                                  |
| Saxe-Weimar . . . . .            | 3,000,000         | 240,000      | 12                                  |
| Hanover . . . . .                | 19,000,000        | 1,700,000    | 11                                  |
| Prussia . . . . .                | 150,000,000       | 13,000,000   | 11                                  |
| Nassau . . . . .                 | 3,500,000         | 370,000      | 10                                  |
| Russia and Poland . . . . .      | 545,000,000       | 60,000,000   | 9                                   |
| Baden . . . . .                  | 11,000,000        | 1,250,000    | 8                                   |
| Wurtemberg . . . . .             | 14,000,000        | 1,600,000    | 8                                   |
| Parma . . . . .                  | 3,700,000         | 430,000      | 8                                   |
| Hesse-Darmstadt . . . . .        | 6,250,000         | 800,000      | 7                                   |
| Modena . . . . .                 | 3,000,000         | 403,000      | 7                                   |
| Sardinia . . . . .               | 32,000,000        | 4,500,000    | 7                                   |
| Saxony . . . . .                 | 11,000,000        | 1,700,000    | 6                                   |
| Saxe-Altenburg . . . . .         | 700,000           | 120,000      | 5                                   |
| Norway . . . . .                 | 4,125,000         | 1,000,000    | 4                                   |
| Mecklenburg . . . . .            | 2,000,000         | 600,000      | 3                                   |
| Saxe-Coburg . . . . .            | 1,600,000         |              |                                     |
| Hesse-Cassel . . . . .           | 1,256,000         | 700,000      | 1                                   |
| Schwarzburg . . . . .            | 150,000           | 116,000      | 1                                   |
|                                  | <hr/>             |              |                                     |
|                                  | \$ 10,499,710,000 |              |                                     |

† In different German dollars, varying (it is believed) in value from 69 to 82 cents of our own currency.

One of the laudable objects of the Zoll-Verein is to endeavor to establish a uniform system of monies, weights, and measures, and thus remove the barbarous practice of calculating, in Germany, a dozen different pieces of money, varying in value, under the confusion of six-dollars of Bremen courant—of Saxony—of Hamburg specie—of Lubec—of Berlin—of Leipsic convention money, &c.

## THE VALLEY OF THE MISSISSIPPI.

The following extract from Mr. CALHOUN's Report to the U. S. Senate on the Memorial of the Memphis Convention presents, in brief, a striking view of the progress, condition and resources of the Mississippi Valley :

The great stream of the Mississippi, Mr. Calhoun says, is the channel through which, by the aid of steam, cheap and speedy transit and intercourse are effected, not only between all parts of its immense valley, but also between it and the rest of the Union and the commercial world. And to this cheap and speedy transit and intercourse are to be attributed, even more than its fertile soil and great resources, its almost miraculous increase in population, wealth and improvement. So great have they been, that what sixty years ago was one vast region, with little exception, of forest and prairie, over which a few hundred thousand savages wandered, has now a population but little less than nine millions, with great and flourishing cities, abounding in opulence, refined in manners, and possessed of all the comforts and even elegance of old and polished communities.

But, as great as this increase and improvement have been, they are nothing compared to what may be expected in the next sixty years. They advance with an accelerated rapidity. The whole population in the entire region drained by the Mississippi did not, according to the first census, (1790,) exceed 200,000. According to that of 1800, it had increased, in round numbers, to 560,000. In 1810, it had increased, in like numbers, to 1,370,000; in 1820, to 2,580,000; in 1830, to 4,100,000; in 1840, to 6,370,000; and in 1846, to 8,920,000, estimated according to the ratio of increase between the census of 1830 and 1840. Estimating it at the same rate, it would in 1856 exceed twenty millions; and in 1866, forty millions. It is, however, scarcely possible for the increase to keep up with the present ratio; but after making ample allowance for its retardation by the increase of population, it may be regarded as a safe calculation, that the population of the valley will reach twenty-five millions in the next twenty years, forty in the forty years, and sixty in the next sixty years, unless some shock should occur which would convulse or overthrow our political institutions.

But as rapid as has been the increase of its population, its commerce has been still more so. It is stated on what may be regarded as good authority, that, so late as 1817, "the whole commerce from New Orleans to the upper country was transported in about twenty barges of one hundred tons each, and making but one trip per year. The number of keel boats employed on the upper Ohio could not have exceeded one hundred and fifty, of thirty tons each, and making the trip from Pittsburg to Louisville and back again in two months, and about thrice in the season. The tonnage of all boats ascending the Ohio and the lower Mississippi was then about 6,500." The same authority states the number of steamboats employed in navigating the Mississippi and its tributaries in 1843 to be four hundred and fifty; their average tonnage to be about two hundred; their aggregate tonnage to be about ninety thousand; their value per ton to be eighty dollars; their aggregate value to be seven million two hundred thousand dollars; the persons engaged in navigating them to be fifteen thousand seven hundred and fifty; and the expenses incidental to their navigation to be twelve million two hundred and eighty thousand dollars. It estimates the number of flat-boats engaged in the same navigation at four thousand, and the persons employed in navigating them at twenty thousand, and the annual cost and expense of building and navigating them at one million three hundred and eighty thou-

sand dollars. It also estimates the amount of freight, on the supposition the boats go full freighted, at \$2,000,000 annually, and the annual value of the products of the valley transported on the river and its tributaries at \$120,000,000, and that from other portions of the Union and foreign countries at \$100,000—making in the aggregate \$220,000,000.

Such was the estimate of the commerce of the Mississippi, including its tributaries, made by an intelligent committee to the citizens of Cincinnati, at the beginning of the year 1843. It has greatly increased since, as short as is the interval, with the rapidly increasing population and wealth of its valley. It appears, by the last annual report of the treasury department, on the commerce and navigation of the United States, and the steamboat tonnage on the western waters on the last of June, 1846, was 159,713 tons. It appears, from the same document, that the number built during the year ending on the 30th June, 1845, on those waters, was 119; making, in the aggregate, 19,633 tons, and an average of a fraction more than 173 to a boat, instead of 200, as estimated by the Cincinnati committee. Assuming that to be the average tonnage of the boats belonging to the river, their number then would be 888, and their number now may be estimated safely at 900 boats, and their tonnage at 161,787.

Assuming, then, that the number of persons employed in navigating the Mississippi and its tributaries, and the expense of the navigation, and the value of the boats and cargoes, to be what the Cincinnati estimates make them, and that their estimates are correct, the present annual value of the commerce of the river and its tributaries would exceed \$300,000,000. But, however, great it may be, it is but the beginning. If the commerce of the valley shall increase in proportion with its population, and nothing should occur to impede that, it will in a short time be more than quadrupled. Looking beyond, to a not very distant future, when this immense valley, containing within its limits one million two hundred thousand square miles; lying, in its whole extent, in the temperate zone, and occupying a position midway between the Atlantic and Pacific oceans; unequalled in fertility and the diversity of our productions; intersected in every direction by this mighty stream, including its tributaries, by which it is drained and which supply a contiguous navigation of upwards of 10,000 miles, with a coast, including both banks, of twice that length, shall be crowded with population, and its resources fully developed, imagination itself is taxed in the attempt to realize the magnitude of its commerce. Such is the present state of the commerce of the Mississippi, including its tributaries, according to the best data that can be obtained, and such its future prospects.

## COMMERCE OF NEW ORLEANS.

*Exports of Cotton and Tobacco from New Orleans—commencing 1st September, and ending 31st August.*

### COTTON.

| WHITHER EXPORTED.         | 1836-37 | 1840-41 | 1845-46 |
|---------------------------|---------|---------|---------|
| Liverpool.....            | 329436  | 396010  | 521953  |
| London.....               | 41      | 304     | 159     |
| Glasgow and Greenock..... | 17077   | 20415   | 17893   |
| Cowes, Falmouth, &c.....  | 2966    | 9188    | 8134    |
| Cork, Belfast, &c.....    | 1180    | 4393    | 14181   |
| Havre.....                | 113155  | 157277  | 146153  |

|                             |               |               |                |
|-----------------------------|---------------|---------------|----------------|
| Bordeaux.....               | 6100          | 2807          | 2815           |
| Marseilles.....             | 9110          | 21983         | 6806           |
| Nantz, Cette and Rouen..... | 5165          | 1914          | 4254           |
| Amsterdam.....              | 202           | ....          | 2019           |
| Rotterdam and Ghent.....    | ....          | ....          | 53             |
| Bremen.....                 | 123           | 1706          | 3419           |
| Antwerp, &c.....            | 2782          | 2264          | 7838           |
| Hamburg.....                | 2538          | 2983          | 3585           |
| Gottenburg.....             | 553           | 2793          | 3877           |
| Spain and Gibraltar.....    | 3490          | 561           | 1679           |
| Havana, Mexico, &c.....     | 1807          | 19002         | 29800          |
| Genoa, Trieste, &c.....     | 7875          | 16801         | 52607          |
| China.....                  | ....          | ....          | ....           |
| Other foreign ports.....    | 233           | 90            | 8050           |
| New York.....               | 28622         | 58980         | 74757          |
| Boston.....                 | 39244         | 81626         | 111666         |
| Providence, R. I.....       | 1177          | 3132          | 5783           |
| Philadelphia.....           | 6483          | 5721          | 13690          |
| Baltimore.....              | 2785          | 4832          | 5507           |
| Portsmouth.....             | 8044          | 9025          | 2769           |
| Other coastwise ports.....  | 3781          | 581           | 910            |
| Western States.....         | ....          | ....          | 5000           |
| <b>Total,</b> .....         | <b>588969</b> | <b>821288</b> | <b>1054857</b> |

RECAPITULATION.

|                                |               |               |                |
|--------------------------------|---------------|---------------|----------------|
| Great Britain.....             | 350700        | 480310        | 562320         |
| France.....                    | 133530        | 183931        | 159528         |
| North of Europe.....           | 6431          | 9836          | 28841          |
| South of Europe and China..... | 13172         | 36364         | 84086          |
| Coastwise.....                 | 85136         | 160847        | 220082         |
| <b>Total,</b> .....            | <b>588969</b> | <b>821288</b> | <b>1054857</b> |

TOBACCO.

| WHITHER EXPORTED.           | 1836-37 | 1840-41 | 1845-46 |
|-----------------------------|---------|---------|---------|
| Liverpool.....              | 1913    | 5252    | 8976    |
| London.....                 | 1989    | 8732    | 12888   |
| Cowes, Falmouth, &c.....    | 6556    | 6681    | 2641    |
| Havre.....                  | 2447    | 4224    | 2215    |
| Bordeaux.....               | 320     | 814     | 1067    |
| Marseilles.....             | 699     | 1774    | 1006    |
| Nantz, Cette and Rouen..... | 312     | ....    | ....    |
| Amsterdam.....              | 1254    | ....    | 451     |
| Rotterdam and Ghent.....    | ....    | ....    | 1104    |
| Bremen.....                 | 3737    | 4012    | 6328    |
| Antwerp, &c.....            | 713     | 1219    | 4294    |
| Hamburg.....                | 674     | 1064    | 181     |
| Gottenburg.....             | 342     | 1559    | 943     |
| Spain and Gibraltar.....    | 1628    | 4142    | 9843    |
| Havana, Mexico, &c.....     | 1317    | 1020    | ....    |
| Genoa, Trieste, &c.....     | ....    | 2       | 2875    |
| China.....                  | ....    | ....    | ....    |
| Other foreign ports.....    | 612     | 667     | 298     |
| New York.....               | 4838    | 7466    | 4848    |
| Boston.....                 | 3520    | 3109    | 913     |
| Providence, R. I.....       | ....    | ....    | ....    |
| Philadelphia.....           | 1494    | 2126    | 1030    |

*Commerce of New Orleans.*

|                            |       |       |       |
|----------------------------|-------|-------|-------|
| Baltimore.....             | 541   | 517   | 427   |
| Portsmouth.....            |       |       |       |
| Other coastwise ports..... | 916   | 287   | 217   |
| Western States.....        |       |       |       |
| Total.....                 | 35821 | 54667 | 62045 |

RECAPITULATION.

|                                |       |       |       |
|--------------------------------|-------|-------|-------|
| Great Britain.....             | 10458 | 20665 | 24505 |
| France.....                    | 8778  | 6812  | 4288  |
| North of Europe.....           | 6760  | 8040  | 13801 |
| South of Europe and China..... | 3516  | 5645  | 12516 |
| Coastwise.....                 | 11309 | 13505 | 7435  |
| Total.....                     | 35821 | 54667 | 62045 |

*Exports of Sugar and Molasses, from New Orleans, (up the river excepted)  
from 1st Sept. to 31st August.*

| WHITHER EXPORTED.                 | 1845-46 |       |           |       |
|-----------------------------------|---------|-------|-----------|-------|
|                                   | SUGAR.  |       | MOLASSES. |       |
|                                   | hhds.   | bbls. | hhds.     | bbls. |
| New York.....                     | 33068   | 2448  | 3002      | 17515 |
| Philadelphia.....                 | 21804   | 2421  | 580       | 13925 |
| Charleston, S. C.....             | 3412    | 1198  | 2         | 6328  |
| Savannah.....                     | 1062    | 65    | ..        | 2214  |
| Providence and Bristol, R. I..... | ..      | ..    | 579       | 280   |
| Boston.....                       | 3208    | 1288  | 318       | 1402  |
| Baltimore.....                    | 9143    | 1672  | 185       | 5181  |
| Norfolk.....                      | 3997    | 1215  | 27        | 3767  |
| Richmond and Petersburg, Va., }   |         |       |           |       |
| Alexandria, D. C.....             | 175     | ..    | ..        | 428   |
| Mobile.....                       | 5739    | 1020  | 10        | 13464 |
| Apalachicola and Pensacola.....   | 1067    | 158   | ..        | 2089  |
| Other Ports.....                  | 533     | 8     | ..        | 671   |
| Total.....                        | 83208   | 11493 | 4703      | 67214 |

*Exports of Flour, Pork, Bacon, Lard, Beef and Whiskey from 1st September,  
to 31st August.*

| DESTINATION.             | 1845-46.           |                   |                 |               |                   |                 |                      |
|--------------------------|--------------------|-------------------|-----------------|---------------|-------------------|-----------------|----------------------|
|                          | FLOUR,<br>barrels. | PORK,<br>barrels. | BACON,<br>hhds. | LARD,<br>kgs. | BEEF,<br>barrels. | LEAD,<br>picls. | WHISKEY,<br>barrels. |
| New York.....            | 88854              | 88228             | 2873            | 204323        | 5162              | 309681          | 4098                 |
| Boston.....              | 122148             | 89164             | 846             | 190504        | 3501              | 139364          | 150                  |
| Philadelphia.....        | 250                | 29783             | 1238            | 69153         | 99                | 70113           | 647                  |
| Baltimore.....           | ..                 | 19523             | 729             | 39619         | 446               | 11961           | 2175                 |
| Charleston.....          | 11476              | 2828              | 1962            | 5607          | 275               | 4620            | 8982                 |
| Other coastwise ports..  | 68441              | 13434             | 12720           | 20671         | 4490              | 8460            | 41869                |
| Cuba.....                | 7094               | 1005              | 610             | 92836         | 391               | .....           | .....                |
| Other foreign ports..... | 279931             | 28354             | 64              | 168621        | 43798             | 174086          | 260                  |
| Total....                | 573194             | 272319            | 21042           | 790904        | 58162             | 718285          | 58181                |

*Comparative Statement of the Receipts, Exports and Stocks of Cotton, from September 1, 1845 to September 1, 1846.*

| PORTS.                 | STOCKS.                 |        | RECEIVED              |         |
|------------------------|-------------------------|--------|-----------------------|---------|
|                        | On hand, Sept. 1. 1845. | 1844.  | Since 1st Sept. 1845. | 1844.   |
| N. Orleans.....        | 7556                    | 12934  | 1041393               | 954285  |
| Mobile.....            | 609                     | 4226   | 421186                | 515743  |
| Savannah.....          | 2736                    | 2257   | 184563                | 303347  |
| Charleston.....        | 10879                   | 13536  | 249766                | 422252  |
| Florida.....           | 100                     | 300    | 138880                | 187769  |
| Virginia.....          | 2418                    | 2150   | 12125                 | 22151   |
| N. Carolina.....       | 100                     | 650    | 9401                  | 12265   |
| New York.....          | 42962                   | 75000  |                       |         |
| Other Ports.....       | 26766                   | 48719  |                       |         |
| Total, bales.....      | 94126                   | 159772 | 2056314               | 2417812 |
| Total to dates 1844-5, | 159772                  | .....  | 2417812               | .....   |
| Decrease.....          | 65646                   | .....  | 361498                | .....   |

Exported from September 1, 1845, to dates.

| PORTS.                  | To Great Britain. | To France. | To other Foreign Ports. | TOTAL Foreign Ports. | U States North'n Ports. |
|-------------------------|-------------------|------------|-------------------------|----------------------|-------------------------|
| N. Orleans.....         | 562320            | 159528     | 112927                  | 834775               | 220082                  |
| Mobile.....             | 208072            | 66821      | 26832                   | 301725               | 108495                  |
| Savannah.....           | 64739             | 8813       | 1922                    | 75474                | 89012                   |
| Charleston.....         | 117070            | 50737      | 11710                   | 179517               | 86649                   |
| Florida.....            | 42844             | 6187       | 950                     | 49981                | 80269                   |
| Virginia.....           | 680               | 250        | 428                     | 1808                 | .....                   |
| New York.....           | 92864             | 62314      | 35860                   | 190538               | .....                   |
| Other ports.....        | 8247              | 736        | 4287                    | 13870                | .....                   |
| Total, bales.....       | 1097386           | 355386     | 194416                  | 1647198              | 584507                  |
| Total to dates 1844-5   | 1435072           | 353193     | 284335                  | 2072600              | 595996                  |
| Increase this year..... | .....             | 2193       | .....                   | .....                | .....                   |
| Decrease.....           | 337686            | .....      | 89919                   | 425412               | 11489                   |

## HOME LEAGUE.

Extracts from the Report of the Hon. Richard Rush, to Congress, December 6, 1828.

THE increased consumption of foreign articles in the United States during the last four years, as compared with the four that preceded, may, it is believed, be ascribed, in no inconsiderable degree, to the advances which home labor has been making, in various ways, in the country since 1824. The creation and subdivision of home labor must bring new wealth to this country, as they ever have to other countries; and with it an increased ability to buy articles of all kinds. The reports from this department, within these four years, have respectfully but earnestly urged Congress the expediency of fostering manufacturing labor, under the conviction, deeply entertained, that in its success is largely to be found the true groundwork of financial power. It will ultimately unfold the means of providing revenue for the public wants, when war or other external events, not to be controlled, may abridge foreign commerce. How difficult it has been, heretofore, to obtain any ef-

ficient supplies of revenue from sources of internal industry and wealth, when such vicissitudes have happened, the financial history of the country in times past sufficiently makes known, imparting admonition for the future. The department has no less strenuously inculcated the policy of important amendments in our commercial code, by lowering the duties upon foreign articles that were indicated, especially teas; by removing the shackles which bind down the merchant in his trade of re-exportation; and by a liberal extension of the warehousing system; which, with the abolition of all transit duties, might more and more tend to bring the productions of all parts of the world into deposit at our ports, thence to be distributed, and principally by our own ships, wherever markets might invite them. It was believed that, with the establishment of manufactures at home, foreign commerce would ultimately expand; but it continues to be believed that the latter will never get to its full height in the United States, until aided by the laws in the ways recommended. *The merchant, like the manufacturer, requires, at proper junctures, the helping hand of Congress, and may suffer without it. Hence it has been the object, as it was the duty of the department, to invoke legislative favor for both these great interests, under the belief that they flourish most when they flourish together;* that, in proportion as both flourish, in conjunction with agriculture, (the invariable feeder of both,) is the public treasury most likely to be kept full; and that all plans of finance that do not take the co-operating prosperity of these three primary interests of the state as their foundation, must prove fallacious or short lived. Such were the counsels of a departed statesman, whose name peculiarly lives in the records of this department—who was first placed at its head, directing its operations with a forecast so luminous as still to throw a guiding light over the path of his successors. His comprehensive genius, looking into futurity, and embracing in its survey all the interests that go to make up the full strength and riches of a great empire, saw the truth, now in course of corroboration by our own experience, that the protection and increase of manufacturing labor, far from stopping the springs of our commercial power, would but multiply and diffuse them. \* \* \*

All monies have been paid at the time and at the place where they were required to be paid, and to the persons entitled to receive them. This capacity in the treasury to apply the public funds at the proper moment, in every part of a country of such wide extent, has been essentially augmented by the Bank of the United States. The department feels an obligation of duty to bear its testimony, founded on constant experience during the term in question, to the useful instrumentality of this institution, in all the most important fiscal operations of the nation. In faithful obedience to the conditions of its charter, and aided by its branches, it has afforded the necessary facilities for transferring the public monies from place to place, concentrating them at the point required. In this manner, all payments on account of the public debt, whether for interest or principal; or on account of pensions; all for the civil list, for the army, for the navy, or for whatever other purposes wanted, in any part of the Union, have been punctually met. The bank is also the depository, with its branches, for the public monies, from whatever sources of revenue received; aiding, too, in their collection: thereby giving safety to the keeping, as well as promptitude and certainty to the disbursement, of the public treasure. It receives the paper of the state banks paid on public account in the interior, as well as elsewhere; and, by placing it to the credit of the United States as cash, renders it available wherever the public service may require. By this course, (a course not enjoined by its charter,) it widens the field of business and usefulness to the state banks. Such, also, is the confidence reposed in the

stock of the Bank of the United States, that it serves as a medium of remittance abroad, in satisfaction of debts due from our citizens to those of other countries, which otherwise would make a call upon the specie of the country for their discharge. Nor are these all the uses of this institution in which the government participates. It is the preservation of a good currency that can alone impart stability to property, and prevent those fluctuations in its value, hurtful alike to individual and to national wealth. This advantage the bank has secured to the community, by confining within prudent limits its issues of paper, whereby a restraint has been imposed upon excessive importations, which are thus kept more within the true wants and capacity of the country. Sometimes (judiciously varying its course) it enlarges its issues, to relieve scarcity, as under the disastrous speculations of 1825. The state banks, following or controlled by its general example, have shaped their policy towards the same salutary ends—adding fresh demonstrations to the truth, that, under the mixed jurisdiction and powers of the state and national systems of government, a national bank is the instrument alone by which Congress can effectively regulate the currency of the nation. When the Congress of the revolution, under the severest pressure of financial difficulty, established, in 1781, the Bank of North America; when the superintendent of finance of that period predicted that it would “*become as useful to commerce and agriculture in peace, as to the government during war*”; when the same public officer, speaking from an arduous and enlightened experience, subsequently said, that, without that bank, imperfect as was its organization, “*the business of the department of finance could not have been performed*,” it affords a testimony, the memory of which is conceived to be not wholly irrelevant to that which is here intended to be borne to the kindred but better institution of our day. The policy of Congress having established a financial connexion between the Bank of the United States and the government of the Union, it is conceived to devolve upon the officer of the latter, whose post charges him with a close observance of that connexion, to report to Congress its practical effects. The benefits of a remedy become often most apparent by a recollection of the evils which called for it. A paper currency too redundant, because without any basis of coin, or other effective check, and of no value as a medium of remittance or exchange beyond the jurisdiction of the state whence it had been issued; a currency that not unfrequently imposed upon the treasury the necessity of meeting, by extravagant premiums, the mere act of transferring the revenue collected at one point, to defray unavoidable expenditures at another,—this is the state of things which the Bank of the United States has superseded. In the financial operations of the nation, as in the pecuniary transactions between man and man, confidence has succeeded to distrust, steadiness to fluctuation, and reasonable certainty to general confusion and risk. The very million of dollars of funds not effective, of which the treasury for many years has been obliged to speak, is but a remnant of the losses arising from the shattered currency, which the bank, by a wise management of its affairs, has cured. In conclusion, the mode of its agency in large payments of the principal of the debt is not to be overlooked. By its arrangements for them, it avoids the inconvenience of too great an accumulation of money in the vaults of deposit used by the government, and of the vacuum that would succeed its too sudden distribution. It does this by anticipating, as the periods of payment approach, the disbursement of a considerable portion of the stock in the form of discounts in favor of those who are to be paid off; thereby enabling them otherwise to employ their capital as opportunities may offer beforehand. In this manner, heavy payments of the debt are, in effect, made gradually, instead of

the whole mass being thrown at once upon the money market, which might produce injurious shocks. So prudently in this and other respects does the bank aid the operation of paying off the debt, that the community hardly has a consciousness that it is going on. \* \* \* \* \*

“Indeed,” says Mr. Rush, in a letter under date of the 8th of August, 1844, “I was full of it always, (the establishment of the warehousing system,) and strove as zealously to carry it forward as I did all our primary manufactures. The warehousing system, in fact,” he continues, “which benefitted England so much when I was there, and long had, and still does, and which contributed almost entirely (that, and the carrying trade, which the former so greatly nourished) to the commercial power and grandeur of Holland formerly, hardly existed at all with us, or only in the most imperfect manner, at the time I began my recommendations and urgency upon it; though others, before me, saw its value to our country.”

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## LEGAL MISCELLANY.

We have selected several important decisions for the present number of our Magazine, and, as they are probably new to our readers generally, the cases deserve careful consideration. The case of “The New England Bank at Boston v. Bank of the Metropolis at Washington,” involves an important point, and one that will occasionally arise between the banks of different states. In every instance of the failure of a bank, similar cases will arise, involving the rights of third parties.

We have carefully selected a few cases from the English Common Law and English Chancery Reports, which should be borne in mind by bankers in their business transactions.

### THE PRESIDENT AND DIRECTORS OF THE BANK OF THE METROPOLIS, PLAINTIFFS IN ERROR, v. THE PRESIDENT, DIRECTORS, AND COMPANY OF THE NEW ENGLAND BANK, DEFENDANTS.

When there have been, for several years, mutual and extensive dealings between two banks, and an account current kept between them, in which they mutually credited each other with the proceeds of all paper remitted for collection, when received, and charged all costs of protests, postage, &c.; accounts regularly transmitted from the one to the other and settled upon these principles; and upon the face of the paper transmitted, it always appeared to be the property of the respective banks, and to be remitted by each of them upon its own account; there is a lien for a general balance of account upon the paper thus transmitted, no matter who may be its real owner.

This case was brought up by writ of error from the Circuit Court for the District of Columbia.

At the trial in the Circuit Court, it appeared upon the evidence that the Bank of the Metropolis, one of the banking institutions of the District of Columbia, had been for a long time in the habit of dealing and corresponding with the Commonwealth Bank of Massachusetts. They mutually remitted for collection such promissory notes or bills of exchange as either might have, which were payable in the vicinity of its correspondent, which, when paid, were credited to the party who sent them, in the account current kept by both banks, and regularly transmitted from the one to the other and settled upon these principles. The costs and expenses, such as protests and postage, were, of course charged in such account.

The balance was sometimes in favor of one, and sometimes of the other.

On the 24th of November, 1837, the Bank of the Metropolis was indebted to the Commonwealth Bank in the sum of \$2200, and in the latter part of the year 1837, the Commonwealth Bank transmitted to the Bank of the Metropolis, for collection in the usual way, sundry drafts, notes, and other commercial paper which would fall due in the ensuing months of February, March, April, May and June. They were endorsed by E. P. Clarke, cashier, and made payable to C. Hood, cashier, and again endorsed by C. Hood, cashier, to G. Thomas, cashier. Clarke was the cashier of the New England Bank; Hood, of the Commonwealth Bank, and Thomas of the Bank of the Metropolis.

On the 13th of January, 1838, the Commonwealth Bank failed, and on that day Charles Hood, the cashier, wrote a letter to the Bank of the Metropolis, directing them to hold the paper which had been forwarded, as above stated, "subject to the order of the cashier of the New England Bank, it being the property of that institution." When this letter was received, the account was examined, and it was discovered that on that day the Commonwealth Bank was indebted to the Bank of the Metropolis in the sum of \$2900.

Mr. Chief Justice TANEY delivered the opinion of the court.

If this were a question between the two Boston banks, and the case depended upon their respective rights, the plaintiff in the court below would, undoubtedly, have been entitled to recover; for it is admitted, that although the notes and bills were endorsed to the Commonwealth Bank by the cashier of the New England Bank, yet no consideration was given for them; nor any advances of money made upon them; and they were placed in the hands of the first-mentioned bank as the agent of the other, merely for the purpose of collection. The question, however, is a different one between the parties to this suit, and its solution must depend, not upon the nature of the transactions between these two banks, but upon the dealings between the Commonwealth Bank and the Bank of the Metropolis.

It appears from the evidence offered by the plaintiff in error, that for several years prior to the insolvency of the Commonwealth Bank, (which happened in January, 1838,) there had been mutual and extensive dealings between the two last-mentioned banks, and an account current between them, in which they mutually credited each other with the proceeds of all paper remitted for collection when received, and charged all costs of protest, postage, &c. Accounts were regularly transmitted from the one to the other, and settled upon these principles; and upon the face of the paper transmitted, it always appeared to be the property of the respective banks, and to be remitted by each of them on its own account.

The balances in the account current fluctuated according to the amount of paper they respectively transmitted, and these balances it would seem were generally suffered to remain until they were reduced by the proceeds of the notes and bills deposited with each other in the usual course of their business. Thus, in November, 1837, the Bank of the Metropolis was debtor upon the account in the sum of \$2200; but in January, 1838, when notice of the failure of the Commonwealth Bank was received, that balance had been extinguished, and the last-mentioned bank was debtor in the sum of \$2900. It is not suggested that any information of the interest of the New England Bank, in the paper in question, was ever communicated to the Bank of the Metropolis until after the insolvency of the Commonwealth Bank. And the question is, whether the plaintiff in error has a right to retain the proceeds of the notes then in its hands to cover the balance of account due upon these transactions.

If the notes remitted had been the property of the Commonwealth Bank,

there would be no doubt of the right to retain; because it has been long settled, that wherever a banker has advanced money to another, he has a lien on all the paper securities which are in his hands for the amount of his general balance, unless such securities were delivered to him under a particular agreement.

The paper in question was, however, the property of the New England Bank, and was endorsed and delivered to the Commonwealth Bank for collection, without any consideration, and as its agent in the ordinary course of business; it being usual, and indeed necessary, so to endorse it, in order to enable the agent to receive the money. Yet the possession of the paper was *prima facie* evidence that it was the property of the last-mentioned bank; and without notice to the contrary, the plaintiff in error had a right so to treat it, and was under no obligation to inquire whether it was held as agent or as owner; and if an advance of money had been made upon this paper to the Commonwealth Bank, the right to retain for that amount would hardly be disputed.

We do not perceive any difference in principle between an advance of money and a balance suffered to remain upon the faith of these mutual dealings. In the one case as well as the other, credit is given upon the paper deposited or expected to be transmitted in the usual course of the transactions between the parties.

There does not, indeed, appear to have been any express agreement that those balances should not be immediately drawn for; but it may be implied from the manner in which the business was conducted; and if the accounts show that it was their practice and understanding to allow them to stand and await the collection of the paper remitted, the rights of the parties are the same as if there had been a positive and express agreement; and such mutual indulgence on these balances would be a valid consideration; and, like the actual advance of money, give the plaintiff in error a right to retain the amount due on closing the account.

It is evident that a loss must be sustained either by the plaintiff or defendant in error by the failure of the Commonwealth Bank. We see no ground for maintaining that there is any superior equity on the side of the New England Bank. It contributed to give to the corporation which has proved insolvent credit with the plaintiff in error, by the notes and bills which it placed in its hands to be sent to Washington for collection, endorsed in such a form as to make them *prima facie* the property of the Commonwealth Bank, and enabled it to deal with them as if it were the real owner. The Bank of the Metropolis, on the contrary, is in no degree responsible for the confidence which the defendant in error reposed in its agent. And when this misplaced confidence has occasioned the loss in question, it would be unjust to throw it upon the bank which has been guilty of no fault or want of caution, and which was induced to give the credit by the manner in which the defendant in error placed its property in the hands of an agent unworthy of the trust.

If, therefore, the jury find that the course of dealing between the Commonwealth Bank and the Bank of the Metropolis was such as is stated in the testimony; that they always appeared to be, and treated each other as the true owners of the paper mutually remitted, and had no notice to the contrary; and that balances were from time to time suffered to remain in the hands of each other to be met by the proceeds of negotiable paper deposited or expected to be transmitted in the usual course of the dealing between them, then the plaintiff in error is entitled to retain for the amount due on the settlement of the account.

The question, whether the balances were usually suffered to lie for a

time on account of negotiable paper actually deposited are expected to be received, and which formed the consideration on which the defence rested, is not perhaps as distinctly stated as it might have been in the hypothetical instruction requested by the plaintiff in error. But we think it is fairly to be inferred from the language used in the prayer, by which the defence is put upon the ground that the paper transmitted was treated by the parties as the property of each other; and as the prayer was rejected without any explanation or qualification, we have no reason for supposing that a different construction was put upon it in the Circuit Court.

The judgment must therefore be reversed.

ORDER.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the District of Columbia, holden in and for the county of Washington, and was argued by counsel. On consideration whereof, it is now here ordered and adjudged by this court, that the judgment of said Circuit Court in this cause be and the same is hereby reversed, with costs; and that this cause be and the same is hereby remanded to the said Circuit Court, with directions to award a *venire facias de novo*.

GLENDY BURKE, PLAINTIFF IN ERROR, v. ROBERT MCKAY.

By the general law merchant, no protest is required to be made upon the dishonor of any promissory note; but it is exclusively confined to foreign bills of exchange. Neither is it a necessary part of the official duty of a notary, to give notice to the endorser of the dishonor of a promissory note.

But a state law or general usage may overrule the general law merchant in these respects.

Where a protest is necessary, it is not indispensable that it should be made by a person who is in fact a notary.

Where the endorser has discharged the maker of a note from liability by a release and settlement, a notice of non-payment would be of no use to him, and therefore he is not entitled to it.

This case was brought up by writ of error from the Circuit Court of the United States for the southern district of Mississippi. The suit was brought in the court below by the endorsee against the endorser of the following promissory note:—

§ 2800

Clinton, Miss., January 20th, 1837.

On the first day of January, eighteen hundred and forty, we, or either of us, promise to pay Robert Mathews, or order, twenty-eight hundred dollars, for value received.

R. E. STRATTON,  
SAML. W. DICKSON,  
B. GARLAND.

The note was endorsed thus:

I assign the within note to Robert McKay and hold myself responsible for the same, waiving notice of demand and protest if not paid at maturity.

Clinton, 28th April, 1838.

ROBERT MATHEWS.

The note was then endorsed by McKay in blank, and passed with two intermediate endorsements, into the hands of Burke, a citizen of Louisiana, the plaintiff below, and also plaintiff in error.

Mr. Justice Story delivered the opinion of the court.

This is a writ of error to the circuit court of the district of Mississippi. The plaintiff in error brought an action of assumpsit in that court, against the defendant in error, as endorsee upon a promissory note dated at Clinton, Mississippi, January 20, 1837, whereby R. E. Stratton, Samuel W.

Dickson, and B. Garland, or either of them, on the first day of January, 1840, promised to pay Robert Mathews or order, \$ 2800 for value received. The note was endorsed by Mathews as follows: "I assign the within note to Robert McKay, and hold myself responsible for the same, waiving notice of demand and protest, if not paid at maturity." The note was afterward endorsed by McKay, (the defendant,) as it should seem, in blank, and the plaintiff in error in his declaration made title as immediate endorsee to McKay.

At the trial of the cause upon the general issue, the plaintiff read the note and the endorsement, and also proved that, at the maturity of the note, due demand of payment was made of the makers, by S. W. Humphreys, a justice of the peace of Hinds county, Mississippi, styling himself "acting notary public;" who, upon the non-payment, made due protest thereof, (the protest being by consent admitted as evidence of the facts,) and gave due notice thereof to the payee of the note and to all the endorsers. The defendant (McKay) also admitted that, in a settlement with the makers of the note, in some other transactions, the present note was included, and the defendant released the makers from all liability thereon, but he denied that he had ever received of the makers full payment of the said note; and that upon a compromise of all claims and controversies between them, he released the makers from all liability to the defendant; and he agreed that the same statement should be read and received at the trial of the case by the court and the jury. The district judge (who alone sat in the cause) instructed the jury, that, in order to charge the endorser of a promissory note, the plaintiff must prove that it was protested on the day of its maturity by a notary public, and demand made and notice of non-payment given by him; that the statement of Humphreys, admitted as evidence, not proving that fact, they must find for the defendant. Whereupon the jury returned a verdict for the defendant, and judgment passed accordingly. A bill of exceptions was taken by the plaintiff to the instruction of the court at the trial; and the cause now comes before us upon the writ of error to examine the correctness of that instruction.

And we are all of opinion, that the instruction was incorrect, and not maintainable in point of law. In the first place, by the general law merchant no protest is required to be made upon the dishonor of any promissory note; but it is exclusively confined to foreign bills of exchange. This is so well known that nothing more need be said upon the subject than to cite the case of *Young v. Bryan*, 6 Wheat. R. 146, where the very point was decided. It is true that it is a very common practice for a notary public to be employed to make demand of payment of promissory notes from the makers, and also to give notice of the dishonor to the endorsers thereon. But this is a mere matter of convenience and arrangement between the holder and the notary, and is by no means a requisite imposed or recognised by law, as binding upon the holder. Unless, therefore, there be some statute in Mississippi, requiring the intervention of a notary in such cases, (as we understand there is not,) or some general usage equally binding, it is clear that the instruction proceeded upon a mistaken ground. In the next place, it is no necessary part of the official duty of a notary (subject to the like exceptions) to give notice to the endorsers of the dishonor of a promissory note, although certainly it is a very convenient and useful course in the transaction of such affairs in commercial cities. In the next place, if a protest were necessary, it is equally clear that it is not indispensable in all cases that the same should be actually made by a person who is in fact a notary. In many cases, even with regard to foreign bills of exchange, the protest may, in the absence of a notary, be made by other functionaries, and even

by merchants. But where, as in Mississippi, a justice of the peace is authorised by positive law to perform the functions and duties of a notary, there is no ground to say that his act of protest is not equally valid with that of a notary. *Quoad hoc* he acts as a notary. See Howard and Hutchinson's Statutes of Mississippi, ch. 37, sect. 24, p. 430.

In the next place, in the present case, under the circumstances, the endorser (McKay) was not entitled to any notice whatsoever of the dishonor. He had actually discharged the makers from all liability for the payment of the note of his release and settlement with them. Of course the notice could be of no use or value to him; for he would in no event be entitled to any recourse over against them; and, therefore, no notice to him would have been necessary, although it fully appears that he had received due notice of the dishonor.

For these reasons, we are of opinion that the judgment ought to be reversed and a *venire facias de novo* awarded. Howard's Supreme Court Reports, vol. 1, p. 234, vol. 2, p. 66.

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#### NEGLECT OF A NOTARY.

##### *S. & M. Allen v. The Merchant's Bank of the city of New York.*

A bank, receiving for collection a bill of exchange, drawn in New York, upon a person residing in another State, is liable for any neglect of duty occurring in its collection, whether arising from the default of its officers here, its correspondents abroad, or of agents employed by such correspondents.

This liability may be varied, however, either by *express contract*, or by *implication* arising from *general usage* in respect to such paper. It is competent, therefore, for the bank to show an *express contract*, varying the terms of its liability, or in the absence of a judicial determination upon the point to show that, by the usage and custom of the place, a bank thus receiving foreign paper, is liable only for its safe transmission to some competent agent, and is not responsible for the acts or omissions of such agent, or of any subordinates employed by him.

The inquiry, however, in such case, is not as to the opinion of merchants, however general, as to the law of the case, but as to the usage and practice in respect to such transactions, or the *general understanding* of merchants as to the nature of the contract evidenced by their acts, so as to enable the court to give the contract a correct interpretation.

Where a debt was lost by the omission of a notary to give notice of the non-acceptance of a bill presented before maturity, IT WAS HELD, not to excuse a bank which had received the same for collection, that by the law merchant of the place where the bill was presented, notice of non-acceptance was deemed unnecessary; but that, on the contrary, as the *lex loci contractus*, governed in a case like it, it was the duty of the bank to have given the necessary instructions to its correspondents. The omission to give notice of non-acceptance happening through the default of a *commissioned public officer*, a notary, does not vary the rights of the parties: *pro hac vice*, he acted merely as the agent of his employers, and not in his *official capacity*.

Wendell's cases in the Court of Errors, vol. 22.

This was an action brought in the Superior Court by S. & M. Allen against the bank, to recover the amount of a bill of exchange, drawn in

New York on a mercantile house in Philadelphia, and deposited by the plaintiffs, with the Merchants' Bank of New York for collection, which was lost to the plaintiffs in consequence of the omission to give notice of the non-acceptance to the endorsers. The jury found for defendants, and on the appeal to the Court of Errors, was decided in favor of plaintiffs against the Bank, by a vote of 14 to 10—Senator Verplanck delivering an opinion for reversal, in which he was supported by thirteen of his associates; and the Chancellor, delivering an opinion in favor of an *affirmance* of the judgment of the Supreme Court, and nine Senators concurring with him, viz.

*For the Plaintiffs.*—Senators Fox, Hawkins, Hunt, Huntington, Lee, Livingston, Maynard, Mosely, Nicholas, Peck, Skinner, Van Dyck, Verplanck, Wager—14.

*For the Defendants.*—The Chancellor, (Walworth,) and Senators Beardsley, Clark, Hull, Hunter, Johnson, Jones, Paige, Spraker, Sterling—10.

In this case, the Court adopted the following resolution:

“Resolved, That when a bank or broker, or other money dealer receives, upon a good consideration, a note or bill, for collection, in the *place* where such bank, broker, or dealer carries on business, or at a *distant place*, the party receiving the same for collection, is liable for the neglect, omission, or other misconduct of the bank, or agent to whom the note or bill is sent, either in the negotiation, collection, or paying over the money, by which the money is lost, or other injury sustained by the owner of the note or bill, unless there be some agreement to the contrary, express or implied.”

It is worthy of remark that in a late case, decided in the Supreme Court of Errors of the State of Connecticut, the same doctrine was held by the judges of that Court, that was held by the Supreme Court of New York, and sustained by the Chancellor (Walworth) and nine associates, as to a bank receiving a note for collection, not being liable for the default of a foreign agent. See *East Haddam Bank v. Scovil*, 12 Connecticut Reports, 303.

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#### EAST HADDAM BANK v. SCOVIL.

A. residing at Saybrook in Connecticut, being the holder of a bill of exchange, drawn by B., in London, on C., in New York, and duly accepted, payable to the order of A., endorsed it and transmitted it to the East Haddam Bank for collection. The cashier of this institution, without endorsing it, transmitted it, with other bills, to the Merchant's Exchange Bank in New York for collection. When it became due, it was protested for non-payment, and due notice was given to B., the drawer, but no notice was given to the East Haddam Bank, or to A., the holder. Twelve days afterwards the plaintiffs, supposing the bill had been paid in New York, credited A. with the amount, and paid it to him on his check. On discovering the mistake, when an account current was received, the East Haddam Bank, sought to recover back the money so paid, in an action for money had and received against A., and the court held, that the plaintiffs were not precluded from a recovery, 1. by reason of their not having endorsed the bill, before they transmitted it to the Merchants' Exchange Bank, or advised that bank of A's place of residence, or 2. on the ground that the plaintiffs were responsible for the default of the collecting banks; or, 3. by reason of their having credited A. with the amount of the bill, and paid over the money to him; consequently, the plaintiffs having obtained a verdict, were entitled to retain it. Vol. 12, Connecticut Reports, p. 303.

**NOTE.**—This seems to us a remarkable decision, at variance both with law and equity, and is a strong case to show the occasional *conflict of laws*. If the defendant had *negotiated* the bill with the East Haddam Bank, instead of leaving it for collection, he would have been clearly entitled to a verdict, in the absence of a notice of dishonor. See 4 Washington, C. C. R., page 61; also Peters' C. C. R. 171.

The liability of a bank to its correspondents and customers, for the "neglect, omission, or other misconduct," of its notary, in reference to collection paper, is one of the nicest points of law yet unsettled in the business of banks and bankers. Our readers will find a case of this kind, reported on page 13 of the Bankers' Magazine, but in that case, the collecting bank and the notary were both at fault. A case, somewhat similar, is now in litigation in one of the Maryland courts, and when decided, we shall report the points at issue.—*Editor B. M.*

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**DAVID LEAVITT, RECEIVER, &c., v. HENRY YATES, WILLIAM C. NOYES,
THOMAS G. TALLMADGE, TRUSTEES, &c.**

Vice Chancellor McCoun, of New York, has delivered his opinion in the important case of the Trusts of the North American Trust and Banking Company. Nearly three millions of dollars are disposed of by this decision, which is in substance as follows:

The eight hundred trust notes issued under Yates' trust deed, are illegal and void, and are not binding upon the North American Trust and Banking Company, or on Leavitt, the receiver. The deed of trust to secure said 800 notes, amounting to \$600,000, is illegal, and that the same, without the assignment of the assets of the bank accompanying it, be set aside as illegal and void; said trustees to assign and deliver over under the direction of a master to the general receiver, and account before said master for all securities, monies, &c., which have come to their hands. That Mr. Mann, the special receiver, holding a part of the assets during the pendency of this suit, do also assign all the property in his hands to the general receiver. That Palmer, Mackillop, Dent & Co., Ezra Clarke, De Launay & Co., Henry Yates, and others, had no claim against the bank or its receiver, upon or as holders of any of said 800 notes, and that complainant Leavitt should be paid his costs out of the fund in his hands. That the trustees are not entitled to any salary or compensation for their services as trustees, and that they must bear their own costs in this suit.

The effect of this decision will be to place all the bonds and mortgages, held under the various trusts, in the hands of David Leavitt, Esq., by whom they will be applied for the benefit of the creditors *at large*, and, if any surplus should exist after the settlement of these claims, to distribute it among the stockholders. The claim of Messrs. McKillop, Dent & Co., bankers of London, will be sadly shorn by this decision, and the creditors and stockholders be, in a corresponding degree, better cared for.

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**PROMISSORY NOTES.**

**Consideration.**—A note made in the following form: "On demand I promise to pay W. S. £50, in consideration of foregoing and forbearing an action in the Queen's Bench for damages ascertained, by consent, to amount

to that sum by reason of the injury sustained by his wife, in respect of my liability for non-repair of a foot-way," held, that the instrument appeared to be made on an executed consideration, and was a valid promissory note. *Shenton v. James*, English Common Law, vol. 48, p. 199.

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BILLS OF EXCHANGE.

Acceptance by one Partner in Fraud of the Firm.—In an action by endorsee against acceptors of a bill of exchange, some of the defendants pleaded that they did not accept. It was proved that all the defendants were partners, and that one of them, who had suffered judgment, by default, had accepted the bill in the name of the firm, in fraud of the partnership, and not for partnership purposes. Held, that such proof, without evidence of knowledge on the part of the plaintiff, did not, under this issue, oblige plaintiff to prove the circumstances under which the bill was endorsed to him. *Musgrave v. Drake, &c.*, English Common Law, vol. 48, p. 185.

What is an Endorsement?—In an action against the acceptor of a bill of exchange endorsed by A., the drawer and payee to B., B. to C., and C. to plaintiff, who appears to be a bona fide holder, the defendant, on a plea that A. did not endorse to B., cannot offer evidence that A. delivered the bill to B. for a specific purpose, and not to be negotiated, and that B. fraudulently negotiated it. *Hays v. Caulfield*, *ibid.* p. 81.

Special Acceptance.—If the drawee of a bill, drawn without special direction as to place of payment, accepts it, payable at a particular place, (without any additional words,) he undertakes thereby to pay the bill at maturity, when presented at that place or to himself: if he accepts payable at such place, "and not otherwise or elsewhere," he undertakes to pay it at maturity, if presented at that place, but not otherwise. *Halsted v. Skelton*, Exchequer Chamber. Here the bill was accepted, payable at a banker's, without any restrictive words, so that presentment at the banker's, (though if made, it would have been a good presentment,) was yet not as against the acceptor, necessary. English Common Law, v. 48, p. 86.

Notice of Protest.—To prove notice of dishonor of a bill of exchange for £53, dated December 19, 1842, evidence was given that a letter was sent to the defendant, asking payment of £53 6s. 6d., "due on your dishonoured note, dated 19th December last." Held, to be a sufficient notice of dishonor, although the instrument dishonored was a bill, and not a note; and was for £53, and not £53 6s. 6d., unless it appeared that there was some other instrument to which the notice could apply, and that the proof of the existence of such other instrument lay on the defendant. *Stockman v. Parr*, *ibid.* vol. 47, page 41.

Error in Address.—A bill directed in blank, may be accepted by any body and be a good bill; but if directed to a particular person, it cannot be accepted by any other person except for honor. *Davis v. Clarke*, *ibid.* v. 47, p. 176.

Alteration of a Bill after Acceptance.—Where, after a bill has been accepted, and before it is delivered to the drawer, an alteration is made by a third party in the date thereof, it is for the jury to say, judging from all the circumstances of the case, whether such third party made the alteration in question with the acceptor's consent, or as his agent: and in either case the acceptor will be liable. *Whitfield v. Collingwood*, *ibid.* p. 325.

Waiver of Notice.—Where the drawer of a bill of exchange has had no notice of the dishonor thereof, but has subsequently promised to pay it: *semble*, that such promise does not admit the notice, but merely waives it. *Chapman v. Annett*, *ibid.* 552.

Notice of Protest.—In an action against the endorser of a bill of exchange, a memorandum in writing, made by the defendant's wife, of the receipt of notice of dishonor at the place from which the bill was dated, (the defendant himself not having been resident there at the time,) is admissible after the death of the wife, to prove that the defendant had due notice of dishonor. *Wharton v. Wright*, *ibid.* 585.

Demand at Unseasonable Hours.—The presentment of a bill of exchange for payment at any time before twelve o'clock at night would be sufficient, even at a banking house, provided there was some person there to give an answer. *Garnett v. Woodcock*, 1 Stark, N. P. C. There, in an action against the acceptor of a bill, accepted payable at a banking house, presentment after banking hours to a person there, who returned for answer "no funds," was held by Lord Ellenborough to be a sufficient presentment: and the Court of K. B. refused a rule for a new trial. Vol. 46, *ibid.* p. 606.

Action for Money had and received.—A. having accepted a bill drawn upon him by B., for money loaned by B. to A., compounds with B. and his other creditors, and pays the composition. C., an endorsee of the bill, afterwards sues A., recovers, and compels him to pay the amount, with interest and costs. A. may recover from B. the sum so recovered against A., as money paid to B's use. *Hawley v. Beverly*, *ibid.* 221.

Notice of Protest.—Notice of dishonor of a bill of exchange in the following terms: "I hereby give notice that a bill for £50, at three months after date, by A., upon and accepted by B., and endorsed by you, lies at, &c., dishonored."

• Held, sufficient notice, without any further intimation that plaintiff looked to defendant for payment. *King v. Bickley*, *ibid.* v. 42, p. 419.

Lien on Securities.—C. bought on account of A., who had remitted money for that purpose, certain exchequer bills, which C. deposited in a box which he kept with his banker, B., the key being retained by C. As often as the time came for receiving the contents, and exchanging the bills for new ones, C. took them out of the box and gave them to B. for that purpose, (such being the usual course of business,) the new bills were handed over to C., and were locked up in the box, the interest received being passed to the credit of C's account with B. The bills themselves were never entered to C's credit, nor had B. any knowledge that they were not the property of C. On the 1st December, 1836, C. took the bills out of the box, and delivered them to B. to be exchanged. The new bills remained in possession of B. down to the time of C's failure, his account, in the mean time, having been overdrawn.

Held, (in reversal of the judgment of the court below,) that B. had a lien on the bills for the general balance due from C., as upon securities which had passed by delivery, and which came to B's hand as banker, in the way of his business, and that the bills received in exchange were equally in B's possession in the course of business, whether they were intended to remain in B's custody until it should suit the convenience of C. to call for them, or until C. should choose to sell them or to have them exchanged. *Barnett v. Brando*, *ibid.* vol. 46, p. 630.

Bills Cancelled by Mistake.—A. was the holder of a foreign bill drawn upon B. in England, and accepted, payable at the banking house of C. On the morning when the bill became due, A's banker took the bill to the clearing house in London and put it into C's drawer. C. having examined the bill and having funds of B. in his hands, cancelled the acceptance by drawing lines across B's name without rendering the acceptance illegible. In the course of the day, B. finding himself insolvent, ordered C. not to pay the bill; whereupon C. wrote thereon "cancelled by mistake—orders not to

pay," and the bill was returned in this condition to D. at the clearing house before the settling hour. It is the usage among bankers at London so to cancel bills intended to be paid; and where a cancellation has occurred through mistake, to indicate the same by a memorandum on the bill.

Held, that under these circumstances, no legal liability attached to C. and that A. could not sue C. for money had and received. V. 44, Eng. Common Law, p. 320.

International Law.—A bill of exchange was drawn and accepted in Paris and made payable in England. The drawer and acceptor were living there. No rate of interest was expressed to be payable on the bill. *Held*, that the default being made in England, interest was payable according to the English and not the French law. *Cooper v. Earl of Waldegrave*, vol. 17, English Chancery Reports, p. 282.

By the law of France, 6 per cent. is payable on mercantile instruments, (les interets pour dommages, resultant du retard dans le paiement sont fixes a cinq pour cent,) and the question was, whether interest after this rate, or English interest after the rate of 5 per cent. was payable on these bills.

As to contracts merely personal, it is a general rule, that questions relating to the validity and to the interpretation of a contract are to be governed by the law of the country where the contract was made; and if a remedy for non-performance of a contract is sought in another country, the mode of suing and the time within which the action must be brought, are to be governed by the law of the country in which the action is brought.*

Securities held by a Bankrupt Banker.—Jombart & Co. of Lille, drew bills from time to time upon their London correspondents, Woollett & Son, under an authority for that purpose, and upon an understanding that the liabilities of the latter in respect to all such acceptances, should be covered by means of bills paying in London to be remitted. Under this arrangement, the presumption is, until an agreement to the contrary is shown, that the London correspondent was not intended or entitled to treat the bills so remitted as cash or to discount them before maturity; and, therefore, it was held that two of such bills, which were existing in specie in his hands at the time of his bankruptcy, and were not then due, did not pass to his assignees, but were the property of the party who had remitted them. English Chancery Reports, vol. 14, p. 389.

BANKERS' ACCEPTANCE OF FOREIGN BILLS.

A case has been just decided, involving the following important point, viz. that an undertaking to accept a foreign bill amounts to an acceptance, and cannot afterwards be withdrawn. The particulars were as follows:—Messrs. Grant, Balfour & Co., cornfactors at Genoa, with a partner in London, having purchased corn for one Baker, who had an account with the Hampshire Banking Company, drew bills upon that company for £579 16s. 5d. in part payment of the price of the corn. The manager of the company wrote to Baker, and, after referring to other things, said, "and will accept Grant & Co's drafts for £519 16s. 5d." On the following day, the mana-

* It is a principle of public law perfectly beyond the reach of judicial controversy, that personal contracts are to have the same validity, interpretation and obligatory force in every other country, which they have in the country where they are made or are to be executed.—*Story*.

ger of the bank having discovered that Baker's affairs were in a precarious state, saw him, and told him the company would *not* accept the bills, and withdrew the undertaking contained in the letter to him. This letter was afterwards shown by Baker to the partner in Grant & Co's house who resided in London, but the fact of the countermand was concealed. The Hampshire Banking Company having refused to accept or honor the drafts, were sued by Grant & Co.; and the Court of Common Pleas held, that the letter operated as an acceptance, and enured to the benefit of the drawers, and could not, therefore, be affected by what subsequently passed between the banking company and Baker.

Tindal, C. J., said—"In the present case it appears to us, that when Baker, by whose direction and for whose account the bills were drawn, obtained from the defendant the written promise to accept, that amounted to an acceptance, and enured to the benefit of the drawers; and that Baker could not afterwards cancel that acceptance, or release the defendants from their engagement." *Grant v. Hunt*, 9 Jurist, 228

BANK OF ENGLAND.

From the London Bankers' Magazine.

THE large amount of bullion now held by the Bank of England compared with its circulation and with former periods, is so extraordinary that it deserves more than a passing notice in our *monthly summary*, of the money market.

We have, for the last year or two, been so much accustomed to see fifteen or sixteen millions of specie in the coffers of the Bank, that the years of scarcity, and their attendant evils, are forgotten. We have to combat now the evils of plenty;—the speculation induced by too much monetary accommodation, and the commercial gambling which always follows an easy state of the money market. The continued increase in the amount of bullion at the bank, and the absence of any apparent cause likely to lead to its diminution, render it probable that banking caution in this respect will not be thrown away, and with the view of drawing attention more particularly to the actual position of the bank and the consequences which are likely to follow any addition to her present stock of specie, we beg to submit the following statistics relating to the subject.

The monthly average of bullion held by the bank, compared with its circulation during the past year, has been as follows:—

Date.	Bullion.	Circulation.
1845. July 19th	£ 16,273,913	£ 21,014,782
Aug. 16th	15,710,896	21,422,212
Sept. 13th	15,501,487	20,824,065
Oct. 11th	14,988,485	20,843,151
Nov. 8th	13,949,844	22,022,844
Dec. 6th	13,358,446	20,961,811
1846. Jan. 3rd	13,313,618	20,071,330
Jan. 31st	13,205,796	22,157,912
Feb. 28th	13,557,693	20,165,875
March 28th	13,893,639	19,431,174
April 25th	13,682,636	20,311,148
May 23rd	14,052,958	20,256,777

The amount of bullion in hand since the last mentioned date has much increased. By the last returns it appears to have reached £15,770,000 against a circulation for the week ending the 18th July, of £21,990,000; and there is no appearance of the exchanges turning to any extent against us. The harvest promises to be very favorable, so that it is not likely we shall have to export gold for corn, and under our new commercial arrangements it is very doubtful whether any considerable drain will again take place to meet an import of wheat. We think it is therefore a question worthy of consideration whether the present stock of bullion is likely to increase, and also whether it will remain for any period locked up in the coffers of the bank.

The gradual accumulation of specie has, on several occasions, attracted the attention of the monetary writers in the daily journals; and they appear to find some difficulty in accounting for its increase. They have assumed that it must have been received by the bank in the settlement of the foreign exchanges; but they have overlooked the fact that under our new banking laws there is an internal influx of bullion at this time into London as well as from the bank of Ireland and the other Irish banks, which, having their circulation naturally reduced at this period of the year send over their surplus stocks of specie, to be invested here on the best terms that can be obtained. The amount received from this source is by no means inconsiderable. Those who attend to the monthly comparison of the circulation we publish in each number, will have remarked that the decrease in the stocks of bullion in Ireland and Scotland for the last three months has been £10,472, for the month ending 28th March; £36,712, for the month ending 28th April; £18,892, for the month ending 23d May. As the circulation rises and falls at different periods in the several parts of the kingdom, there will always be an influx of bullion into London, from those parts where the circulation is diminishing, and a withdrawal of specie for those parts where the bank issues are increasing. Although, therefore, the amount of bullion stated in the bank's weekly return may have its increase or decrease explained by reference to the action of the internal circulation at different times, yet this will not account for the great and continued increase of bullion we have referred to.

The practical question for consideration is—to what it will lead? Under the old system we should have had no difficulty in giving an answer. The directors regulated their issues by their stock of specie; and every merchant knew, that with the increase of specie, *ceteris paribus*, there would be an increase of circulation, or in other words, a decrease in the rate of discount, and greater monetary accommodation. However bad the old system might be, the responsibility it threw upon the bank directors made them careful to observe this rule as nearly as they could. But now nobody knows until a "bank notice" issues, whether an increase of specie is to be accompanied by an increased rate of discount; or, whether the old rule is to be put in force. The bank now holds nearly as much specie in her coffers as she did in 1844, when the rate of interest for first class bills was 1½ per cent. only, and yet the present bank rate is 3½, and by consequence, the broker's rate is a half per cent. higher.

The following table which we have prepared, showing the market rate of discount, the amount of circulation, and the stock of bullion held by the bank during the last seven years, will afford an insight into what has hitherto been the policy of the directors; and perhaps enable those who are interested in the subject to form a better judgment of what will be the course at the present time:—

	Rate of Discount.	Bank of England Circulation.	Bullion on hand.
1839	Jan. 3½ per cent.	18½ millions.	9½ millions.
	May 4½ "	18½ "	6 "
	Aug. 6 "	17½ "	3½ "
	Oct. 6½ "	17½ "	2½ "
1840	Jan. 5½ "	16½ "	3½ "
	June 4½ "	16½ "	4½ "
1841	Jan. 5 "	16½ "	4½ "
	June 5 "	16½ "	5½ "
1842	Jan. 4½ "	16½ "	5½ "
	June 3 "	18½ "	7½ "
1843	Jan. 2 "	19½ "	10½ "
	April 1½ "	20½ "	11 "
	June 2 "	19½ "	11½ "
1844	Jan. 2 "	19 "	13 "
	May 1½ "	21½ "	16 "
	Sept. 2½ "	20 "	14½ "
1845	Jan. 2 "	20 "	14½ "
	Feb. 2½ "	21 "	15 "
	Mar. 3 "	20½ "	16 "
	June 2½ "	21½ "	16½ "
	Sept. 3 "	21½ "	15½ "
	Oct. 3½ "	23 "	14 "
	Dec. 4½ "	20½ "	13½ "

It will be seen from this table, that the rate of discount and amount of circulation have been governed almost entirely by the stock of bullion. When it rose, the rate of discount fell; when it diminished, the rate was raised. This was the policy while the directors were considered the regulators of the circulation; and we do not see any reason to lead them to adopt a different course now. They are anxious to have it understood that they no longer consider themselves responsible for any fluctuations in the currency, and that their business is to be conducted entirely on ordinary banking principles. If this is the case, it is not very probable that they will continue to hold nearly *sixteen millions* of bullion to meet a circulation of notes, which, ever since the resumption of cash payments, they have considered two-thirds of that amount quite sufficient for. Why, then, is it that the present comparatively high rate of interest is maintained by them when they might add very considerably to their profits by reducing it? We incline to think that the answer to this question would show that the bank directors have *not* yet given up the opinion that they are the regulators of the currency. We believe they are afraid of giving fresh impetus to the *railway speculation*, or to some other *mania* which would be sure to take possession of the public, if they again found money too easy and plentiful for the ordinary wants of trade. We give the directors credit for exercising a judicious caution in this matter. They foresee, probably, that there must soon be a great demand for money if the new railways are proceeded with, and that any present liberality on their part would be the prelude to future restriction, when circumstances would have taken the control of affairs out of their hand. If they maintain the present rate they certainly adopt the safest course to restrain speculation of any kind; but still the question recurs—if the bullion in their hands continues to increase in the same ratio that it has lately, will they not be obliged, in justice to their proprietary, to dispose of some of it by lowering their present rates?

On mature consideration, we do not think the directors will act differently now to what they have hitherto under similar circumstances. We believe they will very shortly take first-class bills at 3 per cent. and at, perhaps, even a lower rate. Our readers have the means of judging of the reasonableness of this conclusion, and it is for this purpose that we have been anxious to direct their attention to the subject.

BANK OF ENGLAND CLERKS.

From a new work entitled the "Physiology of London."

The number of clerks employed by the Bank of England is about 600, and the salaries rise from £50 to nearly £2,000 a year. To reach a maximum salary, such as that one last named, requires years of steady perseverance, and great abilities for business. The posts immediately below those of the directors, command these incomes, and do not, we imagine, extend beyond the head cashier's office or the secretary's department. The more general average of the salary in the Bank of England ranges from £170 to £300 a year, and this may be rather over than under the mark, considering that, by the recent alteration of the charter, and the separation of the issue from the deposit department, a number of additional hands were introduced, all at the low rate of salary.

A person can never take office as a Bank of England clerk, till he is seventeen years of age, when his salary commences at £50 per year; and never after twenty-five years of age, when he is paid £100 per year. In the intermediate years, up to the age of twenty-one the salary increases at the rate of £10 per annum, but after that period, the advance is restricted to £8 per annum. If a clerk enters between twenty-one and twenty-five, no difference is made in the scale of remuneration; he merely receives his £100 a year, the same as his junior in age, and gets no increase till after he has attained twenty-five. If he enters at eighteen years of age, however, he receives £60 a year; if at nineteen, £70 a year; and if at twenty £80 a year. The situations of bank clerks are earnestly sought for, like all other official and mercantile employment; but it requires influence, as well as security, to obtain them.

BANKERS' HOLIDAYS.

The following paragraph appeared lately in the city article of the *Times*: "It is not generally known that the Bank of England have recently entered into an arrangement by which all the persons in the establishment are allowed leave of absence once every year, the holiday varying in length according to length of service. To carry out this plan, the whole number of persons is divided into four portions, and each of these four portions takes the vacation in one of the four periods of the year that follow the payment of the dividends, and precede the shutting, these being the periods in which the least business is done. So complete is the system, that the parties who take their holiday in the spring quarter one year, take it in the summer quarter in the year following, and so on through all the four, that one may not have an unfair advantage over the other. The shortest holiday, we understand, is about nine days, and the longest about three weeks." We hope that the example thus afforded by the largest *Joint Stock Bank* in the

world will be followed by all the other banks in the country. The "spirit of the age" is opposed to that unceasing application to business which was once necessary to preserve the character of a proper man of business. It is now seen that an occasional relief for a few days from the ordinary routine of the desk and the counter, does not make a man quite a "Bond street lounge." Indeed, some establishments find that the business of the office is performed more cheerfully, and extra attendance and assistance is rendered more readily when required, where the clerk knows that some little consideration and attention will be shown him by his employers, when an opportunity for doing so presents itself. In some banks the practice of granting the clerks a few days' leave of absence once a year has been adopted on principle; for, if any improper practices are carried on by any one of the establishment, it is by no means unlikely to be discovered, if the party is obliged once a-year to hand over his books to another clerk, who will perform his duty during his absence.

MEXICO IN 1844.

From Recollections of Mexico, by WADDY THOMPSON, late envoy extraordinary and minister plenipotentiary of the U. S. at Mexico.

FROM the best attainable data, the annual exports of Mexico amount to about twenty millions—less than two millions of which consist of all other articles than the precious metals. I have no doubt that the amount of specie exported is very much larger than is indicated by the books of the custom houses. A duty of six per cent. is levied upon all that is exported, and no one acquainted with the character and practices of Mexican custom houses, and I may add, of their officers, can believe that the whole amount is returned. The duty upon all that is not returned goes into the pockets of the officers of the customs, and I have no doubt that it amounts to a very large sum. Gold is an article so easily smuggled that enormous sums are sent off in almost every vessel which sails for Europe. The amount of duties on imports varies, of course, with their ever-changing tariff. Those who had the best means of forming an accurate estimate during my residence in Mexico, told me that it amounted to from four to six millions per annum. This, also, would be a most fallacious standard by which to estimate the amount of importations, for the same reason. Eminent writers upon political economy say that any duty above twenty-five per cent. offers temptations to smuggling too strong to be resisted. With all the efforts of Bonaparte to carry out his continental system, he was unable to prevent smuggling upon the very limited coast of France—and the insurance in England upon a cargo of goods intended to be smuggled into France was little more than on the same cargo to be regularly imported. How extensive must the practice be in a country of more than ten thousand miles of seaboard and frontier, and with so sparse a population! The amount of revenue from imports would indicate an importation of not more than fifteen millions of dollars. What goes with the other five millions of exports, to say nothing of the large amounts of specie clandestinely exported?

In addition to the revenue derived from imports, the direct taxes are exceedingly onerous. Everything is taxed, from the splendid palaces, coaches, and plate of the wealthy, to the dozen eggs which the poor Indian brings to market. I do not suppose there is any city in the world where houses are taxed so high, and hence the enormous rents. But after paying the

taxes very little is left to the proprietor. A decent house cannot be had for less than twenty-five hundred dollars, and from that price to four and five thousand dollars per annum.

The government seems to have been engaged in the experiment of how much taxation the people can bear, and they have really achieved a miracle almost as great as that of extracting blood from a turnip. There is no country in the world, which, from its unsurpassed climate, variety of productions, and lands, to be had almost for the taking, which, in proportion to its population, is capable of producing so much,—certainly none which does produce so little. The population of Massachusetts is about one-tenth as great as that of Mexico, and its productions very nearly in an inverse ratio with the number of the respective populations—excluding the produce of the mines very much more than in that inversed ratio. Where they find the subjects of taxation was a riddle which I was unable to solve.

The tobacco monopoly has heretofore been a source of very large revenues to the government. The culture of tobacco is prohibited except to a very limited extent in the districts of Orizaba and Cordova. Each farmer is restricted to a limited number of acres. The tobacco produced is sold to the government at a stated price, which was very much below its real value, by whose agents it was made into cigars and snuff, and sold at very large profits. I say made into cigars and snuff, for those are the only forms in which it is used; I do not suppose that there is one native Mexican who uses tobacco for chewing. Within the last three years this monopoly was sold by the government to a private company. This company agreed to pay \$50,000 per month for this monopoly, which in the time of the vice regal government yielded the enormous sum of five millions per annum. This contract has since been rescinded, and the government still possesses the monopoly, which would if properly managed, and if smuggling could be prevented, produce very nearly as much at this time. But the latter is impossible, and the receipts from this source very little more than cover the expenses of the establishment. At all events the net proceeds do not exceed the sum stipulated to be paid by the company to which it was transferred, that is to say \$600,000 per annum.

A similar sale took place just before I left Mexico of the interest of one-third which the government owned in the Fresnillo mine, which is at this time the most profitable of all the mines in Mexico. The government derived a revenue of upwards of five hundred thousand dollars per annum from this mine, which it nevertheless sold in fee simple for about four hundred thousand dollars. That is to say, that sum was all which went into the public exchequer—how much more in gratifications I know not; but a very large sum of course. Is it any wonder that officers in the army are forced to sell a certificate of pay due them amounting to twenty-five hundred dollars, for one hundred and twenty-five?

The revenue from the different mints is considerable, but there are no data from which it can be accurately stated. Heretofore the only mint was that in the city of Mexico, but others have been established in Guadalajara, Guanajuato, Chihuahua, Durango, Zacatecas, San Louis Potosi, and Guadalupe de Calvos. The profits of the mint in the city of Mexico were at one time very great, but the number of officers, clerks and laborers is as great now as it was when there was no other in Mexico, and of consequence these profits are very much diminished. Most of these mints are leased by contract to private companies for a stipulated sum. From half a million to a million of dollars are, probably, derived from this source. The per centage upon the metals taken from the mines, which is 25 cents upon every mark of silver, or about 3 per cent. will give say another million of dollars,

and there are other duties amounting to about five per cent. These last are appropriated to the payment of the expenses of the governments of the departments, but as the government is now organized these expenses are charged to the central government. The three per cent. above mentioned is dedicated to the support of the *Minera* (the College of Mines.)

The direct taxes, such as those on houses, lands, carriages, and horses, transfers of all property, capitation taxes, *cartos de seguridad* (letters of security,) which all foreigners are required to have, taxes on pulque, ice, in short everything, amount to some three or four millions.

The following, although not pretending to minute accuracy, may be regarded as in some degree an approximation to a correct estimate of the revenues of the government, and the sources from which they are derived:

From the Maritime Custom Houses,	\$6,500,000
Interior Commerce,	4,500,000
Direct Taxes,	3,000,000
Per centage on Produce of Mines,	1,000,000
Profits of Mints,	500,000
Tobacco Monopoly,	500,000
Post-office, Lotteries, Manufactures of Powder and Salt,	500,000
Tolls and all other sources,	500,000

\$16,000,000

It is proper to add to this amount the taxes levied by the different departments which may be stated at four millions more, making an aggregate of twenty-one millions, to which an addition should be made of five or ten millions more which is paid, but embezzled, and, therefore, does not find its way into the public treasury.

The public debt of Mexico may be, I think, safely stated to be little, if anything, less than a hundred millions of dollars. Of this amount, something more than sixty millions are due to foreigners, including a debt of thirty-six millions of the vice-royal government, which was assumed by Mexico after her independence, and twenty-five millions more to Mexican citizens. A large portion of this debt was originally in the form of treasury notes, receivable at the custom house. This was the estimate when I left Mexico, near two years ago. Since that time there have been two revolutions—and revolutions are nowhere unexpensive—so that, including these and all other floating and unliquidated demands, such as the claims of our own citizens for indemnity, I am very confident that the whole public debt does not fall short of the amount which I have stated.

The produce of the mines of Mexico is quite as large, or larger, now than at any other period, taking an average of ten years, but nothing so profitable to the proprietors, owing to the immense investments in machinery, and the greater labor of raising the ores now compared with the rude and unexpensive machinery heretofore used, and the comparatively small labor of taking out the ores. The company which now owns the great mine of Real del Monte have, in the last few years, expended, in machinery and other ways, several millions of dollars. The shaft of that mine is nearly a thousand yards deep. Baron Humboldt gives the gross produce of the mines of Mexico, from 1690 to 1803, both years inclusive, as amounting to \$1,358,452,020, about twelve millions of dollars per annum. The highest amount, which was in the year 1796, was \$25,644,566. The produce of the year 1804 he states at \$24,000,000. Mr. Ward estimates the annual produce, for a few years prior to 1810, at \$24,000,000. After that period, from the revolutionary condition of the country, it dwindled almost to nothing—in one year to three and a half millions of dollars. The official re-

turns for the year 1842 exhibit an exportation of gold and silver, as registered at the custom houses, amounting to \$18,500,000. The facility with which large values in gold may be concealed, and thus clandestinely exported, and the temptation to do so from the high duty of six per cent. on exportation, caused a very large amount to be smuggled. That this was extensively practised was known to every one in Mexico. To form any accurate estimate of the amount of the exports of specie, a very large addition must be made on this account. Three or four millions would scarcely cover it. Add to these the amount retained in the country, and it will be very safe to assume the present produce of the mines at from twenty-two to twenty-four millions of dollars per annum. The whole amount coined at the mint in the city of Mexico since the conquest is \$443,000,000; since 1690, \$295,968,750. Mining in Mexico, as everywhere else, is a game of chance; and, like all games of chance, there are many more losers than winners amongst those who play at it.

It is risking very little to say that if Mexico were inhabited by our race, that the produce of the mines would be at least five times as great as it now is. There is not a mine which would not be worked, and as many more new ones discovered. In five years, with such a population, and only of an equal number with that which Mexico now has, I do not hesitate to assert that the mineral and agricultural exports alone would nearly equal all the exports of any other country of the world. The last time I examined the tables upon that subject, the whole exports of the produce of British labor was about two hundred and sixty millions of dollars per annum. Mexico in the possession of another race would approach that amount in ten years. Recent manifestations of a rabid, I will not say a rapacious, spirit of acquisition of more territory on the part of our countrymen may well cause a race so inferior in all the elements of power and greatness to tremble for the tenure by which they hold this El Dorado. 'Tis not often, with nations at least, that such temptations are resisted, or that, "danger winks on opportunity." I trust, however, that our maxim will ever be—"Noble ends by worthy means attained," and that we may remember that wealth improperly acquired never ultimately benefitted an individual or a nation.

ILLEGAL CURRENCY.

From the St. Louis Republican.

A good many of the gentlemen who do an exchange business in this city, and others who are supposed to have transactions with them in the sale of bank notes under the denomination of *ten* dollars, have been before the grand jury, now in session, to answer for violations of the law in this particular. By the Revised Statutes, it is declared, that no corporation, money broker or exchange dealer, shall pass, or receive, any bank note or other paper currency, of any kind, promissory, or ordering the payment of money, or other thing, of less denomination than *ten dollars*. So soon as this law took effect, the money brokers, with perhaps one exception, undertook to obey it, by declining to deal in the prohibited paper. Several of them were, however, indicted, but, after a time, the bills were dismissed, either for informality or other good reason, and the brokers went free. At subsequent sessions of the grand jury, the subject was not considered, or, at least, no indictments were found, and it was generally supposed that the law was thereafter to be regarded as a dead letter. The public—especially the business portion of this community—acquiesced in

this understanding, because so long as this paper had a circulation here, it was very convenient to have place where it could be converted into bankable funds, when they had a note to pay in bank—or, as the bank would not receive it on deposit, where it could be placed daily for safe-keeping. The paper thus excluded from circulation by the law, is used in the daily transaction of business, and is convertible into specie at one to two per cent. discount. Holders have been, so far, willing to stand *the shave* when they wanted bankable funds, using the paper for all ordinary transactions, and for remittances, where this could be done. This is the way in which the thing has worked for more than a year. The law was disregarded or forgotten. But, as we have observed, the present grand jury has the matter before them, and, if the necessary evidence is forthcoming, divers indictments may be found, and against men who obeyed the law when it was first attempted to be executed, and who only ventured upon the business when efforts had failed to carry it out.

Doubts may very well be entertained of the soundness of this law, or at least of the ability of the state to execute it. The brokers pay an exorbitant tax—from \$500 to \$1,000 each, to the city and county and state—for the privilege of dealing in the exchange of money. It is scarcely possible that paper money, of the proscribed denomination, can be excluded from circulation in this state. The Bank of the State of Missouri does not, and cannot, supply the requisite circulation. Hence, so long as there is a tendency of foreign notes to this city, it is at least a convenient thing to have the agency of brokers in purchasing them, and, when the notes become too abundant, to send them home. If tolerated in buying these notes at one or two per cent. discount, nobody will be much harmed by it—whereas, if resort is had to covert or secret measures, as will undoubtedly be the case, the same security is not offered, and the public revenue will at the same time be defrauded.

NOTE.—The statutes of Missouri are more severe than those of any other state, in relation to small note circulation. Various laws have been passed in Missouri, to prohibit the circulation of bills under ten dollars, but the laws are unheeded, and cannot, we believe, be enforced. The object of the legislature was, to exclude the small bills of the banks of Kentucky and Indiana, and compel the people to use the notes of the State Bank of Missouri, the smallest of which is ten dollars: and further, to force a specie circulation upon the people. It is preposterous to pass such laws. The people will take and pay such bank notes as they deem convenient and safe; and when they find small notes *neither convenient nor safe*, then, and not till then, will the community dispense with their use.—*Editor B. M.*

FOREIGN BANKING ESTABLISHMENTS.

From the London Bankers' Magazine.

BERLIN.

We purpose giving, from time to time, brief notices of the principal banking establishments, paper money, and money of account of other countries. These notices, will, we think, be interesting, if only for comparison with our own system of banking and circulation; and they may be useful in many respects.

We commence with *Berlin*, the capital of the kingdom of Prussia. Accounts are here kept in rix dollars, at 30 silver groschens, at 12 pfennigs, Prussian currency. Formerly the rix dollar consisted of 24 good groschens. The Bank of Berlin is divided into three departments, viz. 1, the Principal Bank; 2, the Deposit Bank; and 3, the Loan or Discount Bank.

1. *The Principal Bank* was established in July, 1765, but its regulations were amended in 1768. It is charged with the purchase and sale of gold and silver, of coins, and of home and foreign bills of exchange; with the issue and payment of bank notes; with the receipt of government money remitted from the provinces; and with the payment of the salaries and expenses of the diplomatic agents at foreign courts. The bank is closed to the public on Wednesday and Thursday afternoons, and also on Sundays and holidays. The banks at Breslau, Elbing, Frankfort-on-the-Oder, Memel, Magdeburg, Minden, Königsberg, Stettin, Munster and Cologne, are subordinate to this bank. Formerly the bank kept its accounts in livres, at 24 groschens, at 12 pfennigs, (16 livres banco being equal to 21 rix dollars currency,) but since 1819, they have been kept in rix dollars, Prussian currency. The notes issued by the bank are for 100, 200, 300, 500 and 1000 rix dollars currency, and as the notes are payable on demand, they are always readily negotiable.

2. *The Deposit Bank* receives, in exchange for debentures, certified by the authorities of the Principal Bank, in the name of the king, the funds belonging to orphan establishments, and to charitable institutions generally, and also the monies of individuals from 50 rix dollars upwards. Agreeably to the terms expressed on the debentures, the money deposited may be wholly or partly withdrawn after a week's notice, and the repayment is effected at the Principal Bank, immediately upon the production of the debentures, which may, except in litigated cases, be endorsed and assigned in the same manner as bills of exchange. Since the 1st January, 1787, the following have been the fixed rates of interest: 2 per cent. for the money belonging to individuals, 2½ per cent. for that belonging to charitable institutions generally, and 3 per cent. for that belonging to orphan establishments. The interest is payable every six months, but may remain until the withdrawal of the principal, without any loss to the depositors. Unless the principal be wholly or partially withdrawn, the interest is not payable until the expiration of six months from the date of the deposit.

3. *The Loan or Discount Bank* lends money upon goods and articles of every description, which are not subject to waste or deterioration, and have been approved by sworn examiners; and also discounts bills of exchange, provided they have three well-known good endorsements. The lowest value upon which money is advanced is 100 rix dollars currency. The rate of interest is 5 per cent., which must be paid in advance. The period for which money is lent is from two to six months. So long as the interest is regularly paid, and no deterioration in the value of the articles pledged is to be anticipated, such articles may remain unchanged. The whole value, or three-fourths, or two-thirds, or a half of the value may be advanced upon articles according to their quality: and such articles, if not in the custody of the bank, must be insured against fire and other dangerous accidents. The borrower receives an acknowledgment for the articles pledged, which must be returned when they are redeemed. The bank being closed on the last day of every month, no business is transacted on that day.

Besides the above bank, there is a Commercial Association at Berlin, which, in addition to the object of promoting the export by sea of articles of Prussian growth and manufacture, and of procuring for such export trade, the utmost possible extension—is charged with the pecuniary affairs of the

state, at home and abroad, and with the payment of the capital and interest of the public loans negotiated in foreign countries. This association also, like the bank, issues notes, receives on deposit sums of money of 50 dollars and upwards, upon which interest is now paid at the rate of $3\frac{1}{4}$ per cent. per annum, instead of 4 per cent., as formerly, and repays the principal after six months' notice, which may be given by either party. A branch of this association has been established at Stettin, but notwithstanding the exertions made in its favor, it has not yet acquired the importance which was anticipated. The association has recently endeavored to extend the trade in wool, for which purpose it has established depots, makes advances of money, and endeavors to promote sales.

There is another banking institution at Berlin, but it is a private establishment, composed of several respectable commercial firms. It discounts bills of exchange, lends money on government paper, and issues notes, which, however, are always payable on demand. The paper money consists of 8,404,381 treasury notes, the total value of which is fixed at 17,242,347 rix dollars, viz. 7,310,597 notes of one rix dollar each, 994,610 notes of five rix dollars each, and 99,174 notes of fifty rix dollars each, Prussian currency. These notes are received at all the public departments, as well as among individuals throughout the whole of Prussia, according to their full value, in the same manner as silver money, and are payable in coin at any time at the bank in Berlin. One-half, at least, of the payments to be made at the crown office, (with the exception of the post office,) must be rendered in treasury notes.

Other descriptions of paper money, such, for instance, as that issued by the private bank of the nobility in Pomerania, circulate only among individuals.

MUNICH.

Munich, the capital of the kingdom of Bavaria. Accounts are kept throughout Bavaria, in florins at 60 kreutzers, at 4 pfennigs.

The establishment of the Bavarian Bank was confirmed by a law, dated 1st July, 1834, under a charter for ninety-nine years, and with a capital of ten millions of florins, in shares of 500 florins each, bearing three per cent. interest, in addition to a dividend out of the banking profits.

The bank is divided into a mortgage or loan department, and a bill or discount department.

At the end of June and December, in each year, when the books are closed, three-fourths of the profits are divided among the shareholders, and the remaining one-fourth is carried to a reserved fund, provided such reserved fund does not amount to one-tenth of the capital stock. The notes of the bank, which must be made payable to the bearer, circulate in the same manner as the current coins, and are received as such at all the public establishments. The operations of the bank have not, as yet, attained their full activity. •

COPENHAGEN, CAPITAL OF DENMARK.

Accounts are kept here and throughout Denmark in rix-bank dollars, at 6 marks, at 16 skillings, both in silver money and in paper money. Payments are usually made in the latter, consisting of notes of one, five, ten, fifty, and one hundred rix-bank dollars, the value of which, in comparison with silver

money, is publicly declared by the bank every quarter, on the first day of March, June, September, and December.

The establishment of the bank dates in 1736. It used to discount bills, lend money at 4 per cent. and issue notes, which circulated equally with coin, until 1762, when their value was depreciated in consequence of the continued increase by the government of the amount of the circulating medium, in order to meet the payments caused by expensive armaments. Several attempts which were from time to time made to restore the credit of the bank were unsuccessful. Even its re-organization as the *Danish Imperial Bank*, in 1813, when, in addition to increasing its funds about 600,000 rix-specie dollars, one of which is equal to two rix-bank dollars, it obtained permission to exchange the old for new notes, was a failure, as the paper money was still valueless.

It was not until after 1818 that the newly established *Danish National Bank* succeeded in bringing the paper money again into circulation, by its obligation to cancel, every year, bank notes to the amount of 750,000 rix-dollars, so long as they might be under par. This bank, which receives deposits, discounts bills, and makes advances, was privileged for 90 years, and has a paid up capital, has already so diminished the notes in circulation, that the value of them has been for several years about 206—that is, 206 rix-dollars,* in notes, have been given for 200 rix-bank-dollars in silver, or 100 rix-specie dollars—a state which differs very little from par.

AMSTERDAM, FORMERLY THE CAPITAL OF THE NETHERLANDS.

Accounts are now kept here in florins, at 100 cents, Dutch currency; formerly they were kept in florins, at 20 stivers, at 16 pfennigs.

The affairs of the bank, which was established here in the year 1609, and was, for a series of years, one of the richest and most important institutions in the commercial world, were wound up in 1814. A new bank, the *Bank of the Netherlands*, simply one of issue, was established in its stead in the year 1824. The privileges of this bank were to continue for 25 years. Its original capital was 5,000,000 of florins, in 5,000 shares of 1,000 florins each; but its present capital is 10,000,000 florins. It issues notes of 20, 40, 60, 80, 100, 200, 300, 500, and 1000 florins each, payable to the bearer; discounts bills at rates varying from 4 to 5 per cent.; advances money on government paper and bullion, at rates varying from 3 to 4 per cent.; coins on behalf of the government, and deals on its own account in gold and silver bars, and in foreign monies. It is forbidden to engage in other branches of trade. The bank is under the supervision of a president, a secretary, and five directors, who are remunerated out of the profits. The possession of ten shares is the qualification of a director. The eldest in office of the directors retires every six months, but may be re-elected. The shareholders are entitled to interest, at the rate of 4 per cent. per annum, on the 31st of March, annually, and receive besides a dividend out of the banking business, which is, every year, from 60 to 66 florins per share.

HAVANA.

From Osborne's Guide to the West Indies.

The only incorporated banking establishment at the Havana is that called the Royal Bank of Ferdinand the Seventh, which was created in the year 1827 during the administration of Balasteros at Madrid, at the instance of Senor Penillos, since raised to the dignity of Conde de Villanueva. The first

directors were the Conde de Santovenia, the Conde de la Reunion de Cuba, and Don Joaquin Gomez. The capital of this bank, amounting to a million of dollars, was provided by the Spanish government. Its business is confined to the discounting of promissory notes and bills of exchange; and the directors are prohibited from engaging in any other speculation, however lucrative it may appear, under the pain of being held personally responsible. The rate of discount is fixed at the rate of 10 per cent. per annum; the currency of the notes or bills of exchange discounted is limited to three months, and the directors are forbidden to give credit to any one individual, or to any single house of business, beyond the limit of ten thousand dollars. Two signatures, satisfactory to the majority of the directors, are declared to be indispensable; and unusual precautions are taken for the preservation of secrecy, in the event of rejection. Should the bills or notes discounted remain unpaid at maturity, the directors are authorised, if the debtor be a merchant, to seize the goods which may stand in his name at the custom house, or in the bonded warehouses of the government; and if he be a planter or *hacendado*, they are in like manner authorised, should sufficient produce not be forthcoming, to confiscate his domestic slaves and his household furniture; and should these also prove insufficient to extinguish the debt, then authority is given to attach the field slaves, and live stock, and such other personal property as may be found on the debtor's estates. After such confiscation, the directors are prohibited from interrupting the proceedings against the debtor, by the acceptance of security for the debt, or on any other ground than the payment of the money. No new discount is to be given to an individual or house of business once guilty of irregularity in their payments, for a period of three years at least, however much their circumstances may in the mean time have improved: and individuals applying for discount are to understand that they renounce in favor of the bank all personal privileges and immunities to which they may be entitled. Even the dowry of the wife is declared to be liable for the whole amount of the bank's claims against the husband.

The directors of the bank are held responsible for their proceedings to the government to the extent of a hundred thousand dollars each. For this amount, hypothecs or mortgages over real property are to be taken. The cashiers, book-keepers, clerks, and servants of the bank are named by the directors, by whom the salaries are fixed. Each director is to keep one of the three keys of the strong box; and no payment is to be made without the presence of at least one director, who may receive and use the keys of his colleagues. The responsibility of the directors is limited to the case of their granting discounts to persons not known to be in the possession of property, and in the notorious enjoyment of credit; and to their infringement of the rules of the bank, which, in this respect are assimilated to the laws which govern the administration of the national finances. An account is to be presented to the president, weekly, of the state of the funds; and once a month he is to assist in person at the verification of the cash, which the directors are required to have balanced. At the end of each year, a general balance of the affairs of the bank is to be struck, and after being examined by the court of accounts, and approved of by the president, is to be published for public information. The directors are authorized to appropriate 20 per cent. of the profits during the year to the payment of the salaries of the officers of the establishment, and the other expenses of management. The business of the bank has hitherto been in a great measure confined to the management of the financial affairs of the colony. No notes are issued; but provision is made in the *Reglamento*, or code of laws for its government, that in the event of its becoming desirable to augment the active capital, deposits

may be received and interest paid thereon, at the rate of 7 per cent. per annum. Should the property of foreigners be so deposited, it is declared to be under the royal protection, and not be liable to confiscation or attachment on account of war, or reprisals, or under any other pretext whatever. These provisions of the code for the increase of the capital, have not, however yet been acted on; so that, upon the whole, its capital is too small, and its management too complicated to enable the institution to be of much practical use to the public.

BANK LOANS TO THE GOVERNMENT.

Statement of all the loans made to the Government by the several banks in the United States from 1812 to 1816, designating at what time and on what terms such loans were made; stated in pursuance of a resolution of the House of Representatives of the United States, passed April 8, 1816.

[Communicated by Mr. Dallas, April 12, 1816.]

DATE OF CONTRACTS.	BANKS.	TERMS.	AMOUNT.
1812.			
May 25	Farmers' Bank of Alexandria.....	6 per ct.	\$100,000
June 10	Mechanics' Bank, New York city....	6 "	600,000
10	State Bank, Charleston, S. C.....	6 "	150,000
10	State Bank, Boston.....	6 "	500,000
Aug. 17	Bank of Baltimore.....	6 "	200,000
17	Philadelphia Bank.....	6 "	400,000
Oct. 26	Cumberland Bank, District of Maine.	6 "	50,000
27	State Bank, Boston.....	6 "	500,000
Nov. 7	Bank of Virginia.....	6 "	250,000
1814.			
Dec. 27	City Bank of New York.....	7 "	200,000
28	Mechanics' Bank, New York city....	7 "	200,000
1815.			
Jan. 1	Manhattan Company, New York city.	7 "	200,000
Mar. 28	Mechanics' Bank, New York city....	6 "	75,000
28	Bank of America, New York city....	6 "	75,000
28	Manhattan Company, New York city.	6 "	75,000
28	City Bank of New York.....	6 "	75,000
April 20	Mechanics' Bank, New York city....	6 "	200,000
15	Bank of the Metropolis, Washington.	6 "	100,000
June 3	Bank of Columbia, Georgetown.....	6 "	100,000
3	Bank of Washington, Washington....	6 "	100,000
1	Union Bank of Alexandria.....	6 "	50,000
Aug. 22	Union Bank of Alexandria.....	6 "	75,000
May 1	Bank of Virginia.....	6 "	450,000
1	Farmers' Bank of Virginia.....	6 "	200,000
15	State Bank of South Carolina.....	6 "	50,000
1816.			
Feb. 14	Farmers' Bank of Virginia.....	6 "	150,000
Total amount of loans.....			\$ 5,125,000

BANK CAPITAL.

Statement of the bank capital in the several States, Districts, and Territories of the United States, as far as it was known at the treasury, during the years 1814, 1816, and 1817.

STATE, DISTRICT, OR TERRITORY.	1814.	1816.	1817.
Maine.....	\$ 1,380,000 00	\$ 1,860,000 00	\$ 1,720,000 00
New Hampshire.....	838,250 00	943,350 00	997,550 00
Massachusetts.....	11,350,000 00	11,650,000 00	11,300,000 00
Rhode Island.....	2,317,320 00	2,317,320 00	2,317,320 00
Connecticut.....	3,655,750 00	3,909,575 00	4,021,262 00
New York.....	17,185,352 00	17,145,979 00	16,991,704 00
New Jersey.....	2,121,932 00	1,672,115 00	2,076,465 00
Pennsylvania.....	14,963,333 00	15,393,594 00	15,732,615 00
Delaware.....	996,990 00	974,500 00	974,500 00
Maryland.....	7,872,002 00	8,346,782 00	8,657,147 00
District of Columbia.....	4,060,814 00	4,650,176 00	5,008,527 00
Virginia.....	3,592,000 00	5,521,415 00	4,884,565 00
North Carolina.....	1,576,600 00	2,776,000 00	2,796,600 00
South Carolina.....	3,730,900 00	3,832,758 00	3,919,973 00
Georgia.....	623,580 00	1,502,600 00	1,502,600 00
Louisiana.....	1,432,300 00	1,422,300 00	1,432,300 00
Mississippi.....	100,000 00	100,000 00	200,000 00
Tennessee.....	212,962 00	498,506 00	995,500 00
Kentucky.....	932,600 00	2,057,000 00	2,823,100 00
Ohio.....	1,435,819 00	2,806,737 00	2,003,969 00
Indiana.....			127,624 00
Missouri.....			193,125 00
	<hr/>	<hr/>	<hr/>
	80,378,504 00	89,330,707 00	90,676,446 00
Bank of the U. States.....			35,000,000 00
			<hr/>
			\$ 125,676,446 00

NATIONAL PAPER MONEY.

From the London Bankers' Magazine.

PAPER MONEY is allowed, by nearly all writers on political economy, to be the most perfect instrument of exchange that can be adopted; the only difficulty appears to be in the mode of regulating the issues of such money. That the extent of the issues can be effectually limited, the bill of 1844 clearly proves. The great difficulty would therefore appear to be overcome—national paper money is already issued, and this national paper money has been, and can be kept within certain defined limits. Sir Robert Peel, whatever his intentions may have been, has made this matter plain.

The £14,000,000 of the Bank of England issues, is an amount clearly defined, and this fourteen millions is a national paper, let it be called by what other name it may; it is a portion of the currency about which no pretence of redeeming in gold is made, except on the face of the notes issued. The act under which the notes are issued, is plain and positive, there can be no dispute about the matter; the fourteen millions are clearly stated to be based on government securities, on securities which, if in the market, would be liable to the same fluctuations as other government securities. In these securities there has lately been a difference in the market price, which, upon

the whole amount of the national securities, would be equal to a reduction of more than fifty millions. The government might just as well, only for the appearance of the thing, have issued fourteen millions of irredeemable paper, and called it by its right name. The old notes may be exchanged for new ones, and this is all that is really desirable, and this is all that can, in reality, be effected.

The notion of having a currency that can be redeemed, is very mischievous. The currency is wanted for use, for the purpose of enabling one trader to exchange his goods with another trader, and the worst of all possible purposes to which it can be put, is that of storing it up. There can be no such thing as redeeming the currency—redeeming the currency would be national bankruptcy. It is not wanted to be redeemed, it is wanted only to be constantly circulated. Whether we have fifty millions of irredeemable paper money, or only fourteen millions, as far as the fact of its being irredeemable is concerned, it is a matter of not the least moment. Whether the trade and commerce of the country require fifty millions, or only fourteen millions, is the only point worthy of consideration. What would be the consequence of the owners of fifty millions of government securities resolving to convert their securities into coins and bank notes, and to lock up the same in their own safes for their own purposes? It is well now and then to propose such questions, in order to convince those who will not be convinced by minute details. It will be seen that the result of this operation, if possible, would be the locking up of the whole of the money of the country. The railway deposits, if made upon the plan which the *Times* insisted upon as "the plan according to law," would have been a similar operation, and even the attempt to carry it out would have produced results of the most disastrous kind.

The fourteen millions of national paper money can never be redeemed, unless gold, by the discovery of some prolific mine, could be made more plentiful. This may happen, as it has just lately happened with respect to diamonds. Diamonds, it is said, will be reduced in price fifty per cent. With respect to diamonds this effect will be at once seen, it will be palpable to pen, ink, and paper. The dealer will be able to tell you at once, that a diamond of so many carats was formerly worth so many pounds, shillings, and pence, and that now it is only worth so much. But should gold be produced in greater quantities, the results would be apparent only to a few, for the price would remain the same, it would still be £3 17s. 10d. per ounce; a little over the ounce of gold would still represent four "a pounds." What, in this instance, becomes of the boasted standard? Of what is it a standard? A foot measure is something invariable, an ounce of gold is something invariable—*ergo*, there is an analogy between them, they are both measures. "A pound" represents an invariable quantity of gold, therefore, it also is a measure: but you get no nearer the point at issue by arriving at this definition of a "pound," for what the country wants is a just representative of debt—this the pound of Sir Robert Peel is not. A debt which a merchant contracts to-day may, by the working and the jugglery of Sir Robert Peel's "pound," be doubled to-morrow, or if not doubled, it may have five, or ten, or fifteen, or any other per cent. added to it. The rule under which such operations may be carried on with impunity, cannot be a just one. "A pound," with which such tricks may be played, is not the right sort of "a pound" for this or any other nation to put its trust in. The nation does not want "a pound" which will at all times measure so many grains of fine gold, but "a pound," which will measure justly the debts and credits of the people.

National paper money would give a steady currency, a currency under

the operation of which a man might contract a debt and pay it again, without being robbed in the process. The money of the country is not the wealth of the country, only so far as it consists of coins. The coined money is so small a fraction of the wealth of the country as to be scarcely worth estimating in the sum total of the country's riches, yet for this fraction we fight and squabble with all the world, and sacrifice no end of the real wealth of the country. And more than this, ten times over, because a certain portion of the nation insist upon the other portion of the nation limiting their trading transactions by the amount of gold which the country can obtain, production of wealth in every shape is restricted. Children are made to labor, and men and women loiter about in idleness. We commit all these absurdities, because we have not yet learned the true uses of money, because we are silly enough to insist upon the fiction, that all money should be redeemable, redeemable not in meat and bread, in shoes and stockings, in food and warmth, but redeemable in gold, which of itself neither gives food nor warmth. We thus give up the substance for the shadow.

The principle of a national paper currency we consider as admitted by the bill of 1844, to be absolutely necessary. For upon no other plea than that of its absolute necessity, could Sir Robert Peel have ventured to make so bold a proposition as that fourteen millions of the currency of the country should be based upon debt. With what ridicule, had it suited his purposes, would he have met such a proposition from any other party. The amount of the national paper is the only thing left to be settled.

In further illustration of what we have here advanced, it should always be had in consideration, that the relative value of gold to bread, beef, and beer, and all other commodities, is altered by the amount of paper money in circulation, and that the paper money is the regulator of the currency, and not the gold. The fixed value of gold is altogether a delusion, it has no fixed value any more than potatoes or legs of mutton; the relative value of gold depends upon and regulates itself by the same rule as other commodities do. And this relation of value, all other things remaining the same, Sir Robert Peel knows cannot be controlled. The difference between the nominal and the real, is exemplified in the instance given above relative to an increase of gold and an increase of diamonds; in the one case the price remains the same, in the other it is immediately altered. It is only the nominal value of gold that is fixed, and to keep the ounce of gold always at the same nominal value, expedients of the most harsh and arbitrary kind have to be resorted to. To regulate the nominal value of this small fraction of the wealth of the country, the nominal value of the national securities, in which, as before stated, there has been lately a variation in the market price, amounting to fifty millions—the nominal value of all the landed property of the country, all the raw produce, all the manufactured commodities, railway shares, and, in fact, the nominal value of property of every kind is made to submit to a regular see-saw. The real value of labor is in a like manner influenced. At one time there seems to be a chance of every man being fully employed, and being able to obtain food and warmth in plenty, in exchange for his labor. The prospect is pleasant, and the hearts of the people are gladdened. For what is this pleasant state of things destroyed? It is destroyed because it is necessary to keep the nominal value of gold at £3 17s. 10d. per ounce. The natural laws of exchange do not render this necessary; it is the currency laws which interfere and destroy, for a time, the natural laws.

The wisdom and ingenuity of man invented the steam engine, and might have been the consequences. The necessities of man brought into

use paper money, and the wisdom and ingenuity of man may make this simple and inexpensive instrument of exchange, produce results mightier than have been those of the steam engine. We have no fear but that this question will be ultimately fully investigated, for we have daily evidence of the sure progress of sound currency knowledge.

CURRENCY AND THE EXCHANGES.

From the London Bankers' Magazine.

It has been absurdly assumed by many writers and speakers on the circulating medium—*first*, that something which they term a “standard of value” can be found, which, being unchangeable in itself, can be made the measure of all other things; and, *secondly*, that gold is such standard.

Now it is sufficiently clear that nothing can be *fixed* in value, of which the supply does not, at all times, bear the same relation to demand: since, if the ratio of supply increases in magnitude, the value must *diminish*; and if it *diminishes*, the value must *increase*.

The mere enunciation of this definition, of course deprives almost every thing of any claim to the title of “standard;” every article of human fabrication, every product of nature—even the labor which collects and modifies such products,—varies incessantly in its ratio of supply to demand.

Gold, obviously, is not an exception to this rule. The increased supply thrown into Europe by the discovery of the mines of Mexico and Peru, speedily reduced the exchangeable value of any given quantity to perhaps a fifth of what it stood at prior to the voyage of Columbus.

On the other hand, towards the close of the last war with France, the increased demand for money to pay the vast armies of the continent, coinciding with the diminution of supply occasioned by the civil wars in South America and Mexico, raised the value of bullion near 50 per cent.

The article which approaches nearest to the real character of a standard, is a *sound paper currency*, for the plain reason that the ratio of supply to demand is most easily adjusted and maintained.

One advantage of a paper over a metallic currency is, that in the latter an actual capital of equivalent amount is locked up: twenty millions can be represented by a few thousand reams of paper, costing as many pounds; but twenty millions of sovereigns must be purchased *abroad*, at the cost of twenty millions' worth of cloth, cotton, and cutlery goods. What should we think of the wisdom of a manufacturer who, instead of making use of wooden, iron, or brass machinery, should insist on exchanging it for golden wheels, levers, &c.? Yet such is the folly of our Peel-ite bullionists. It may be objected to a paper circulation, that the issuers obtain real wealth for a promise which is never fulfilled; because although any specific note may be exchanged for metal, yet, as another is issued forthwith, a certain amount of promise is always out—a continued borrowing, in fact. This is true: but the convenience is worth the sacrifice made to obtain it, and the advantage *rests with members of the same community*.

It, however, supplies a powerful argument for adopting, in preference, a *national currency*; a system for which I purpose to submit to the consideration of your readers.

I have already disposed of the other objection to paper—that it is liable to depreciation. As, however, it is a fallacy very deeply and strongly rooted in some minds, it may not be amiss (at the hazard of tediousness) to advert to another “stock” argument of the depreciationists, viz.—that during

the late war, paper was depreciated, because at one time a guinea was sold for twenty-six or twenty-seven shillings; and great credit was claimed for Peel, because he restored paper to *par*.

Now, the whole secret was simply this, that bullion (either of gold or silver) was much needed for war expenses; and that when the war terminated, the value fell back to its natural relations.

When cash payments were to be resumed, great fear was expressed of the enormous demand which would be made for gold coin. I believe it was *Ricardo* who suggested the *breakwater* of giving ingots of bullion, at first, instead of cash; and even with this precaution, such a tremendous rush was expected at the bank when the day came for the commencement of the system, that it is understood constables were on duty to preserve order.

Well, the day came: millions of notes were expected to be presented. The actual amount, if I recollect rightly, was—millions? no!—hundreds of thousands? no!—*between fourteen and fifteen thousand pounds!*

The simple fact was, that gold had fallen in value pretty nearly to the old rate; so no one thought it worth while to exchange paper for it.

Half the errors in philosophy arise from carelessness in the use of language. Vague and incorrect expressions are used, and thus confusion introduced into reasonings.

For example, gold is in demand one year to a greater extent than it was the preceding.—The currency mob say, “paper is depreciated,” (imagining that to say that *one* thing has “fallen” is the same as to say that *another* has “risen;”) but a ten pound note will purchase exactly the same amount of *every* article, except gold, which it did twelve months back!—is it not absurd to say that it is depreciated? If paper be depreciated, so must cloth, corn, wine, and iron, brass, silk, wood, &c. Let us imagine that a growing lad of sixteen calls on a party who has not seen him for two years, and is thus addressed. “Why, Jack, you are shorter than when I saw you last.”—“Shorter, sir!”—“Yes, Jack; when I saw you last you were the height of Tom here, and he is now at least two inches taller than you!” Would Mr. Jones’s reverence for the understanding of his acquaintance be much enhanced by this specimen of logic? Yet it is as sound as that by which depreciationists endeavor to show that *paper* was *lessened* in value during the war, because the value of gold was enhanced!

I now proceed to indicate the outline of my plan for a national currency. The details shall be given in your next.

My object is, first, to substitute a certain amount of government paper (say, for example, twenty millions) for a portion of the *gold* now in circulation; and, secondly, (and this is the most important feature,) to form a *reservoir* of specie in the national treasury, to be employed *solely* as loans (secured by deposits of stock) to the mercantile world, when coin is required for payments abroad—*such loans to be always repaid in coin.*

The mode would be this:—Let government be authorised to issue treasury notes, of five and ten pounds value, to the requisite amount—these notes being made by law a legal tender in all cases. Let the proceeds be employed in buying up gold, at a price so much higher than the present standard as would ensure the bringing forward of the coin. To prevent its being drawn from the Bank of England or other bankers, let all such firms be forbidden to give gold for notes, until the chancellor of the exchequer gave notice in the *Gazette* that the amount required had been collected. Then, when a pressure for coin to send abroad arose, the chancellor of the exchequer should be required to advance, say, three-fourths of the *nominal* amount of consols which might be offered as security—the country to be entitled to the whole interest until the loan was repaid in coin.

The country would thus be lending at *four* per cent. while paying *three*; and the merchant, as soon as gold became cheap and interest low, would redeem his pledged stock, to relieve himself from the payment of comparatively high interest; and the *coin reservoir* thus acting as a preservative against pressures and panics, would be filled again.

Minor details, variations, additions, and precautions will suggest themselves hereafter; it suffices now to indicate the mode by which the vast amount of gold at present uselessly employed, where paper would do, may be converted into the means of protecting the empire from the dreadful convulsions which have heretofore followed an increased demand for the precious metals.

It would increase the facility of the operation, and render it more useful, if a considerable portion of the twenty millions were issued in *one* pound notes. This might be done *gradually*, (to save time,) by exchanging the fives and tens as they come in for payment of taxes.

FOREIGN LOANS,

Contracted in England from 1818 to 1838.

From the "Funding System of Great Britain and the United States."

NAME OF LOAN.	CONTRACTORS.	YEAR.	INTEREST.	RATE OF ISSUE.	AMOUNT.
Austrian.....	Rothschild.....	1823	5	82	£ 2,500,000
Belgian.....	Rothschild.....	1822	5	75	3,000,000
Brazilian.....	Wilson & Co.....	1824	5	75	3,200,000
Brazilian.....	Rothschild.....	1825	5	85	2,000,000
Brazilian.....	Rothschild & Wilson	1829	5		800,000
Buenos Ayres....	Barings.....	1824	6	85	1,000,000
Chili.....	Hallett.....	1822	6	70	1,000,070
Colombian.....	Herring & Co.....	1822	6	84	2,000,000
Colombian.....	Goldschmidt.....	1824	6	88½	4,750,000
Danish.....	Wilson.....	1825	3	75	5,500,000
Greek.....	Ricardos.....	1825	5	56½	2,000,000
Greek.....	Loughman.....	1824	5	59	800,000
Guatemala.....	Powles.....	1825	6	73	1,423,571
Guadalquiver....	Ellward.....	1825	5	60	600,000
Mexican.....	Goldschmidt.....	1824	5	58	3,200,000
Mexican.....	Barclay.....	1825	6	89½	3,200,000
Neapolitan.....	Rothschild.....	1824	5	92½	2,500,000
Russian.....	Rothschild.....	1818	5	72	5,000,000
Russian.....	Rothschild.....	1822	5	84	3,500,000
Portuguese.....	Goldschmidt.....	1823	5	87	1,500,000
Peruvian.....	Keys & Chapman..	1822	6	88	850,000
Peruvian... ..	Keys & Chapman...	1824	6	82	750,000
Peruvian.....	Keys & Chapman..	1825	6	78	616,000
Spanish.....	Haldimanes.....	1821	5	56	1,500,000
Spanish.....	Campbell & Co.....	1823	5	30½	1,500,000
Other loans.....	Various firms.....	to 1838	4 to 5		10,000,000
Several U. States.	Various firms.....	to 1839	5 to 6	80 to par	30,000,000
Total loans.....					94,694,571

BANK STATISTICS.

BANK OF CAPE FEAR, WILMINGTON, N. C.

Liabilities.	May, 1845.	May, 1846.
Capital stock,	\$1,500,000	\$1,500,000
Notes in circulation,	1,133,488	1,528,292
Deposits,	194,769	202,567
Dividends unpaid,	642	249
Due to banks,	32,073	16,627
Contingent fund,	65,231	5,699
Profit and loss,	59,475	69,566
In transitu,	2,640	
	2,988,318	3,323,000
Resources.	1845.	1846.
Specie on hand,	438,710	552,515
Deposits in banks in other states,	376,915	623,034
Notes of foreign banks on hand,	117,014	97,730
Due by banks in North Carolina,	41,036	27,291
Notes of North Carolina banks on hand,	96,915	131,477
Real estate,	66,821	66,648
Bills of exchange,	24,489	
Loans,	1,826,418	1,817,906
In transitu,		6,399
	\$2,988,318	\$3,323,000

THOS. H. WRIGHT, *Cashier.*

BANK OF CAPE FEAR AND BRANCHES, MAY, 1846.

	Capital.	Circulation.	Specie.	Profits for 6½ yrs.
Wilmington,	\$450,000	\$1,018,987	\$216,310	\$171,958
Fayetteville,	350,000	300,809	101,310	157,209
Washington,	200,000	242,090	58,872	66,289
Salisbury,	150,000	229,816	109,425	74,324
Raleigh,	125,000	42,759	27,437	54,265
Asheville,	125,000	139,806	31,267	16,874
Salem,	100,000	37,189	7,894	70,970
Hillsboro	Closed			46,322
	\$1,500,000	\$ 2,011,456	\$ 552,515	\$658,211
On hand,		483,164		
Nett circulation,		\$1,528,292		

The capital of the Bank of Cape Fear, was, in 1835, \$ 530,140, and was gradually increased until 1840, when it was fixed at \$1,500,000. Since its charter, seventy-three dividends have been declared. From 1835 to May, 1846, (11½ years,) twenty-three dividends have been declared, amounting to 84½ per cent. or \$946,093, after paying the state tax upon individual stock, \$21,006, being a quarter of one per cent.

The amount of stock held by the state, is	\$544,400
Held by individuals,	955,600
Total, May, 1846,	\$1,500,000

STATISTICS OF CITIES.

FINANCES OF BOSTON.

The annual report of the receipts and expenditures of the city of Boston, just published by the city auditor, gives a full and very clear exhibition of the state of the finances, and of the expenditures of the city and of the city debt. The amount of annual income and expenditure is very large, being more than double that of the commonwealth.

The amount of receipts during the financial year ending May 1, 1846, were	\$ 1,128,723
And of expenditures,	1,103,517
	<hr/>
Making a surplus of receipts of	20,206
The principal receipts were from taxes,	765,825
Proceeds of land sales,	192,138
Rents of city property,	48,361
School fund of the state,	3,055
Fees and licenses,	1,927

The principal expenditures were the following, viz.

Principal of city debt, above the amount of new loans,	\$ 114,400
Interest on ditto,	43,241
Schools and school houses,	226,019
Fire department, including reservoirs,	74,277
Widening streets,	112,505
Paving and repairing ditto,	68,779
Lighting ditto,	26,254
Watch department,	53,474
County expenses,	38,556
State tax,	25,488
Houses of industry, and reformation, and poor,	33,362
House of correction,	13,969
Health and quarantine,	29,719
Salaries and clerk hire,	20,311
Police and ward meetings,	14,460

The present amount of the city debt is \$1,048,866, of which \$30,000 is at an annual interest of 4 per cent. \$100,000 at 6 per cent. and the residue at 5 per cent.

The city owns besides public squares, buildings used for public purposes, including 19 grammar and 31 primary school houses, and buildings and other property, bringing the amount of annual rents above stated, a large tract of saleable lands and flats, from the sales of which a large income is derived. The city holds also bonds and mortgages, considered good, chiefly given for land sales, amounting to \$455,014, besides a number of funds, the income of which is appropriated to public and charitable uses.

Property of Boston.—Valuation of property, real and personal; the polls; taxes assessed; and per centage of taxation, in the years 1800 to 1844.

Year.	Real Estate.	Personal Estate.	Polls.	Taxes.	On \$100.
1800 . .	3,550,000	4,097,000	4,538	73,428	—
1810 . .	10,077,000	8,372,000	7,754	144,466	39 cts.
1820 . .	21,687,000	16,602,000	7,810	165,228	40
1830 . .	36,960,000	22,626,000	13,096	260,967	40½
1840 . .	60,424,000	34,157,000	17,696	546,742	55
1844 . .	72,048,000	46,402,000	22,339	744,210	60

MISCELLANEOUS.

CITY BANK, OF QUEBEC.—We have up to this moment, refrained from noticing the fact of “a run” on the city bank having taken place from a feeling that has since been justified; namely, that the good sense of the community would work the proper reaction, without exhortation or explanation from the press.

This absurd run commenced on Monday, on which day it prevailed but to a limited extent. On Tuesday the bank was pretty well besieged by parties seeking the redemption in specie of the notes of the bank; to-day the panic has entirely subsided, and the gentlemen of the institution are relieved from all but the ordinary importunities attendant upon their calling.

It is at this present moment difficult to trace the origin of this affair, which might, in its many ramifications, have proved a serious embarrassment to the mercantile community generally. It is, however, believed to have been caused by misapprehension rather than malice. That no foundation existed for the alarm has since been more than established. It is said that an individual drew a check upon the bank which when presented was met with the reply of “no funds.” The holder of the check went to the drawer, and stated his disappointment, when (as we are informed) he was told not to be anxious, “it would be all right in a few days.” This explanation was by the public applied to the institution and not to the individual; who, we are informed, had no intention of injuring the bank, when making this unfortunate remark. Like wild-fire the story spread, and the consequence we have stated.

No proceeding could have been less unfounded. To show the confidence entertained by the public during the hottest of the “run,” individuals of standing in the city went to the bank with all the money they had at command, and deposited it in the face of the misled people who were doing their best to drain the funds thus generously replenished. Every other bank in the city at once offered to redeem the notes of the city bank either in specie or in their own paper, and the various shopkeepers throughout the town placarded their windows with offers of 5s. 3d. for the same paper, if taken in goods.

As to the bank itself, every demand was promptly met: the notes were redeemed in the most convenient description of coin, and every facility given the eager claimants. The worthy cashier, Mr. Gethings, even extended the bank hours to meet the pressure from without—by one hour. He went still further, in placing funds in the hands of different tradesmen throughout the city to enable them to redeem in specie any of the bank’s paper that might be presented to them.

As we have already remarked, the City Bank is now relieved of the run upon it. The effect of the *émouée* will be to benefit the institution, rather than the contrary. And here we may remark that the public could not have suffered had the rumor been based upon a reasonable foundation. The capital of £300,000 must be exhausted ere any but the stockholders can suffer. We however, believe ourselves correct in stating that the stockholders in all the banks, are responsible for fifty per cent. in excess of the amount of stock held by them.—*Quebec Mercury, August 27, 1846.*

SAULT DU ST. MARIE, LAKE SUPERIOR.—The British government is seriously considering the project of constructing a ship canal around the falls of the St. Marie, thereby opening a communication for the largest class of vessels with Lake Superior. A survey of the route is now in progress. The length of the canal required is only two miles, and the estimated cost but \$200,000.

A CAUTION TO MONEY DEALERS.—In 1830, the Branch Bank of the commonwealth of Kentucky, located at Harrodsburg, was broken open and robbed of between \$7,000 and \$8,000 of notes of said bank.

A few days since, as I am informed, a large amount of notes of said bank were found in a building at Harrodsburg, formerly, and at the time of the robbery, occupied by a person charged with the robbery.

I have not, as yet, received the notes thus found, and the object of this notice is to prevent their circulation, as every means will be used to trace up and identify such as may be presented to me for redemption.

H. I. BODLEY,

President of Bank of Commonwealth, Ky.

In the fall of 1830, the Harrodsburg branch of the commonwealth's bank was robbed of a large sum in the notes of the bank. Four persons—John Banton, S. C. Banton, John Neal, and a negro named Harris, were suspected and arrested. Neal and Harris gave bail, left for Canada, and were not heard of afterwards. The Bantons were tried and acquitted, upon the ground that receiving stolen bank notes was not an offence punishable under our law. Neal had left the country, and the robbery had been almost forgotten, when a few days since, a carpenter by the name of Clinton Breese, who was engaged in covering the house occupied by Neal at the time of the robbery—now occupied by a Mrs. Watkins—found concealed in the house about six thousand dollars in commonwealth's bank paper. A nice legal question arises in settling the ownership of this treasure. If the bills can be identified we suppose there can be no doubt that they are the property of the bank. If, however, they are not identified, to whom do they belong? Not being gold or silver—not being in any manner attached to the freehold—they cannot, we suppose, be regarded as *treasure trove*, and do not, therefore, belong to the owner of the house. We are inclined to the opinion that, unless the bank is able to establish her claim to them, the finder will hold them.

It is a singular fact, but true we understand, that the books of the commonwealth's bank show that the amount of her paper now in circulation is only about fourteen hundred dollars!—*Frankfort paper.*

LIFE INSURANCE.—On the subject of suicides there has been an important decision by the judges of the courts of London. A party insured his life in the Argus office, and after paying the premium for some years, committed suicide. The company refused to pay the next kin, but offered to return all premiums paid up. The court decided that the company was not bound to pay on the life of a suicide, he himself being the party insuring and holding the policy in his own hands. The company, though they could not be compelled to do so, returned to the man's representatives £969 8s. 6d. being the amount of premiums received, with four per cent. interest. A most generous proceeding, which the company have resolved to repeat in every similar case. [*Which we consider a very bad precedent.*—Ed. B. M.]

DEATH.—At Corning, state of New York, on the 23d September, after an illness of ten days, Mr. PHILANDER J. MALLORY, cashier of the Bank of Corning, in the thirty-first year of his age.

PRICES OF STOCKS.

NEW YORK, SEPTEMBER 30, 1846.

GOVERNMENT SECURITIES.			Offered.	Asked.				Offered.	Asked.
U. S. Loan 6 per ct.	1862	106	106½	Chemical Bank,	150	—			
do. do. 5 do.	1853	97	97	Fulton Bank,	114	116			
STATE SECURITIES.				N. Y. Chemical Manufac. Co.	92	94			
New York 7 per cent.	1846	101	102½	Del. & Hud. Canal Co. Bank,	150				
do. 7 do.	1849	102	103	Dry Dock Bank,		58			
do. 6 do.	—	106	108	Butchers & Drovers' Bank,	108	110			
do. 5½ do.	—	101	103	Mechanics & Traders' Bank,	105	—			
do. 5 do.	1850	97	98	National Bank,	103	104			
do. 5 do.	1855	97	98	Merchants' Exchange Bank,	103	107			
do. 5 do.	1858	97	98	Leather Manufacturers' do.	103	108			
do. 5 do.	1860	97	99	Seventh Ward Bank,	90	100			
do. Astor Fives.			96½	State Bank of New-York,	85	86			
do. 4½ do.	—	—	—	Bank of Commerce,	93	93½			
Ohio 6 per cent.	1850	93	93½	Do. do. Scrip,	94	95			
do. 6 do.	1860	93½	93½	N. A. Trust & Banking Co.	9	9½			
do. 6 do.	1870	93½	93½	Del. & Hud. Canal Scrip Stock	143	146			
do. 5 do.	1856	80	85	Mechanics' Banking Associa.	94	—			
do. 7 do.	—	101½	102	American Exchange Bank,	85	86			
Kentucky 6 per cent.	1871	99½	100	Long Island Bank,	101	104			
do. 5 do.	—	79	80	Brooklyn Bank,	20	25			
do. payable in N. Y.	—	85½	86	Atlantic Bank, Brooklyn,	98	101			
Illinois 6 per cent.	1860	—	—	TRUST COMPANIES.					
do. 6 do.	1870	33	33	N. Y. Life Ins. & Trust Co.	106½	109			
Indiana St'g 5 per ct. 25 yrs.	31	31	32	Farmers' Loan & Trust Co.	25	25½			
do. Dol. 5 do. 35 yrs.	31	31	32	Ohio Life Ins. & Trust Co.	94	94			
Arkansas 6 per ct.	—	35	43	MISCELLANEOUS.					
Michigan 6 per ct.	—	25	—	New-York Gas Light Co.	115	120			
Pennsylvania 5 per ct.	—	66½	66½	Manhattan Gas Light Co.	90	92			
CITY, &c.				Canton Co. Balt.	30½	30½			
N.Y. City 7 per ct.	1847	—	103	East Boston Co.	15½	15½			
do. 7 do.	1852	104	104½	FOREIGN INSTITUTIONS.					
do. 7 do.	1857	109	110	United States Bank,	3½	4			
do. 5 do.	1850			N. O. Canal & Banking Co.	40	45			
do. Water Loan do.	1858	94	94	City Bank of N. Orleans,	64	65			
Brooklyn 6 per ct.	—	100	105	Commercial Bank of N. O.	26	30			
BANKS.				Franklin Bank, Cincinnati,	90	93			
Bank of New York,		121		La Fayette Bank, do.	77	80			
Manhattan Bank,		94	95	Illinois State Bank,	9½	10			
Merchants' Bank,		107	108	Vicksburg Com. & R. R. Bk.	6	6			
Mechanics' Bank,		107½	108	Morris Canal & Banking Co.	6½	6½			
Union Bank,		113	115	RAILROADS.					
Bank of America,		95½	96½	New York & Erie,	48	48			
City Bank,		106	109	Mohawk,	51	52			
Phenix Bank,		85	86	Harlem,	52½	52½			
North River Bank,		95½	98	Utica and Schenectady,	113	114			
Tradesmen's Bank,		117	123						

THE BANKERS' MAGAZINE.

FOR OCTOBER, 1846.

CONTENTS.

ARTICLE.	PAGE
I.—NATIONAL FINANCES AND NATIONAL CURRENCY: Considerations upon the result of the Sub-Treasury, . . .	193
II.—TRADE OF THE WEST.—Proceedings of a meeting to urge measures for the improvement of the western waters, . . .	195
III.—EDITORIAL CORRESPONDENCE.—Errata in September No. . . .	198
IV.—COMMERCIAL STATISTICS.—Remarks upon the Cotton Crop of the United States for the year ending September 1, 1846, . . .	201
V.—GOLD MINES OF RUSSIA AND SIBERIA—their history and extraordinary product for the last few years, . . .	206
VI.—COINAGE OF THE WORLD: annual amount of gold and silver coined in sixteen different countries, . . .	210
VII.—PUBLIC DEBT OF SPAIN: remonstrance to the Spanish government by the holders of Spanish bonds, . . .	210
VIII.—NATIONAL DEBT OF EUROPE: the public debt, number of inhabitants, and average of debt to each inhabitant, of thirty-eight European governments, . . .	212
IX.—THE VALLEY OF THE MISSISSIPPI: progress and condition of its commercial resources: by Hon. J. C. Calhoun, . . .	213
X.—COMMERCE OF NEW ORLEANS: receipts and exports of cotton, tobacco, sugar, molasses, flour, pork, bacon, beef, 1846, . . .	214
XI.—HOME LEAGUE: the importance of protection to domestic manufactures, and the utility of banks: by Hon. R. Rush, . . .	217
XII.—LEGAL MISCELLANY: twenty-three bank cases decided in the Supreme Court U. S.; New York Court of Errors; English Common Law, and Chancery Courts, . . .	220
XIII.—BANK OF ENGLAND: its rate of discount, amount of circulation and bullion, from 1839 to 1845; Clerks and Bank Holidays, . . .	231
XIV.—MEXICO IN 1844: its mines, revenues, taxes, &c., by Waddy Thompson, late Envoy Extraordinary to that Court, . . .	235
XV.—ILLEGAL CURRENCY: small notes in the State of Missouri, . . .	238
XVI.—FOREIGN BANKING ESTABLISHMENTS, No. II. 1. Berlin; 2. Munich; 3. Copenhagen; 4. Amsterdam; 5. Havana, . . .	239
XVII.—BANK LOANS TO THE GOVERNMENT: the date, terms, and amount of each loan, from 1812, to 1816, . . .	244
XVIII.—BANK CAPITAL: table of the bank capital in each of the United States during the years 1814, 1816, 1817, . . .	245
XIX.—NATIONAL PAPER MONEY. London Bankers' Magazine. . . .	245
XX.—CURRENCY AND THE EXCHANGES: their principles illustrated. From the London Bankers' Magazine, . . .	248
XXI.—FOREIGN LOANS: contracted in England from 1818, to 1838, . . .	250
XXII.—BANK STATISTICS: Bank of Cape Fear, Wilmington, N. C. . . .	251
XXIII.—STATISTICS OF CITIES: Finances of Boston, . . .	253
XXIV.—MISCELLANEOUS: City Bank of Quebec, Caution to Money Dealers, Life Insurance, Prices of Stocks at N. Y., Sept. 30, . . .	253
XXV.—Curiosities of Accounts	197
XXVI.—American Stocks in London,	199

THE
BANKERS' MAGAZINE

AND

State Financial Register.

VOL. I.]

NOVEMBER, 1846.

[NO. V.]

NATIONAL FINANCES.

It is understood that the secretary of the treasury has, within the last month, made application to various banks at New York and Boston for a loan or loans upon security of government treasury notes: the latter to bear an interest of five per cent. The application was, as well as we can learn, unsuccessful, the rate of interest being considered too low.

This, and the recent financial measures of the treasury, induce us to recur to the period of the late war with Great Britain, when, while Mr. Albert Gallatin was yet at the head of the treasury, the government was under the necessity of obtaining a loan to carry on the war, and to pay the current expenses of the years 1812, '13 and '14.

A loan of eleven millions having been authorised on the 14th March, 1812, Mr. Gallatin opened the books of subscription on the 1st and 2d May following, when the sum of \$ 6,118,900 was obtained from the banks and from individuals, as follows :

	From Banks.	From Individuals.
At Portsmouth, N. H.,		11,500
“ Salem, Mass.,	20,000	102,900
“ Boston, (State Bank,)	500,000	263,000
“ Providence, R. I.,	80,000	14,200
“ Hartford, Conn.,		6,200
“ New York,	1,260,000	165,400
“ Philadelphia,	1,045,000	525,800
“ Baltimore,	210,000	611,800
“ District of Columbia,	525,000	73,600
“ Richmond, (Bank of Virginia,)	200,000	79,100
“ Charleston, S. C.,	350,000	75,400
	\$4,190,000	\$ 1,928,900

Mr. Gallatin, on the 14th May, recommended to congress to authorise the issue of treasury notes for the amount not subscribed, viz. \$ 4,900,000, upon the following terms :

1. Not to exceed, in the whole, the amount which may ultimately not be subscribed to the loan.

2. To bear an interest of 5 2-5 per cent. equal to 1½ cent per day on each hundred dollars.

3. To become payable by the treasury one year after date of issue.

4. To be in the meanwhile receivable in payment of all duties, taxes or debts due U. S.

Congress authorised, on 30th June, 1812, an issue to the amount of five millions of dollars. Of this sum, \$ 3,535,000 were issued between July and December, and a further sum of \$ 1,217,500, up to March, 1813.

In recommending the issue of treasury notes, Mr. Gallatin observed, in his report upon the subject,

“Although the experiment of issuing treasury notes be novel under this government, the solid security on which they rest, the facilities they will offer in making remittances, the interest they bear, and, above all, the power to apply them to the payment of duties and of public lands, induce a belief that, notwithstanding some difficulties incident to a first emission, the amount contemplated may be put in circulation before the end of the year.”

At that period, the old six per cent. and deferred stocks of the government were two or three per cent. under par, notwithstanding which the treasury succeeded, under Mr. Gallatin’s administration, in obtaining loans, during the single year 1812, to the amount of \$ 13,100,200.

On the 25th February, 1813, congress authorised a further issue of five millions of treasury notes, and on the 8th of the same month also authorised a loan to the amount of sixteen millions. This latter was disposed of at about 88 per cent. The following letters, written at that time, will illustrate the negotiation, in 1813-’14, at this extraordinary depreciation :

Philadelphia, April 5, 1813.

SIR : In consequence of the notice given by the treasury department, under date of the 18th of March, 1813, that proposals will be received by you for the whole, or part of the residue of the loan of sixteen millions of dollars, we herewith beg leave to offer to take as much stock of the United States, bearing interest at six per cent. per annum, payable quarter-yearly, (the stock not to be redeemable before the 31st of December, 1825, at the rate of eighty-eight dollars for a certificate of one hundred dollars, as aforesaid,) as will amount to the sum of eight millions of dollars, or to the residue of the said loan, provided you will agree to allow us the option of accepting the same terms that may be granted to persons lending money to the United States, by virtue of any law authorising another loan for the service of the year 1813, that congress may pass before the last day of the present year.

It must be further understood and agreed to, that one quarter per cent. will be allowed us on the amount to which the present proposal will be accepted.

With regard to the payment of the instalments on the amount to be loaned by us, we shall expect to enter with you into such arrangements as will be mutually accommodating.

We are, with high regard, sir, &c.,

DAVID PARISH,
STEPHEN GIRARD.

HON. ALBERT GALLATIN, Esq., *Secretary of the Treasury.*

To be paid at Stephen Girard's bank.

STEPHEN GIRARD,
For self and David Parish.

Philadelphia, April 5, 1813.

SIR: I will take for myself, and my friends in New York, two million and fifty-six thousand dollars' worth of the loan authorised by congress in February last, receiving six per cent. stock, at the rate of eighty-eight dollars, money, for one hundred dollars of six per cent. stock, payable in New York, by instalments, as proposed by you, or as may be otherwise agreed on. *I understand that, in case government should make another loan during the year, I am to be placed on as good footing as the lenders of money, or contractors for that loan, will be.* I also understand that I am to receive the quarter per cent. which is to be paid to persons procuring subscriptions to the present loan.

I am, very respectfully, sir, &c.,

JOHN JACOB ASTOR.

HON. ALBERT GALLATIN, *Secretary of the Treasury.*

Washington, 4th Mo. 30, 1814.

RESPECTED FRIEND: I will loan to the government of the United States five millions of dollars, receiving one hundred dollars six per cent. stock for each eighty-eight dollars paid; and will pay the money in the proportions and at the periods mentioned in thy advertisement of the 4th of April, to thy credit, in such banks in the United States as may be agreeable to thee.

On the payment of each instalment, and satisfactory assurances for the payment of the others, funded stock to be issued; *it being understood and agreed that, if terms more favorable to the loaners be allowed for any part of the twenty-five millions authorised to be borrowed the present year, the same terms are to be extended to this contract.*

The commission of one quarter of one per cent., mentioned in thy advertisement, to be allowed me on the amount loaned.

With great respect and esteem, I am thy assured friend,

JACOB BARKER.

The Hon. GEORGE W. CAMPBELL, *Secretary of the Treasury.*

At this critical period, the receipts of the general government were, for one year, ending 30th September, 1813, arising from customs, sales of land, and ordinary sources, only \$ 13,568,042.

Mr. Jones, who assumed the head of the treasury in the spring of 1813, was also in favor of treasury notes. In his report to congress, January, 1814, he says:

"Although the interest paid upon treasury notes is considerably less than on funded stock, yet the certainty of their re-imbusement at the end of one year, and the facilities they afford for remittances and other commercial operations, have obtained for them a currency which leaves little reason to doubt that they may be extended considerably beyond the sum of five millions of dollars, hitherto authorised to be annually issued."

To the loan of \$ 7,500,000 authorised by congress, on the 30th August, 1813, the following were the subscribers, among prominent and wealthy citizens, thus evincing a laudable zeal to support government measures.

Jonathan Smith, of Philadelphia,	\$2,152,000 00
Jacob Barker, of New York,	1,435,000 00
Ralph Higinbotham, of Baltimore,	1,435,000 00
Quintin Campbell, of Philadelphia,	468,000 00
Fitz G. Halleck, of New York,	288,000 00
Thomas W. Bacot, of Charleston, S. C.,	221,000 00
William Cochran, of Boston,	151,000 00
George T. Dunbar, of Baltimore,	147,000 00
G. B. Vroom, of New York,	144,000 00
Henry Kuhl, of Philadelphia,	144,000 00
Isaac McKim, of Baltimore,	144,000 00
Whitehead Fish, of New York,	118,000 00
John Duer, of Baltimore,	118,000 00
William G. Cochran, of Baltimore,	110,000 00
Jacob G. Koch, of Philadelphia,	108,000 00
William Whann, of Washington,	73,000 00
James Cox, of Baltimore,	72,000 00
Thomas Cumming, of Augusta, Georgia,	72,000 00
The navy pension fund,	100,000 00
	<hr/>
	\$ 7,500,000 00

Mr. Secretary Campbell also recommended the issue of treasury notes at an advanced rate of interest, as follows :

"It is also submitted for the consideration of congress, whether treasury notes might not, by augmenting the rate of interest they now bear, and securing its payment, as well as their eventual reimbursements, by an adequate revenue pledged for that purpose, be placed on a footing better calculated than at present to sustain their credit, encourage their circulation, and answer with more certainty the purposes of government."

And the committee of ways and means in congress, October, 1814, made a report, of which the following is an extract :

"That taxes, loans, and treasury notes, appear to be the resources on which we must rely for carrying on the war. The product of the first cannot be commanded in time to meet the immediate demands on the treasury. A reliance on loans, in the present situation of this country, would be uncertain, and the terms on which they could be obtained, not such as to induce a resort to them at the present moment. Treasury notes, combined with a system of taxation more extended than the one heretofore adopted, will, it is believed, in the present state of bank credit, be found to be a much better resource. The want of some medium which, resting on a firm and solid basis, may unite public confidence, and have a general, instead of local circulation, is now universally acknowledged. The stoppage of specie payments by the principal banks of the middle states, has embarrassed greatly the operations of the treasury ; and by confining the circulation of notes to the limits of the states within which they are issued, has deprived the government of all the facilities in the remittance of money which was afforded while public confidence gave to bank notes a general circulation. The notes of New York and Philadelphia will not be received in Boston. The notes of Baltimore, or of the District of Columbia, will not answer for payments in Philadelphia. If, by any new modification, treasury notes could be made to answer the purposes of a circulating medium between the different states, they would greatly facilitate the operations of the government, and

free from embarrassment, the transactions of individuals. To secure their circulation, it would be necessary—

“1st. To issue the notes in sums sufficiently small for the ordinary purposes of society. 2d. To allow the individual who holds them to fund them at pleasure at any of the loan offices, and to receive their amount in stock of the United States, bearing an interest of eight per cent. 3d. To make them payable to bearer, and transferable by delivery. 4th. To make them receivable in all payments for public lands and taxes. 5th. To pledge for the payment of the interest on the amount issued, so much of the internal duties as shall be necessary. To prevent an accumulation of circulating medium, the United States to retain the power, on giving six months’ notice, of redeeming them with specie, or exchanging for them stock bearing an interest of eight per cent.

“If these provisions are adopted, and taxes imposed, which shall manifest clearly the ability of the government to meet its engagements, our present difficulties will vanish, confidence be restored, and the capital hoarded by avarice, or locked up from timidity, will be again restored to the accustomed channels of circulation.”

It is unnecessary to quote any further authorities in support of the policy of issuing treasury notes, when the wants of the treasury require increased resources, either temporarily or for a long time. The adaptation of treasury notes for a *national circulation* is unquestionable, as they possess undoubted security and uniform value at all points. It is, however, for the treasury to issue them of such denominations as shall make them available for business purposes, and not encumbered with endorsements and other forms which would interfere with their free circulation among all classes of the community.

A statement of all the Treasury Notes issued from 1812 to 1843.

1812, . . .	\$ 2,835,500 00	1821, . . .	\$ 324 00
1813, . . .	6,094,800 00	1837, . . .	2,992,989 15
1814, . . .	8,297,365 79	1838, . . .	12,716,820 86
1815, . . .	20,406,897 38	1839, . . .	3,857,276 21
1816, . . .	8,136,849 25	1840, . . .	5,589,547 51
1817, . . .	734,542 59	1841, . . .	7,993,560 50
1818, . . .	8,765 62	1842, . . .	3,425,329 87
1819, . . .	2,291 00	1843, . . .	1,518,150 00
1820, . . .	824 13		
		Total.	\$ 84,611,833 86
Total amount received from loans, from March 4, 1789 to Dec. 31, 1843,			98,360,112 32

Total from loans and from treasury notes, since 1789, \$ 182,971,946 18

The above dates form a running commentary upon the financial policy of the government from 1812 to 1843. A close adhesion to the policy of Hamilton, Madison and Rush, aided by the Bank of the U. S., enabled the treasury to pay off, gradually, the public debt from 1816 to 1830. Not satisfied with a sound condition of government finances, a perfect system of domestic exchanges, and a national currency *at par in twenty-six different states*, the executive, in 1832, made a virtual abrogation of the treasury department, and assumed the control of the funds. History shows the results, in the lamentable state of affairs from 1835 to 1838, *et seq.*

STATE FINANCES.

INDIANA.

"There is no greater evil among men than a testament framed with injustice."

Our readers who take an interest (without *having* an interest) in the progress of resumption by the suspended states, will bear in mind the law of the last session of the Indiana legislature providing for a compromise with the creditors of that state. The object of the law was to induce the bondholders to relinquish their existing securities, for which the state would substitute new bonds, to the amount of fifty per cent. and give to the holders, in lieu of the other half, a lien upon the canal, canal lands, revenues and tolls.

Sec. 32. The state has the option at any time to require a surrender of outstanding stock issued under Sec. 1, by giving a new certificate for half of principal, bearing 5 per cent. interest per annum; which principal and interest shall be payable and redeemable by the state out of revenues thereof, the principal at the pleasure of the state; and another certificate for the other half of principal, at 5 per cent. interest per annum, but to be payable and redeemable only out of canal lands, tolls and revenues, as by Sec. 8; and from time to time when the state shall call in said stock issued under Sec. 1, and issue new certificates, its faith and revenues shall only be pledged for half of said principal and interest thereon at 5 per cent. interest per annum; and for the other half and interest, the holders of said certificates shall look solely to canal lands, tolls, and revenue, as by Sec. 8: Provided, however, that the state shall have the option of redeeming said canal certificates out of revenues of the state; and, provided also, that the excess of canal revenues, lands and tolls, after paying said interest of said 5 per cent. per annum, on said canal stock, if any there be, shall be applied to the redemption of said stocks.

Sec. 33. This act is to take effect only so soon as the subscription as required by Sec. 6, shall be made thereon, and 10 per cent. thereon paid up; the governor not to make a deed to trustees until there are surrendered and cancelled bonds of the state to the extent of half the outstanding bonds, excepting bank bonds: Provided, that the acceptance of lands granted by the United States shall not be construed to compel the state to finish the canal from revenues from taxation.

Sec. 34. Trustees not to interfere with charter for improvement of White River.

Sec. 35. State reserves the right of fixing by law the salaries of trustees.

Indiana has thus assumed the payment of three millions of dollars, for which nothing was ever realized by the state. Not only were the avails of the bonds to a large amount grossly squandered by the agents of the state, in the construction of its public works, but bonds to the amount of three millions *thrown away* by the mismanagement of the state commissioners of loans.

In order to carry into effect the new law of Indiana, Mr. Charles Butler of New York, and Mr. James H. Blake of Indiana, were deputed a committee to visit London, with a view to have personal consultation upon the subject with some of the foreign bondholders. It is believed that they have succeeded in convincing the English bondholders that the state has the dis-

The favor of your reply is requested at your earliest convenience, not later than the 30th of September, in order that the necessary instructions may be given to Mr. Butler by the steamer of the 4th October, in conformity with the accompanying statement, provided adequate subscriptions be obtained.

We are, your obedient servants,

N. M. Rothschild & Sons; Palmer, Mackillop, Dent & Co.; Baring, Brothers & Co.; F. Huth & Co.; Morrison, Sons & Co.; Magniac, Jardine & Co.

London, September 10, 1846.

GENTLEMEN—As you have not been able to obtain access to an adequate number of the holders of Indiana bonds so as to obtain their consent to the act of the legislature in January last for the adjustment of the state debt, and as upon consideration it will appear quite certain that the object of the state to complete the canal to the Ohio river may be effected by a cash subscription of \$500,000, *provided* the revenues of the canal and a portion of the proceeds of the canal lands, including the outstanding contracts, be also applied to the completion of the work. I therefore beg leave to suggest that if bondholders in Europe, holding not less than four millions of dollars, will accept the act of the legislature upon the principle contained in it, and subscribe 20 per cent. on said amount, payable by instalments in four years, or a proportionably reduced subscription in case the amount exceeds four millions, I am inclined to believe that the legislature would assent to it. I feel satisfied that the legislature and people of the state generally will continue to be desirous to have this debt adjusted on the terms proposed, and as this arrangement would not conflict with the principle of the bill, but on the contrary be carrying it out as far as now practicable, I cannot but believe that the legislature, duly appreciating also the willingness of a portion of the bondholders to step forward, even without the present co-operation of the remainder, would regard such a proposal in a very favorable light.

It would be indispensable, however, that I should be enabled to assure the legislature that a subscription to this extent is actually made, and that the amount will be forthcoming immediately after the act should be modified as already suggested.

I annex a statement showing how the arrangement would work upon this basis.

I am, very respectfully,

Your obedient servant,

CHARLES BUTLER.

To Messrs. N. M. Rothschild & Sons; Baring, Brothers & Co.; Palmer, Mackillop, Dent & Co.; Magniac, Jardine & Co.; F. Huth & Co.; Morrison, Sons & Co.

STATEMENT.

London, September 10, 1846.

Property proposed to be assigned to trustees by the legislature for completing the canal to the Ohio river, estimated as under, viz.

Value of lands denoted by congress, adjoining and in the vicinity of the canal, for the specific purpose of finishing the work—sold and unsold—about one million of acres,	\$2,400,000
Present and accruing tolls of the finished part of the canal during the next four years,	600,000
	<hr/>
	\$3,000,000
	<hr/>

N. B.—174 miles are now in action and complete, 200 ditto unfinished, on which \$1,300,000 have been already expended by the state.

A contract is offered to finish the canal for the sum of \$2,010,000.

To aid the furnishing of cash funds upon the above property, it is proposed to raise from bondholders, by pro rata subscriptions, the sum of \$600,000, payable by instalments in four years, the interest upon which at 6 per cent. per annum will be paid half yearly in New York from the tolls of the canal now receivable, and the principal of this advance will be repaid as the lands may be sold and the money received.

It is understood, in the event of the subscription being obtained, that all existing bonds will be required to be exchanged for certificates as stated in the circular of 20th August, and the interest will be paid by the state upon the moiety of the principal chargeable on taxation from the 1st January, 1847, and to the extent of the interest so received the cash advance by the subscribers will be reduced.

The pro rata subscription will be further reduced by any amount of bonds upon which subscriptions may be agreed to be made before the 30th day of September, 1846, exceeding four millions.

And, further, by the receipts from any lands sold during the ensuing four years exceeding the amount required for completing the canal, estimated at about \$500,000, which from the low prices fixed by the state for the sale of lands in the vicinity of the line of the canal may be considered as the work proceeds.

Upon the foregoing data of assuming the present revenue of the canal to average \$150,000 per annum for four years, and that nothing be received from the sale of lands beyond \$5,000, (which amount the contractors for finishing the canal are to accept in part payment of their contract,) the following may be stated as the amount of the actual *cash advance* varying upon an amount of bonds subscribed for from four millions to eight millions, viz.

	Per cent.	Receipts from taxation.	Actual cash advanced.	Per cent.
If 4,000,000 the advance	20	\$800,000	\$320,000	\$480,000 or 12
If 5,000,000 would be	15	750,000	400,000	350,000 or 7
If 6,000,000 do	13	780,000	480,000	300,000 or 5
If 7,000,000 do	11	770,000	560,000	210,000 or 3
If 8,000,000 do	10	800,000	610,000	160,000 or 2

The amount of bonds outstanding is a trifle above \$11,000,000, and all bondholders have the opportunity of becoming parties to this reduced subscription.

It will be requested of the legislature that in conformity with the principle laid down in the present act, the subscribers to the advance shall have a priority of payment from the canal funds over non-subscribers as to the principal of their bonds as well as to the interest, which latter is already conceded by the state.

CHARLES BUTLER.

NOTE.—Since the above was communicated, we have advices from London under date October 3, which assure us that the loan of \$800,000 for the state of Indiana has been raised. Holders of her stock to the amount of four millions of dollars have signified their assent to the division of the state stocks into canal debt and state debt—and have also engaged to fund twenty per cent. on the amount of their bonds; this being the sum required to create the new loan, with which to prosecute to completion the great canal of the state.—*Editor B. M.*

PUBLIC CREDIT.

"Many poor, and many rich, have testified its popular omnipotence."

* If the maintenance of public credit then, be so truly important, the next inquiry which suggests itself, is, by what means is it to be effected? The ready answer to which question is, *by good faith; by a punctual performance of contracts.* States, like individuals, who observe their engagements, are respected and trusted; while the reverse is the fate of those who pursue an opposite conduct. * * *

Credit, public and private, is of the greatest consequence to every country. Of this, it might be emphatically called the invigorating principle. * * *

Those who are most commonly creditors of a nation, are, generally speaking, enlightened men; and there are signal examples to warrant a conclusion, that when a candid and fair appeal is made to them, they will understand their true interest too well to refuse their concurrence in such modifications of their claims as any real necessity may demand. * * *

Credit is an *entire thing*. Every part of it has the nicest sympathy with every other part; wound one limb, and the whole tree shrinks and decays. * * * It is wisdom in every case, to cherish whatever is useful and guard against its abuse. It will be the truest policy of the United States to give all possible energy to public credit, by a firm adherence to its strictest maxims.—*Hamilton*.

We have the pleasure of republishing, for the benefit of our readers at a distance, the letter of Mr. J. J. Speed of Baltimore, addressed to a landholder of Maryland, on the subject of repudiation. The letter is couched in language which requires no comment from us to give it full force and application. It might as well have been addressed "to the people at large of the suspended states," and its appropriateness would have been, and may now be, felt by all who peruse it.

Pennsylvania has arisen in her strength from the stupor which had, for a short period, overcome her energies; and although encumbered with a public debt of forty millions of dollars, and subject to an annual outlay of two millions for interest, and of a million and a half for incidental expenses, yet she is fully awake to the importance of prompt action within herself. With New York on one side and Virginia on another, and Ohio on her western borders, *all faithfully and strictly paying their liabilities*, and with New Jersey on the eastern extremity, free from public debt, Pennsylvania may well see the utter necessity of standing erect among the bond paying states of the Union.

Pennsylvania cannot repudiate the powerful language of Hamilton, which was so forcibly promulgated for the first time within her own borders, in his eloquent appeals upon the subject of STATE CREDIT. Nor can the American people too frequently recur to those well established principles of finance which emanated from the first secretary of the treasury of the United States.

There is but one state in the Union, upon its Atlantic borders, which now submits to a *protest*—that state is Maryland, the home of a Howard, a Pink-

ney, and a Wirt. These eminent men had gone to rest before the glory of their state had become tarnished; before repudiation dared to raise its dastard head within her limits.

Let us hope that Maryland, with such statesmen for her own, and with the cotemporary example of New York, and the "old dominion," will now *confess judgment* to her creditors, and make the *amende honorable*. The resources of Maryland, for the year 1846, according to the committee of ways and means, will be equivalent to

§ 927,456

While her liabilities for the year amount, viz.

Interest on public debt of the state,

§ 651,821

Ordinary expenses of the state government,

198,653—850,474

Showing a clear surplus of § 76,982.

Pennsylvania on the other hand, is compelled to raise, during the present year, § 3,500,000, quadruple the expenses of Maryland. Then look at her other neighbors. Virginia has a *surplus* this year, of § 191,516. New Jersey has a surplus revenue for the year, § 95,531, and *Massachusetts is loaning portions of her funds upon bond and mortgage*. New York, in the new constitution, proposes to extinguish her public debt entirely, by an annual appropriation of about seventeen hundred thousand dollars; and the legislature is forbidden to create hereafter any debt or debts exceeding, in the aggregate, *one million of dollars*.

Maryland may look farther west for examples of credit and economy. Kentucky has a public debt of § 4,400,000. Missouri only one million: a debt *so enormous*, that her new constitution provided for its total extinguishment at an early day, as well as the abrogation of the only bank charter in the state.

And at the south! We see South Carolina, with an existing debt of § 3,234,000. "Up to this time, all interest and each instalment of principal as it became due has been punctually paid. There seems every reason to believe that each future instalment of this debt will be met, *and the whole amount extinguished through the means provided and set apart by the state for that purpose.*" (*Vide Governor Aiken's message, 1845.*) This is a political or financial *abstraction* which would sound well on the shores of the Chesapeake. A small portion of the public debt of this state was created as a contribution to the family of Thomas Jefferson: a larger portion for the purpose of rebuilding the city of Charleston after its destruction in 1838: and further, in the obligations incurred during the revolutionary war.

Maryland need not look further south or west for examples. These are amply sufficient. All that is now necessary for her to do in the premises, is to put her own shoulder to the wheel, and from her own resources, extricate the state from its existing dilemma. If the legislature, at its approaching session, (December,) will take the matter urgently in hand, pursue then a straightforward and upright course, Maryland can be restored to its former fair position in less than six months. By funding the present arrearages

of interest upon her debt, and creating a six per cent. stock for the amount, the creditors will be better satisfied than with any other proposition yet made. The state is abundantly able to take care of its current liabilities, if the past coupons were out of the way.

The letter of Mr. Speed, which we now place before our readers, has been republished in one or more of the London daily journals, with much commendation. We can hear with advantage, at times, what is said abroad of us, as a nation, and it becomes us to listen with attention to the language of those who may be considered as the organ of our state creditors. The London "Morning Post," in reprinting one of the letters of Mr. Speed, makes use of the following remarks, November 3, 1845:

"During the late long period of excitement in the railway share market, less attention has been paid to other things than their importance has, in several instances, seemed to deserve. Such has been the case with respect to the financial progress of the United States, which had, for the moment, been almost entirely lost sight of. The resumption of payment by Pennsylvania of the dividends on her state debt, was a measure of much interest to the British holders of the stock. Of scarcely inferior importance will be deemed a like resumption on the part of the opulent and rapidly advancing state of Maryland, whenever it shall occur, and the day, we have the satisfaction to learn, is very near at hand. The views of Mr. J. J. Speed of Baltimore, on the subject of the debt of Maryland and state liabilities generally, have been repeatedly echoed in the columns of the Morning Post. The hopes of this gentleman, that justice would, eventually, be done to the creditors of his native state, have been sanguine, even in her darkest days, and, much to his honor, he has labored hard to relieve her from the reproach cast upon her by the unfortunate act of suspension. It must be no less gratifying to him, therefore, than to the stockholders, to learn, at length, that his anxious exertions in their behalf are on the point of being crowned with success. The following letter, from the able pen of Mr. Speed, addressed to a landholder of Baltimore county, as well as the commercial information generally received of late from the city of Baltimore, would appear to leave no doubt that payment of the state dividends of Maryland, will be resumed on an early occasion. * * *

In this eloquent and classical appeal, the object of Mr. Speed, is evidently to stir up the patriotism of his countrymen, in quarters where he fears it may be slumbering, and to create, to the extent of his influence, which is great, a sounder and healthier sentiment in the minds of the American people, with respect to the observance of public engagements."

Under another date, the editor of the Morning Post alludes to this subject in the following terms:

"The powerful advocacy which has been afforded to the claims of the American state bondholders, by Mr. J. J. Speed of Baltimore, has given great prominence to the name and opinions of that gentleman. The correct knowledge of the character of the people of Maryland displayed by Mr. Speed, and his uncompromising hostility to the principle of repudiation, have, on several occasions, been noticed in the columns of the Morning Post with expressions of approbation, but scarcely with the full measure of praise due to the individual, for it must be of great advantage to the holders of the bonds of Mississippi, Indiana, Illinois, Louisiana, and other states which have omitted to provide for the discharge of the dividends accrued

upon them, to have the leading men of the leading cities remonstrating at every possible opportunity, and in language the most energetic that they command, against the breaches of engagement committed towards the public creditors. The whole of Mr. Speed's appeals, show how sensitively alive he is to the importance of an undeviating observance of national faith and national contracts. He is evidently stung to the quick by the temporary failure of his native state, in paying the interest of her debt; and there are in Maryland many others who fully share in the deep mortification he evinces. The fact is indeed as perfectly notorious in England as it is in the United States, and in this circumstance, is to be found the surest guarantee that the epithet *temporary* applied to the case in Maryland, is one that has not been unadvisedly or improperly selected. With regard to the course that may be taken by the states less advanced in civilization and less abounding in natural and commercial advantages, there may be some difficulty in speaking with confidence, but the examples of the great and enlightened state of Pennsylvania can hardly fail to make a strong impression upon the indebted, though not equally favored states, in other parts of the Union. Better prospects are already dawning on the former (Maryland) as well as, we believe, the latter; also of the states named, and it would appear that the most active exertions are making with a view to the early resumption of payment of the dividends."

The odium attached to the Americans as a people, by the unfortunate acts of suspension, has been clearly demonstrated to our citizens who have gone abroad, either to England or to the continent. The effects of suspension are clearly shown in an extract from a letter written by a prominent American merchant (from the state of Maryland) resident in London, viz.

"The reverses of fortune here, caused by repudiation and non-payment of interest by several of the states, are therefore wide spread, and in many cases truly distressing. Among the members of the Oriental Club (composed of officers who have served in India) nearly 300 are owners of the stocks I have named, and many of them are in consequence reduced almost to beggary. A grandson of the founder of one of our largest and richest states, from affluence has been reduced to want, by his confidence in republican institutions and investments principally in the stock of that state. I could enumerate many similar cases, but will conclude with one which does great honor to the feelings of the senior partner of one of the first commercial houses here—a gentleman of high character as a man, and almost senior *merchant* of London. Since 1837, his house has made large investments in American stocks for friends and correspondents, and until lately had the most implicit confidence in their safety. Among those that invested was a widow of small income, who, by his recommendation, sold 3 per cent. consols and bought \$6,000 of 6 per cent. Illinois bonds at 80. In less than a year this state was unable to pay her interest, and the lady was deprived of her principal means of support. The gentleman, however, with praiseworthy liberality, took the bonds and placed in her possession the original amount of consols, thereby losing himself about £800. He did not do this because he thought he was legally or morally bound, as he acted from the purest motives, but after the downfall of American credit he felt that he ought not to have recommended the change. I would not have mentioned these facts but to show the unpleasant situation in which all the great houses here are placed by having introduced and recommended American securities. They feel that they have lost *caste* with the public and all the pride and satisfaction which heretofore attended their business has vanished in consequence of

constant applications by their friends (who invested through their instrumentality) to know when defaulting states will pay dividends—whether their bonds will be repudiated, &c. At the time these state stocks were brought forward, they were thought most safe—quite as much so as those of the general government at this period—and were recommended to the public accordingly.”

The state stocks held in Europe, were originally purchased at high rates; such was the rage for many years for any stocks professing to pay six per cent. interest. The American stocks sent to Europe for sale, were therefore seized upon with avidity and with perfect confidence.

The Maryland loan of three millions, six per cents., was contracted for in 1836 at a fraction beyond *sixteen per cent. premium*, thus realising to the state a very handsome surplus. This stock now forms a part of that for which the state is now under protest.

The state owns the following amount of productive stocks :

Bank stock,	\$510,966
Baltimore and Ohio rail road,	1,050,000
Bonds of the Susquehanna and tide water canal,	1,192,500
Bonds of the Baltimore and Susquehanna rail road,	1,884,045

Total, \$4,637,501

The unproductive stock held by the state is that of the Chesapeake and Ohio canal, the bonds of which it holds to the amount of . . . \$7,163,724

On which the arrears of interest are 2,159,444

Total, \$9,323,168

These facts will demonstrate that Maryland can, *if she please*, resume on or before July 1, 1847; and let it not be any longer said that she stands alone on the borders of the Atlantic,

“Instead of freedom’s honest pride,—the spirit of a slave.”

Now that the ability of the state is shown, let not the private interest of a few, *who would pay their debts at seventy cents on the dollar*, deter her from resuming her former position as a bond payer and as an upright member of the Union.

“What should he barter for his freedom? some petty gain of gold?
And do they gain? they gain but loss; a little cash, with scorn.”

The resources of Maryland are very large—her exports of breadstuffs and tobacco are becoming more extensive every year. The crops for 1845 were estimated as follows :

	Wheat.	Oats.	Rye.	Corn.	Tobacco.
Bushels,	4,884,000	1,691,000	944,000	3,723,000	17,920 hhd.

Sinking Fund.—This fund amounted on 1st Dec., 1845, to \$1,411,911, having been increased the preceding year \$135,000, and the treasurer of the state informs us that it has undergone no material change since.

Property Assessments.—The assessed value of property in the several counties

of the state was in 1845. \$177,189,600, and the value for the present year will be about \$200,000,000.

Interest.—Of the annual interest payable by the state on its debt, \$344,250, are payable at the loan office in Baltimore, and \$311,172 in London.

Let not Maryland postpone the day of recompense. Let her not throw the burdens of *to-day* into the lap of *to-morrow*.

“Wouldst thou be bold against the past, and all its evil memories,
Wouldst thou be safe amid the present, its dangers and temptations,
Wouldst thou be hopeful of the future, vague though it be and endless?
Haste thee, repent, believe, obey!
Zealously go forward with integrity, and God will bless thy faith;
Blow the trumpet, spread the wing, fling thy scroll upon the sky.”

PUBLIC DEBT OF MARYLAND.

BALTIMORE, 12th October, 1846.

TO THE EDITOR OF THE BANKERS' MAGAZINE :

Recent developments have satisfied me, very firmly, that the sentiments of my letters, heretofore published on this subject, were the sentiments of the great masses of my fellow citizens; that those sentiments, from the culture which they naturally received in honest breasts, have ripened into a fixed and universal purpose to lift up and re-establish the state's honor, and to restore the public faith.

The two last general elections have brought us hearty and resolute expressions of this determination from every county in the state; and, I affirm, that there is not now left an election district in Maryland, where an advocate of repudiation could get a dozen intelligent votes for the smallest office in the gift of the people. In our own good city of Baltimore, I am proud to state, we have a tax paying community of unexampled rectitude. In its darkest precincts, in its obscurest suburb, no repudiator or tenet of repudiation can be found. Yet here the loads of taxation are doubled and trebled upon us. The great public works we are constructing, the charter levies, the demands for the public exchequer present an accumulation of burthens; yet the tax-gatherer is met with cheerfulness, and if his demands diminish the dishes upon our tables, deprive us of the luxuries and even of some of the comforts of life, he is, nevertheless, met with cheerfulness; he is regarded not as a foe, but as a minister to our honor. I do not mean, by all this, to say that our burthens are so heavy that we cannot long endure them; quite the contrary—for while they are something heavier than those of New York and Massachusetts, they are exceeded by those of Pennsylvania, and are three-fold lighter than those of Ohio. The truth is, our people have been spoiled, heretofore, by an entire exemption from taxation. They

were unaccustomed to it until our present troubles. The state, possessing a large fund in the stocks of the banks—the proceeds of extensive confiscations of real property, made immediately after the revolution—derived such a revenue from it, as, when added to the yield of a slight system of indirect taxation, supported the government. And so their minds have not been enured to these things. They have been enjoying the blessings and protection of government, without themselves supporting it; and this, I sincerely think, has been anything but an advantage to them. In the first place, they would have weighed the expenses of government better had they themselves supported it; and, above all, they would have been less likely to have contracted this large debt, if it had been palpable to them, from the teachings of experience, that they would have to redeem it by their own labor and toil. The monitor is, however, now amongst them, and they will not, soon, forget his salutary instructions. I proceed to the second branch of the inquiry. In my judgment, the legislature have erred in not ordering a resumption of payment before this; but to them have we delegated this trust, and it is our duty to defer to their views of prudence. No division has been among them upon the main question of ultimate payment; they have differed, only, as to the *time* for permanent resumption. The revenue laws have been multiplied and strengthened at each succeeding session; deeds, devises, notes, bonds, inheritances, lands, chattels, incomes, salaries, trusts, official commissions—have all been taxed, by the most searching provisions of law; the treasury has been replenished, the sinking fund is most prosperous, and I hazard the opinion that the next session of the legislature will not pass without a positive, *bona fide* and permanent resumption of the payment of the interest of our debt. The public mind will tolerate no further delay. About the early removal of the principal of the debt, by the growth of the sinking fund, the public need have no apprehension. It now amounts to more than one-sixth of the whole debt, and will soon absorb it when the accumulation of interest is checked. It is my opinion, that all propositions to fund the back interest in stocks of less than six per cent. are fraudulent. At any rate, no back interest can be funded, with even a show of justice, at a less rate than the stock bore from which it proceeded.

We cannot, with honesty, withhold another's money, against his will, and then dictate to him a less rate of interest than the general laws of the state allow. To do this, I hold, would be to mar entirely the reputation of complying with our faith. It would be compounding our honor in the same degree that individual character would be lost by dictating partial payments to personal creditors, when we had enough to pay all. No, no; when we pay, let us pay all; let not the credit of the act be diminished by any compounding or trafficking settlements. Such compromises can only be honorable where there is an absolute deficiency of means to pay a whole debt.

Yours, very respectfully,

J. J. SPEED.

SAVINGS' BANKS.

ON THE ORIGIN AND PROGRESS OF SAVINGS' BANKS.

From the *London Bankers' Magazine*.

It is probable, that during the last and present centuries, there have been more public writers whose works have directly tended to attract general attention to the means of ameliorating the condition of the poor than during any previous centuries. No arrangement, however, next to providing employment for the poorer classes, and by it the means of present subsistence, was so important as that of affording them the opportunity of husbanding their resources, to form a provision against declining age and future necessities. Such an arrangement, at first only partially effected by the institution of the friendly societies, would, it was expected by the founders of deposit banks for the safe custody and increase of small savings belonging to the industrious classes, have been completed through the medium of those institutions; but, although large sums have been, from time to time, accumulated in them, the proportion belonging to the poorer classes has, it is feared, formed but a very small item. Among the principal advocates for the foundation and extension of Savings Banks, as displayed in their various works on the subject, may be named Rose and Colquhoun in England; Bernoulli and De Candolle in Switzerland; Krause and Malchus in Germany; and Delessert and Prevost in France—the last is the present zealous and talented comptroller of the Paris Savings' Bank, consisting, at the present time, of a central office and sixteen branches.

It has been stated by a German writer on the subject of savings' banks, that the first savings' bank in Europe, of which there is now any public record, was established at Berne, in Switzerland, in 1787; that about the same time another was established at Geneva; and that in the year 1792 a third was established at Basle. From that period, the number of savings banks in Switzerland has gone on gradually increasing. As regards England, it appears certain, although there has been some controversy on the subject, that the first institution here, approximating in its character to the existing savings' banks, though on private, not national security, was established in the year 1798, at Tottenham, in the neighborhood of London. Subsequently, several similar institutions were founded, viz. at Wendover in 1799; at West Calder, and at Ruthwell, in Scotland, in 1807 and 1810; at Bath in 1808; at Edinburgh in 1813; and at London, and other places, in 1816. The dates of the first acts of parliament, by which the government undertook at the public expense, and on national security, the support of savings' banks, are the 11th and 12th of July, 1817; and within a few months after that period, there were about one hundred savings' banks in England. This number has gone on gradually increasing; and on the 20th of November, 1842, the date up to which the last printed parliamentary return on the subject was made up, it amounted to 562 in the united kingdom.

It was not until the year 1818 that France imitated the example of Switzerland and England, in the establishment of savings' banks, the first institution of the sort in that country being opened in Paris, on the 15th of November, in that year.

Others were very soon afterwards established in the different provinces; and the total number of them on the 31st December, 1844, was 332, exclusive of the Paris Savings' Bank and its branches. In addition to Switzerland, England and France, savings' banks for the poorer classes have been established, within the last few years, in almost all the other countries in Europe.

SAVINGS' BANKS IN SWITZERLAND.

As Switzerland may be considered the parent country of savings' banks, some information on the subject of those institutions there, and of the use made of them by the laboring population, extracted from Dr. Bowring's report on the commerce and manufactures of Switzerland, addressed to the lords of the committee of privy council for trade, and dated the 30th of April, 1836, may be interesting, although not brought down to a very recent period.

In the canton of *Appenzell*, savings' banks are established in almost every parish, but the working classes seldom deposit in them any of their earnings, preferring to buy with them houses, land, furniture, or such like property. In the canton of *Neufchatel*, the ambition of a workman is to invest the fruits of his economy in the acquisition of land, and, until he has the means of so doing, he has the advantage of a savings' bank, which is administered gratuitously at Neufchatel, and the directors of which lend the money at 4 per cent. on landed or other undoubted security, paying the depositors interest at the rate of $3\frac{1}{2}$ per cent. Out of a population of about 56,000 persons, there were 3,084 depositors in the Neufchatel Savings' Bank in 1834.

In the canton of *Basle*, a savings bank had been established several years; in 1834, its capital amounted to 353,000 francs. No individual is allowed to put in more than 60 francs per annum, and the interest is three per cent. per annum. There are also other establishments in the same canton, under the inspection of the municipal authorities, for the safe employment of very small sums.

The *Geneva* Savings' Bank owed its establishment to a councillor of state, M. Tronchin, who devoted a sum of 160,000 florins, and the interest thereon at four per cent. for sixteen years, to guarantee the security of the depositors' money. Among the fundamental articles, dated 5th August, 1816, of the Geneva Savings' Bank, one was, that the object should be to receive deposits of small sums only from workmen, artisans, servants, and others of the poorer classes. Another was, that deposits should remain for one year, and that three months' notice should be given of withdrawal; and a third was, that no individual should be allowed to deposit more than 500 florins annually, nor become a creditor for more than 2,500 florins. On the 20th June and 13th November, 1822, the council of state made additional regulations, and among them was one, that, considering the necessity of confining the institution exclusively to the poorer classes, the managers should be specially required to guard against individuals availing themselves of the bank, who are not of the class for whose benefit it was instituted.

The assets of the bank are placed in mortgages on property in the canton, and in commercial bills, having a sufficient number of satisfactory endorsements.

The committee of the bank were engaged, at the time when Dr. Bowring prepared his report, in providing a method of enabling the creditors to the amount of 2,500 florins, to invest their capitals in satisfactory securities, so that they might commence fresh savings.

The amount due by the bank on the 31st December, 1835, to 7,279 depositors, was 5,136,171 florins; and the value of its assets on the same day was 5,577,765 florins.

After the example of the council of state of Geneva, and the managers of the savings' bank there, the propriety of making some precise and general regulations as to the classes of persons to be admitted as depositors in our own savings' banks, and as to the disposal of their deposits when they obtain, with interest, the maximum amount allowed, might, and it is hoped,

will come under the consideration of the government during the present recess. Had the small section of paid officers of savings' banks directed their attention to these and similar points at their numerous meetings held in London at the St. Martin's Place Bank in May, June, and July last year, and assisted the chancellor of the exchequer with their suggestions on the subject, they would have done more to promote the real benefit of the legitimate depositors, on whose sole behalf their agitation was pretended to be carried on, and would have displayed a less interested feeling, than by concocting and propagating mischievous statements—some of them unfounded, attacking the government and national debt commissioners, principally on the ground of mismanagement of the savings' banks funds; and other transactions connected with them; proceedings and conduct which Mr. Goulburn very properly regarded as an impertinent interference on their part, as public servants in the receipt of public money, with circumstances, which, as truly stated by him in the house of commons, when the savings' bank bill was considered in committee, they had no business to meddle with, and which had nothing whatever to do with the principle of the measure he, as the financial agent of the public, had thought proper to introduce.

SAVINGS' BANKS IN FRANCE.

At a general meeting of the directors of savings' banks, recently held under the presidency of M. Menjamin Delessert, the report of the operations during the year 1844 was read. From this it appeared that the amount of the sums paid in during the year, was 46,940,000*l.*, and the reimbursements 39,674,000*l.*, leaving a balance of 7,275,000*l.*, which, added to the balance in hand at the end of 1843, makes the total deposit in hand 112,061,000*l.*, due to 173,000 depositors on the 31st December last. There were 35,750 new depositors during 1844. The average of the sums paid in by the new depositors was 174*l.*; that of all the sums paid in, 140*l.*; that of the reimbursements, 433*l.*; and that of the 173,000 balances of books, 646*l.* The bank has established a new branch at Batignolles, making a total of sixteen branches. The books given to 1,762 children by the Duke of Orleans, amounting originally to 40,000*l.*, now amount to 180,000*l.*, from additional payments made by the parties; a proof of the beneficial results of the bounty of the deeply regretted prince. The bank has purchased the house, No. 12, in the Rue des Vieux Augustins, which has made this fine establishment complete. The president stated the payments made into the central bank by all the departmental savings' banks during 1844. The sums due to them on December 31, amounted, comprising the Paris Bank, to 392,000,000*l.*, being 42,000,000*l.* more than at the end of the preceding years. The report contains many other details on the statistics of the new depositors, on the provisions of the new law, and on the means of giving a greater extension of the useful institutions.

NEW FRENCH SAVINGS' BANK LAW.

We respectfully invite the especial attention of the chancellor of the exchequer; of Mr. Hume, M. P.; of Mr. Higham, the comptroller and secretary of the national debt office; and of Mr. Tidd Pratt, the certifying barrister of our own savings' banks, to the following law of the 22d June, 1845,

relative to the savings banks in France, which we have received from Paris late in the month, and of which we beg to present the following translation. The 1st and 6th articles are deserving of particular attention.

Article 1st—Depositors in savings' banks, may pay from 1 franc to 300 francs (£12 sterling) weekly, but no payment shall be received on any deposit account amounting to 1,500 francs (£60 sterling.)

Deposit accounts may, however, be increased to 2,000 francs (£80 sterling,) by the capitalisation of interest.

Article 2d.—Substitutes in the land and sea forces shall be permitted to deposit, in one payment, the price stipulated in the act of substitution, to whatever sum it may amount.

Seamen, borne on the registers of the maritime inscription, shall, in like manner, be permitted to deposit, in one payment, the amount of their pay, discounts, and rewards (*solde, decompes, et salaires*), at the time either of their embarkation or of their disembarkation, but shall not be permitted to exceed the maximum determined in the 1st article.

A regulation of public administration shall decide the forms in which the origin of the funds permitted to be deposited in these exceptional cases shall be certified.

Article 3d.—Whenever a deposit account may have reached the maximum amount fixed in the 1st article, it shall cease to bear interest.

The present regulation shall not, however, be applied to the deposits designated in the first paragraph of the 2d article, but they shall be excepted from it only during the period of the service of the substitutes.

Article 4th.—Mutual benefit societies, duly authorised, shall continue to be permitted to deposit as much as 6,000 francs (£240 sterling,) and the deposit accounts of these societies may amount, by the accumulation of interest, to 8,000 francs (£320 sterling.)

If they should exceed this amount, they shall be subject to the regulation in the first paragraph of the preceding article.

Article 5th.—No person shall have more than one deposit account in the same savings' bank, or in different savings' banks, under pain of losing the interest on the total amount of the sums deposited.

Article 6th.—Any depositor, the amount of whose deposits may be sufficient to purchase an annual income of 10 francs (*une rente de dix francs*) at least, shall be allowed to obtain, on demand, through the medium of the managers of the savings' bank, and without any expense, the conversion of his deposits into an inscription in the great book of the public debt.

Temporary Article.—From the 1st January, 1847, sums deposited previously to the present law, and which may exceed 2,000 francs (£80 sterling) shall cease to bear interest, until they have been reduced below that maximum amount.

FOREIGN BANKING ESTABLISHMENTS.

From the London Bankers' Magazine.

THE BANK OF FRANCE.

In the present paper we intend to notice briefly the origin, constitution, privileges, and general business transactions of the *Bank of France*: it is an establishment of so much importance, that we think the information we have collected on the subject will be found both useful and interesting to those who have hitherto known the Bank of France only by name.

We need not dwell at much length on the early history of banking in France, in order to render our subject intelligible; the celebrated *Law* endeavored to procure for the French people the advantages of a sound banking establishment, when he commenced his private bank, under the authority of letters patent, bearing date the 2nd and 20th May, 1716. The benefits expected from that bank were, indeed, in the first instance, fully realized and appreciated; but they were quickly counterbalanced by blunders, and forgotten amidst the general wreck that ensued.

Sixty years afterwards, a bank of discount, established on the petition of *Sieur Bernard*, by virtue of letters patent, dated 24th March, 1776, nearly on the same principle as *Law's* private bank, circulated bills, payable to bearer on demand. This establishment did great service, until a needy and rapacious government contrived to drain it of its already precarious resources, and finally caused its ruin, by involving it in its own discredit.

With the same views, and on similar principles, were formed, under the directory and consulate, several private establishments, particularly the bank of discounts and accounts current, which was founded in 1800, when specie was re-appearing after the failure of assignats. This bank, at a later period, superseded all others, assumed the name of the Bank of France, and was established on the footing on which it has, with slight modifications, continued up to the present time, by a decree of the 11th Germinal, year 11.

The principles on which the Bank of France was finally settled by Napoleon, who may be considered as its real founder, are, that a bank should accept none but good securities, that is, discount only such bills as are current among bankers and wholesale dealers, and consequently not liable to risk; and limit its further dealings to the purchasing or selling of bullion, and foreign gold and silver coin. He would not allow it to be a trading concern, or to lend money on goods and shares, the fatal consequences of which license, when granted to banks, were exemplified in many countries in 1838.

Napoleon required the banking system to be conducted on the principles which should guide all founders of banks whose intentions towards the public are upright, and who are desirous of preventing catastrophes. He remodelled the bank three several times, in his endeavor to make all necessary provisions, and allotted to it a capital of thirty millions of francs, of which he advanced a part out of the funds in the hands of the receivers general. This bank produced an immediate reduction of the rate of interest; but, three or four years afterwards, he became aware that the competition of other similar establishments, which had been suffered to co-exist with it, was prejudicial to it, and would ultimately cause its downfall. By a decree of the 11th Germinal (May, 1802,) he suppressed its rivals, and conferred upon it the exclusive privilege of issuing notes payable to bearer. This proves that he had come to a right conclusion as to a fact demonstrated by more recent experience, that two banks in close proximity, invariably accelerate each other's ruin.

Thus by one decree Napoleon allotted thirty millions of francs to the establishment he had created, and called it the Bank of France; and by another he removed all rivalry, and raised its capital to forty-five millions of francs.

Lastly, in 1805, when he was at Austerlitz; he received intelligence of its having suspended payment. In the true spirit of a Russian despot, he cancelled all the contracts that had been entered into, re-established the bank a third time, and placed it nearly on the footing on which it now stands, that is, he raised its stock from forty-five, to ninety millions of francs, and gave it a monarchical instead of a republican form of administration. It had been governed by deliberative committees: he appointed a governor and two deputy governors; and enacted that its board of management

should consist besides of three receivers general, as representatives of the treasury, fifteen regents, and twelve members of the discount committee.

The bank is a joint stock company; the number of shares on the 1st of last January was 67,900, divided among 4,207 shareholders.

Present Organization and Management.

The Bank of France is now governed by a board of general management, consisting of one governor; two deputy governors; fifteen regents; and three censors; the governor and deputy governors are appointed by the king; the regents and censors are elected at a general meeting of the shareholders.

The board takes cognizance of all matters appertaining to the bank; it is sub-divided into five committees that attend to various departments, viz.

1st. The bill committee.

2nd. The books and portfolio committee.

3rd. The cash committee.

4th. The treasury and receivers general department committee.

5th. The discount committee, the most important of all, whose business it is to inspect all bills presented for discount. The members of this committee serve in rotation on the board of discount, which is appointed by the censors, on the recommendation of the general board, the regents who compose such committee not voting on these occasions.

The shareholders meet yearly to hear a report of the proceedings of the governor and general board, and the declaration of the dividend for the current year.

Regulations of the Bank.

The principal provisos contained in the regulations are the following:

1st. To discount bills of exchange, and other negotiable paper having three months to run, stamped, and bearing *at least three* signatures of mercantile men, or others of undoubted credit. Papers bearing only two signatures are also discounted, if those signatures are guaranteed by the additional security of a transfer of bank shares, dividends in the public stocks, shares in canals free from mortgage, or government securities.

2d. To advance money on public securities, falling due at the end of a certain period.

3d. To make advances on deposits of bullion, and of foreign gold and silver coin, at the rate of 1 per cent. per annum. The term for deposits is 45 days, which may be renewed. The discount is deducted from the advances, and belongs to the bank, whether or not the deposits are withdrawn before the expiration of the term. The bank may dispose of deposits not withdrawn at the end of the stipulated period, unless it be renewed. No deposit under 10,000 francs is accepted.

4th. To receive casual deposits of all bills and promissory notes, payable to bearer, or at sight; gold and silver bullion; national and foreign gold and silver coin; and diamonds, at an *ad valorem* rate of one-eighth per cent. for the keeping, during a period of six months, or under. This discount, which is payable in advance, is retained by the bank, whether or not the deposits are withdrawn before the expiration of the term agreed on.

5th. To call in monies due to individuals or companies on negotiable paper.

6th. To keep a running account with individuals and companies paying money in, and cash drafts made payable at the bank, until the whole amount of deposit is drawn. The bank gives to the owners of money thus credited

recepissés for all sums payable, at sight. These *recepissés* are merely nominal; and they are only cashed upon the party who has received them giving an acknowledgment, which obviates all hazard, and attempts at robbery.

Any party wishing to get bills discounted, and keep an account with the bank, must address a petition to the governor, accompanied with certificates from himself, and three persons attesting his signature, and also, that he is punctual in his engagements. Uncertificated bankrupts are debarred from getting bills discounted. The bank cannot allow any money which it has received in the way of current account, to be attached. Parties who, in giving orders upon the bank, overdraw their account, may be prohibited by the general board from keeping any further account with it.

The *usufruct* of bank shares may be ceded, and at the same time, the absolute property in them transferred. Shares may be made untransferable (*immobilisées*) by a simple declaration of the owner, and, from that moment, they acquire the nature of real property, being subject to the same laws, and invested with the same prerogatives, according to the interpretation given to the law relating thereto, by the *Conseil d'Etat*, on the 28th of April, 1825. Such shares cannot be restored to their former conditions of personal property, except in cases provided for by the statutes respecting *Majorats*, enacted in 1808 and 1809. Shares converted into real estate may be applied to the purpose of endowing *Majorats*.

Bills of circulation are of the value of 500 francs.

Privileges of the Bank.

The bank possesses the exclusive privilege of issuing notes payable on demand, without being bound to any formality, its guarantee alone being deemed a sufficient security; it enjoys, also, the privilege of opening branch banks whenever it thinks proper.

The period for which the Bank of France was to enjoy the privileges secured to it, as was stated above, by the laws of the 11th Germinal, year 11, and 22d April, 1822, was extended, by a law enacted on the 26th June, 1840, until the 31st December, 1867.

The chief heads of this law are as follows:—

1st. "The privileges of the Bank of France are continued until the 1st December, 1867, with the proviso that they may be limited to, or modified on, the 31st December, 1869, if a law to that effect should be enacted, during either of the two sessions immediately preceding that period.

2d. "The capital of the Bank of France, represented by 67,900 shares, shall not be increased or diminished, but by virtue of a special law.

3d. "French public securities shall be receivable as guarantees in the case provided for by the 12th article of the decree of January 16th, 1808.

4th. "Bills shall be discounted by the bank every day, holidays excepted.

5th. "The minister of finance shall publish quarterly, a report of the average amount of the transactions of the bank during the previous quarter.

"He shall likewise publish half-yearly reports of its proceedings, with a statement of the amount of dividend declared.

6th. "Branch banks shall be established or suppressed, only by virtue of a royal ordinance issued in the same form as administrative regulations, at the request of the general board. *

7th. "Further modifications of the decree of May 18th, 1808, to be made

* The number of branch banks established in the department is 11; they are those of Montpellier, Saint Etienne, Besançon, St. Quentin, Rheims, Angoulême, Mulhouse, Grenoble, Chateauroux, Caen, and Vermont-Ferrand.

by virtue of ordinances in the same form, issued at the suggestion of the general board.

8th. "No departmental bank to be established, but by virtue of a law.

"Existing banks to obtain a continuance of their privileges, or modifications of their regulations, only by virtue of law.

9th. "From and after the publication of this law, the stamp duties chargeable on the bank, shall be in proportion to the amount of bills payable on demand, which it will have been instrumental in circulating during the previous year.

"From and after the 1st January, 1841, a similar rate of duty shall be levied on the departmental banks."*

In a report, delivered on the 28th of last January, by the governor to a general meeting of shareholders respecting the aggregate of the transactions of the Bank of France and branch banks, he observes that, during the year 1843, there had been a falling off of 134,000,000 of francs (£5,360,000) in the amount of bills of exchange and promissory notes circulated. The total amount discounted in Paris in 1842, had been 944,000,000 of francs (£37,760,000); in 1843, it was only 772,000,000 of francs (£30,880,000); and there was a like gradual decrease in 1844; but during the latter months of the same year, there was a re-action, so that at its close, the figure was 749,000,000 of francs (£29,960,900), 24,000,000 of francs (£960,000) under that of 1843. The average time the negotiable paper had to run, had likewise become shorter, so that the profits of the shareholders had greatly diminished, as compared with the years 1842 and 1843. The dividend per share had fallen from 136 francs (£5 13s. 4d.), to which it had risen in 1842, down to 107 francs (£4 9s. 2d.) In 1843, it rose to 122 francs (£5 1s. 8d.) Still the bank might be said to be in a prosperous condition. The realization of an interest of 107 francs on a share for which 1,000 was originally paid, indicates a very profitable investment.

There would have been a greater reduction of the dividends, if the establishment and extension of branch banks had not counterbalanced the decrease in the transactions of the Paris Bank. Their total amount of business in 1844 was 322,000,000 of francs (£12,880,000), 78,000,000 of francs (£3,120,000) more than in 1843. The transactions of three of them alone, namely, the Montpellier, Saint Etienne, and Besançon Banks, amounted to 207,000,000 of francs (£8,280,000,) that is, to two-thirds of the whole. The net profit to the Metropolitan Bank from the branch banks, was 2,000,000 of francs (£80,000,) half as much as the former netted. Such a result plainly proves that the Bank of France did right in establishing branches, and that the service which it thus rendered to commerce redounded to its own benefit. An important and useful lesson which, it is to be hoped, will not be lost! The bank possesses ample means to multiply branches, having at its command an immense quantity of metallic currency. The amount on hand was greater in 1844 than at any former period. Its reserve fund in specie that year averaged 256,000,000 of francs (£10,240,000,) and its maximum was 279,000,000 of francs (£11,160,000.) So large a sum is evidently considerably more than adequate to the maintenance of a circulation of 249,000,000 of francs of paper money. Its available stock, exclusive of the specie entrusted to its care by the state and by individuals, affords a sufficient security for the establishment of a greater number of branches. The consideration of a national exigency should be paramount to all others, with an insti-

* There are 9 departmental banks; they are those of Bordeaux, Rouen, Nantes, Lyons, Marseilles, Havre, Lille, Toulouse, and Orleans; their circulation amounts to 74,000,000 of francs (£2,960,000.)

tion so highly favored as to receive a yearly deposit of from 100 to 160,000,000 of francs (four to six millions sterling) of the public money without paying any interest for its use.

It has been argued, that the decrease in the banking transactions just referred to, being partly attributable to an enhancement of the rate of discount, (now four per cent.,) which compels commercial men to apply elsewhere for accommodation, the Bank of France should follow the example of the Bank of Lyons, and reduce its rate of discount from four to three per cent. This suggestion, which appears to us to have been offered on good grounds, has been opposed by a censor of the bank; and, as the advocates of the *status quo* have a majority *intra muros*, the higher rate has been continued.

One of the disadvantages under which the Bank of France labors, is the very limited circulation of its notes, which in Paris is only 249,000,000 of francs, (£9,480,000.) That of the branch banks is incomparably less in proportion. Altogether it amounts only to 6,500,000 of francs, (£230,000.) This is most unaccountable in a country where the amount of specie is 3,000,000,000 of francs, (£120,000,000.) The departmental banks circulate 74,000,000 of francs, (£2,960,000,) that is, twelve times as much as the branch banks, although their discounts exceed those of the latter only in the proportion of 594 to 322, or of five to three. The circulation of the Bordeaux Bank alone, is three times as much as that of all the branch banks put together.

A bank which, having 256,000,000 of francs, (£10,240,000,) in specie in its coffers, circulates notes to the amount of only 249,000,000 of francs, (£8,460,000,) deserves not to be considered as the Bank of France, but merely as the local bank of Paris; for it scarcely adds any thing to that circulating capital of the country used as an instrument of exchange. As banks are chiefly useful in proportion as they dispense with the necessity of keeping a considerable part of the wealth of a country in specie, a form under which capital is inefficient in increasing the production of labor, in this respect, France is the country which may, with the most confident expectation, look forward to the adoption of a banking system based on right principles; for she possesses the greatest quantity of specie in proportion to her commercial transactions. She has, indeed, an extraordinary superabundance of it. To say that it amounts to 1,000,000,000 of francs, (£25,000,000,) is to speak within compass. If the Bank of France were to issue 100 franc notes, and, in the principal localities at least, these notes were accepted in payment of taxes, in the same manner as in the United Kingdom, where notes are made legal tender, an important step would be taken in the right direction, by which neither credit would suffer nor the interests of the treasury be compromised.

Besides the commercial interests, there are others which, in France, require improved banking accommodation. Tillage is her chief dependence. The agricultural interest should therefore stand highest; and its advancement ought to be one of the chief cares of her rulers.

Jacques Laffitte, the great financier, who was no less distinguished for his affability, benevolence and generosity, than for the immense wealth which he possessed, and whose death is a just cause of regret, never ceased to keep in view the agricultural interest, and endeavored to make that useful class of the community partakers of the benefits of the credit system, to which he had given a mighty impulse. To him was the French public indebted for the establishment, at a critical period, of a bank* with which, among other historical recollections, his name is honorably associated.

* Caisse de Commune et de l'industrie agricole et manufacturiere, fondee en 1827.

There were, even so late as 1834, only three departmental banks, independent of the Bank of France, privileged to issue notes payable to the bearer. The oldest and least considerable was that of Nantes, founded in 1818, the capital stock of which is only 1,500,000 francs, (£60,000.) That of Rouen was established in 1819, though its capital stock is no more than 3,000,000 francs, (£120,000,) it is eminently serviceable to the manufacturing population in the vicinity of Rouen. The original shares of 1,000 francs, are now worth about 2,000 francs. A bank was also established at Bordeaux in 1820, notwithstanding great opposition from some rival bankers; the capital stock of the establishment is from five to six millions of francs, (£200,000 to £240,000,) and its issue eleven millions, (£440,000.)

Those were the only financial establishments in France, existing independently of the metropolitan bank, until the establishment of Laffitte's. To the very small number of such institutions in that country may be attributed the backward state of agriculture, the depressed condition of the majority, and the consequent prevalence of a system of usury of her landed proprietors, which eats up their substance. It is a melancholy fact, that in a country so highly favored by nature, there is a scarcity of bread, meat, clothing, and even horses to remount the cavalry! The agricultural interest wants capital, and it cannot borrow without paying an enormous rate of interest, which drains its resources. We could mention villages in Normandy, where money is lent at an interest of ten or twelve per cent. per annum, or one per cent. per month! yet agriculture alone supports the country, and can alone ensure its welfare. How has Scotland, which deserves to be mentioned first on account of her great political economists and excellent banking establishments, managed to convert the channels of her torrents into fruitful pastures? How does the population of North America daily extend its conquest over steppes and prairies? How has Holland contrived to change its morasses into an inhabitable, salubrious, and fertile soil? By industry, is the answer. But industry cannot subsist without help. It must be put in the way of becoming productive, and have a capital at its command; which advantages are only attainable through banks and free trade. These are the auspicious harbingers of abundance, strength and greatness.

Northern Europe has likewise set a good example. Excellent institutions founded in Eastern Prussia, have improved the condition of the rural provinces of that country beyond the most sanguine expectation; and in the kingdom of Poland, before it became a Russian province, government had established an agricultural bank, which was attended with most beneficial effects.

Printed documents prove that the Bank of France has, since its origin, paid, *communibus annis*, a dividend of eight and a fraction per cent. The stockholders have increased their capital fivefold, and received, without intermission, a half yearly income of four per cent.; and if any of them wished to sell out at the present moment, they would get 3,400 francs for what originally stood them in 1,000; that is to say, they would realise six times their original stock. With such a fact staring us in the face, have not the French people a right to demand that the bank should, in return for the very valuable privileges conferred upon it in a spirit of extreme liberality, give the departments a share of the advantages which hitherto Paris alone has enjoyed? The public claims the fulfilment of the 10th article of the law of 1808, which requires that the metropolitan bank should open branches in the departments, and the complete execution of the legislature's plan, whose intention was to connect the principal towns of France, in such a manner, that money, the precious instrument of exchange, should circulate

from one place to another, and such parts as were deficient in specie receive it from those where it was superabundant.

Our observations are particularly aimed against the system of centralization, which in France has been carried to an excess, as its obvious tendency is to paralyse trade. In consequence of this system, provincial dealers experience the utmost difficulty in giving in exchange for merchandise the only circulating medium that is at present not liable to depreciation; that is to say, bills on Paris. For instance, if goods are sent from Brest, Toulon, or Quimper, as it is expected they will be paid for in local paper, sellers enhance their prices. If, on the other hand, buyers agree to give Paris paper, sellers are obliged to reduce their profits and sell dearer; for in those towns Paris paper bears a premium of one per cent. Why? Because they are constantly receiving specie, and have no credits in Paris. Therefore it is quite fair to require that the Bank of France, as it is called, should become in reality what its name implies, and not continue merely a Parisian bank.

In its present state of organization it has reached its maximum. It is indeed in a state of plethora. Its capital stock is only 67,000,000 of francs, (£2,640,000;) but it need not be increased, for the paper investments are limited. Its issue is 212,000,000 of francs, (£8,450,000,) and the directors are aware that, under present circumstances, to issue more would be unavailing, and that there has been a run whenever the issue has exceeded an amount varying from 200,000,000 to 220,000,000 of francs, (£8,000,000 to £8,800,000.)

The Bank of France acts after the fashion of a purse proud capitalist. It always, or almost always, receives, but never pays away negotiable bills to be discounted. When it holds any, it keeps them till they become due. If it would part with them, and allow three and even two per cent. discount, (the usual rate at Nantes, Lyons and Marseilles,) a premium would accrue upon them. The bank would not thereby incur any greater risk of a run; for any negotiable bill having been accepted by the bank would, from that circumstance alone, be considered safe, and become current without any further signature. By acting in this manner, the bank would do no more than what is done by the royal treasury. By following such an example, it would not derogate from its dignity. Let it try the course we suggest at Paris and in the departments, and we shall see what an impulse will be given to commercial dealings.

We might suggest other measures by which the bank would materially extend its business, without violating any pledge or incurring new responsibilities. Why not, as we said before, make bank notes a legal tender for the payment of taxes? That which circumstances did not allow in 1806, may be feasible in 1845. Might not bank notes under 500 francs, say of 250, 200 and 100 francs, be brought into circulation by way of supplying the deficiency of gold? Why restrict to the capitalists and bankers of the capital the important benefits to be derived from such an institution? Why should not the bank pay annuities and dividends on public stock in the provinces, and the current expenditure for the navy, harbors and arsenals? Thus would the transporting of specie, which is so very inconvenient to the agricultural and manufacturing classes, the high rate of insurance on metals consigned by public conveyance, and the expense of negotiation, be economized.

The Bank of France has been in existence forty-five years. During that long period, what use has it made of its valuable privileges? What has been the practical result of its policy? What inference may be drawn from its past to its future course? These are subjects for consideration which we may, perhaps, discuss in a future article.

PRINCIPLES OF EXCHANGE.

By J. R. McCULLOCH, Esq., author of the "Dictionary of Commerce and Commercial Navigation."

1. *Par of Exchange.*—The *par* of the currency of any two countries means, among merchants, the equivalency of a certain amount of the currency of the one in the currency of the other, *supposing the currencies of both to be of the precise weight and purity fixed by their respective mints.* Thus, according to the mint regulations of Great Britain and France, 1*l.* sterling is equal to 25 fr. 20 cent., which is said to be the *par* between London and Paris. And the exchange between the two countries is said to be at *par* when bills are negotiated on this footing; that is, for example, when a bill for 100*l.* drawn in London is worth 2,520 fr. in Paris, and conversely. When 1*l.* in London buys a bill on Paris for more than 25 fr. 20 cent., the exchange is said to be in favor of London and against Paris; and when, on the other hand, 1*l.* in London will not buy a bill on Paris for 25 fr. 20 cent., the exchange is against London and in favor of Paris.—(See Table of the *par* of exchange at the end of this article.)

II. *Circumstances which determine the course of Exchange.*—The exchange is affected, or made to diverge from *par*, by two classes of circumstances: *first*, by any discrepancy between the actual weight or fineness of the coins, or of the bullion for which the substitutes used in their place will exchange, and their weight or fineness as fixed by the mint regulations; and *secondly*, by any sudden increase or diminution of the bills drawn in one country upon another.

1. It is but seldom that the coins of any country correspond exactly with their mint standard; and when they diverge from it, an allowance corresponding to the difference between the actual value of the coins, and their mint value, must be made in determining the *real par*. Thus, if, while the coins of Great Britain corresponded with the mint standard in weight and purity, those of France were either 10 per cent. worse or debased below the standard of her mint, the exchange, it is obvious, would be at *real par* when it was *nominally* 10 per cent. against Paris, or when a bill payable in London for 100*l.* was worth in Paris 2,772 fr. instead of 2,520 fr. In estimating the *real course* of exchange between any two or more places, it is always necessary to attend carefully to this circumstance; that is, to examine whether their currencies be all of the standard weight and purity, and if not, how much they differ from it. When the coins circulating in a country are either so worn or rubbed as to have sunk considerably below their mint standard, or when paper money is depreciated from excess or want of credit, the exchange is at *real par* only when it is against such country to the extent to which its coins are worn or its paper depreciated. When this circumstance is taken into account, it will be found that the exchange during the latter years of the war, though apparently very much against this country, was really in our favor. The depression was nominal only; being occasioned by the great depreciation of the paper currency in which bills were paid.

2. Variations in the actual course of exchange, or in the price of bills arising from circumstances affecting the currency of either of two countries trading together, are *nominal* only; such as are *real*, grow out of circumstances affecting their trade.

When two countries trade together, and each buys of the other commodities of precisely the same value, their debts and credits will be equal, and, of course, the *real exchange* will be at *par*. The *bills* drawn by the one will

be exactly equivalent to those drawn by the other, and their respective claims will be adjusted without requiring the transfer of bullion or any other valuable produce. But it very rarely happens that the debts reciprocally due by any two countries are equal. There is almost always a balance owing on the one side or the other; and this balance must affect the exchange. If the debts due by London to Paris exceeded those due by Paris to London, the competition in the London market for bills on Paris would, because of the comparatively great amount of payments our merchants had to make in Paris, be greater than the competition in Paris for bills on London; and, consequently, the real exchange would be in favor of Paris and against London.

The cost of conveying bullion from one country to another forms the limit within which the rise and fall of the *real* exchange between them must be confined. If one per cent. sufficed to cover the expense and risk attending the transmission of money from London to Paris, it would be indifferent to a London merchant whether he paid one per cent. premium for a bill of exchange on Paris, or remitted money direct to that city. If the premium were less than one per cent., it would clearly be his interest to make his payments by bills in preference to remittances: and that it could not exceed one per cent. is obvious; for every one would prefer remitting money, to buying a bill at a greater premium than sufficed to cover the expense of a money remittance. If, owing to the breaking out of hostilities between the two countries, or to any other cause, the cost of remitting money from London to Paris were increased, the fluctuations of the *real* exchange between them *might* also be increased. For the limits within which such fluctuations *may* range, correspond in all cases with the cost of making remittances in cash.

Fluctuations in the *nominal* exchange, that is, in the value of the currencies of countries trading together, have no effect on foreign trade. When the currency is depreciated, the premium which the exporter of commodities derives from the sale of the bill drawn on his correspondent abroad, is only equivalent to the increase in the price of the goods exported, occasioned by this depreciation. But when the premium on a foreign bill is a consequence, not of a fall in the value of money, but of a deficiency in the supply of bills, there is no rise of prices; and in these circumstances the unfavorable exchange operates as a stimulus to exportation. As soon as the *real* exchange diverges from *par*, the mere inspection of a price current is no longer sufficient to regulate the operations of the merchant. If it be unfavorable, the premium which the exporter will receive on the sale of his bill must be included in the estimate of the profit he is likely to derive from the transaction. The greater that premium, the less will be the difference of prices necessary to induce him to export. And hence an unfavorable *real* exchange has an effect exactly the same with what would be produced by granting a bounty on exportation equal to the premium on foreign bills.

But for the same reason that an unfavorable *real* exchange increases exportation, it proportionally diminishes importation. When the exchange is really unfavorable, the price of commodities imported from abroad must be so much lower than their price at home, as not merely to afford, exclusive of expenses, the ordinary profit of stock on their sale, but also to compensate for the premium which the importer must pay for a foreign bill, if he remit one to his correspondent, or for the discount, added to the invoice price, if his correspondent draw upon him. A less quantity of foreign goods will, therefore, suit our market when the *real* exchange is unfavorable; and fewer payments having to be made abroad, the competition for foreign bills will be diminished, and the *real* exchange rendered proportionally favorable. In the same way, it is easy to see that a favorable *real* exchange must operate as a *duty* on exportation, and as a *bounty* on importation.

It is thus that fluctuations in the *real* exchange have a necessary tendency to correct themselves. They can never, for any considerable period, exceed the expense of transmitting bullion from the debtor to the creditor country. But the exchange cannot continue either permanently favorable or unfavorable to this extent. When favorable, it corrects itself by restricting exportation and facilitating importation; and when unfavorable, it produces the same effect by giving an unusual stimulus to exportation, and by throwing obstacles in the way of importation. The true *PAR* forms the centre of these oscillations; and although the thousand circumstances which are daily and hourly affecting the state of debt and credit, prevent the ordinary course of exchange from being almost ever precisely at *par*, its fluctuations, whether on the one side or the other, are confined within certain limits, and have a constant tendency to disappear.

This natural tendency which the exchange has to correct itself, is powerfully assisted by the operations of the bill-merchants.

England, for example, might owe a large excess of debt to Amsterdam, yet, as the aggregate amount of the debts *due* by a commercial country is generally balanced by the amount of those which it has to receive, the deficiency of bills on Amsterdam in London would most probably be compensated by a proportional redundancy of those on some other place. Now, it is the business of the merchants who deal in bills in the same way as of those who deal in bullion or any other commodity, to buy them where they are cheapest, and to sell them where they are dearest. They would, therefore, buy up the bills drawn by other countries on Amsterdam, and dispose of them in London; and by so doing, would prevent any great fall in the price of bills on Amsterdam in those countries in which the supply exceeded the demand, and any great rise in Great Britain and those countries in which the supply happened to be deficient. In the trade between Italy and this country, the bills drawn on Great Britain amount almost invariably to a greater sum than those drawn on Italy. The bill-merchants, however, by buying up the excess of the Italian bills on London, and selling them in Holland, and other countries indebted to England, prevent the *real* exchange from ever becoming very much depressed.

It is of great importance to bankers and others taking bills and notes, that they should have some knowledge of the parties from whom they receive them; otherwise, if the instrument turn out to have been lost or fraudulently obtained, they may, without equivalent, be deprived of their security, on an action by the owner to recover possession. Lord Tenderden decided, "if a person take a bill, note, or any other kind of security, under circumstances which ought to excite suspicion in the mind of any reasonable man acquainted with the ordinary affairs of life, and which ought to put him on his guard to make the necessary inquiries, and he do not, then he loses the right of maintaining possession of the instrument against the rightful owner."

III. *Negotiation of Bills of Exchange.*—Bills of exchange are either made payable at *sight*, at a certain specified time *after sight* or *after date*, or at *usance*, which is the usual term allowed by the custom or law of the place where the bill is payable. Generally, however, a few days are allowed for payment beyond the term when the bill becomes due, which are denominated *days of grace*, and which vary in different countries. In Great Britain and Ireland, *three days' grace* are allowed for all bills except those payable at *sight*, which must be paid as soon as presented. The following is a statement of the *usance* and days of *grace* for bills drawn upon some of the principal commercial cities:—

[*m d. m s. d d. d s. d a.* respectively denote *months after date, months after sight, days after date, days after sight, days after acceptance.*]

London on	Usance.	Days of Grace.	London on	Usance.	Days of Grace.
Amsterdam,	1 m d.	6	Gibraltar,	2 m s.	14
Rotterdam,	1 m d.	6	Leghorn,	3 m d.	0
Antwerp,	1 m d.	6	Leipsic,	14 d a.	0
Hamburgh,	1 m d.	12	Genoa,	3 m d.	30
Altona,	1 m d.	12	Venice,	3 m d.	6
Dantzic,	14 d a.	10	Vienna,	14 d a.	3
Paris,	30 d d.	10	Malta,	30 d d.	13
Bordeaux,	30 d d.	10	Naples,	3 m d.	3
Bremen,	1 m d.	8	Palermo,	3 m d.	0
Barcelona,	60 d d.	14	Lisbon,	30 d s.	6
Geneva,	30 d d.	5	Oporto,	30 d s.	6
Madrid,	2 m s.	14	Rio Janeiro,	30 d d.	6
Cadiz,	60 d d.	6	Dublin,	21 d s.	3
Bilboa,	2 m d.	14	Cork,	21 d s.	3

In the dating of bills, the new style is now used in every country in Europe, with the exception of Russia.

In London, bills of exchange are bought and sold by brokers, who go round to the principal merchants and discover whether they are buyers or sellers of bills. A few of the brokers of most influence, after ascertaining the state of the relative supply and demand for bills, suggest a price at which the greater part of the transactions of the day are settled, with such deviations as particular bills, from their being in very high or low credit, may be subject to. The price fixed by the brokers is that which is published in Wettenhall's List; but the first houses generally negotiate their bills on $\frac{1}{2}$, $1\frac{1}{2}$, and $2\frac{1}{2}$ per cent. better terms than those quoted. In London and other great commercial cities, a class of middlemen speculate largely on the rise and fall of the exchange; buying bills when they expect a rise, and selling them when a fall is anticipated.

No one acquainted with the fundamental rules of arithmetic can have any difficulty whatever in estimating how much a sum of money in one country is worth in another, according to the state of the exchange at the time. The common arithmetical books abound in examples of such computations. But in conducting the business of exchange, a direct remittance is not always preferred. When a merchant in London, for example, means to discharge a debt due by him in Paris, it is his business to ascertain not only the state of the direct exchange between London and Paris, and, consequently, the sum which he must pay in London for a bill on Paris equivalent to his debt, but also the state of the exchange between London and Hamburgh, Hamburgh and Paris, &c.; for it frequently happens that it may be more advantageous for him to buy a bill on Hamburgh, Amsterdam, or Lisbon, and to direct his agent to invest the proceeds in a bill on Paris, rather than remit directly to the latter. This is termed the *ARBITRATION* of exchange. An example or two will suffice to show the principle on which it is conducted.

Thus, if the exchange between London and Amsterdam be 35s. Flemish (old coinage) per pound sterling, and between Paris and Amsterdam 1s. 6d. Flemish per franc, then, in order to ascertain whether a direct or indirect remittance to Paris would be most advantageous, we must calculate what would be the value of the franc in English money if the remittance were made through Holland; for if it be less than that resulting from the direct exchange, it will obviously be the preferable mode of remitting. This is determined by stating, as 35s. Flem. (the Amsterdam currency in a pound

sterling): 1s. 6d. Flem. (Amsterdam currency in a franc) : : 1l. 10d. the proportional, or *arbitrated* value of the franc. Hence, if the English money or bill of exchange, to pay a debt in Paris, were remitted by Amsterdam, it would require 10d. to discharge a debt of a franc, or 1l. to discharge a debt of 24 francs: and, therefore, if the exchange between London and Paris were at 24, it would be indifferent to the English merchant whether he remitted directly to Paris, or indirectly *via* Amsterdam; but if the exchange between London and Paris were *above* 24, then a direct remittance would be preferable; while, if, on the other hand, the direct exchange were less than 24, the indirect remittance ought as plainly to be preferred.

“Suppose,” to borrow an example from Dr. Kelly (*Universal Cambist*, vol. ii. p. 137,) “the exchange of London and Lisbon to be at 68d. per milree, and that of Lisbon on Madrid 500 rees per dollar, the arbitrated price between London and Madrid is 34d. sterling per dollar; for as 1,000 rees: 68d.: : 500 rees: 34d. But if the direct exchange of London on Madrid be 35d. sterling per dollar, then London, by remitting directly to Madrid, must pay 35d. for every dollar; whereas, by remitting through Lisbon, he will pay only 34d.; it is, therefore, the interest of London to remit indirectly to Madrid through Lisbon. On the other hand, if London draws directly on Madrid, he will receive 35d. sterling per dollar; whereas, by drawing indirectly through Lisbon, he would receive only 34d.; it is, therefore, the interest of London to draw directly on Madrid. Hence the following rules:

“1. Where the certain price is given, draw through the place which produces the lowest arbitrated price, and remit through that which produces the highest.

“2. Where the uncertain price is given, draw through that place which produces the highest arbitrated price, and remit through that which produces the lowest.”

In compound arbitration, or when more than 3 places are concerned, then in order to find how much a remittance passing through them all will amount to in the last place, or, which is the same thing, to find the arbitrated price between the first and the last, we have only to repeat the different statements in the same manner as in the foregoing example.

The following account of the manner in which a very large transaction was actually conducted by indirect remittances, will sufficiently illustrate the principles we have been endeavoring to explain.

In 1804, Spain was bound to pay to France a large subsidy; and, in order to do this, three distinct methods presented themselves:—

1. To send dollars to Paris by land.
2. To remit bills of exchange directly to Paris.
3. To authorise Paris to draw directly on Spain.

The first of these methods was tried, but it was found too slow and expensive; and the second and third plans were considered likely to turn the exchange against Spain. The following method by the indirect, or circular exchange, was therefore, adopted.

A merchant, or *banquier*, at Paris, was appointed to manage the operation, which he thus conducted:—He chose London, Amsterdam, Hamburgh, Cadiz, Madrid, and Paris, as the principal hinges on which the operation was to turn; and he engaged correspondents in each of these cities to support the circulation. Madrid and Cadiz were the places in Spain from whence remittances were to be made; and dollars were, of course, to be sent to where they bore the highest price, for which bills were to be procured on Paris, or on any other places that might be deemed more advantageous.

The principle being thus established, it only remained to regulate the extent of the operation, so as not to issue too much paper on Spain, and to give the circulation as much support as possible from real business. With this view, London was chosen as a place to which the operation might be chiefly directed, as the price of dollars was then high in England; a circumstance which rendered the proportional exchange advantageous to Spain.

The business was commenced at Paris, where the negotiation of drafts issued on Hamburg and Amsterdam served to answer the immediate demands of the state; and orders were transmitted to these places to draw for the reimbursements on London, Madrid, or Cadiz, according as the course of exchange was most favorable. The proceedings were all conducted with judgment, and attended with complete success. At the commencement of the operation, the course of exchange at Cadiz on London was 36*d.*; but, by the plan adopted, Spain got 39*d.*, or above 8 per cent. by the remittance of dollars to London, and considerable advantages were also gained by the circulation of bills through the several places on the Continent.—(*Kelly's Cambist*, vol. ii. p. 168.; *Dubost's Elements of Commerce*, 2d ed. p. 218.)

LAW OF BILLS OF EXCHANGE.

The chief legal privileges appertaining to bills are, first, that though only a simple contract, yet they are always presumed to have been originally given for a good and valuable consideration; and, secondly they are assignable to a third person not named in the bill or party to the contract, so as to vest in the assignee a right of action, in his own name; which right of action, no release by the drawer to the acceptor, nor set-off or cross demand due from the former to the latter, can affect.

All persons, whether merchants or not, being legally qualified to contract, may be parties to a bill. But no action can be supported against a person incapable of binding himself, on a bill drawn, endorsed, or accepted by such incapacitated person; at the same time the bill is good against all other competent parties thereto.

Bills may be drawn, accepted, or endorsed by the party's agent or attorney verbally authorised for the purpose. When a person has such authority, he must either write the name of his principal, or state in writing that he draws, &c. as agent: thus, "per procuracy, for A. B."

Where one of several partners accepts a bill drawn on the firm, for himself and partners, or in his own name only, such acceptance binds the partnership if it concern the trade. But the acceptance of one of several partners on behalf of himself and partners, will not bind the others, if it concern the acceptor only in a separate and distinct interest; and the holder of the bill, at the time he becomes so, was aware of that circumstance. If, however, he be a *bona fide* holder for a sufficient consideration, and had no such knowledge at the time he first became possessed of the bill, no subsequently acquired knowledge of the misconduct of the partner in giving such security will prevent him from recovering on such bills against all the partners.

Although no precise form of words is required to constitute a bill of exchange or promissory note, yet it is necessary that it should be payable at all events, and not depend on any contingency; and that it be made for the payment of money only, and not for payment of money and performance of some other act, as the delivery of a horse, or the like.

If, however, the event on which the payment is to depend must inevitably happen, it is of no importance how long the payment may be in sus-

pense ; so a bill is negotiable and valid if drawn payable 6 weeks after the death of the drawer's father, or payable to an infant when he shall become of age.

Any material alteration of a bill after it has been drawn, accepted, or endorsed, such as the date, sum, or time of payment, will invalidate it : but the mere correction of a mistake, as by inserting the words "or order," will have no such effect.

The negotiability of a bill depends on the insertion of sufficient operative words of transfer ; such as by making it payable to A. or order, or to A. or bearer, or to bearer generally.

Although a bill is presumed to have been originally drawn upon a good and valuable consideration, yet in certain cases a want of sufficient consideration may be insisted on in defence to an action on a bill. Certain considerations have been made illegal by statute ; as for signing a bankrupt's certificate, for money won at gaming, or for money lent on a usurious contract. But with respect to gaming, it is held, that a bill founded on a gambling transaction is good in the hands of a *bona fide* holder ; and by 58 Geo. 3. c. 93. a bill or note in the hands of an innocent holder, although originally founded on a usurious contract, is not invalid.

In general, if a bill is fair and legal in its origin, a subsequent illegal contract or consideration on the endorsement thereof will not invalidate it in the hands of a *bona fide* holder.

A bill cannot be given in evidence in a court of justice, unless it be duly stamped, not only with a stamp of the proper value, but also of the proper denomination.

Acceptance of a Bill.—An acceptance is an engagement to pay a bill according to the tenor of the acceptance, which may be either *absolute* or *qualified*. An *absolute* acceptance is an engagement to pay a bill according to its request, which is done by the drawee writing "Accepted" on the bill, and subscribing his name, or writing "Accepted" only ; or merely subscribing his name at the bottom or across the bill. A *qualified* acceptance is when a bill is accepted conditionally ; as when goods conveyed to the drawee are sold, or when a navy bill is paid, or other future event which does not bind the acceptor till the contingency has happened.

An acceptance may be also partial ; as to pay 100*l.*, instead of 150*l.*, or to pay at a different time or place from that required by the bill. But in all cases of a conditional or partial acceptance, the holder should, if he mean to resort to the other parties to the bill in default of payment, give notice to them of such partial or conditional acceptance.

In all cases of presenting a bill for acceptance, it is necessary to present the bill at the house where the drawee lives, or where it is made payable. By 1 and 2 Geo. 4. c. 78., all bills accepted payable at a banker's or other place are to be deemed a general acceptance ; but if they are accepted payable at a banker's "only, and not otherwise or elsewhere," it is a qualified acceptance, and the acceptor is not liable to pay the bill, except in default of payment when such payment shall have been first demanded at the banker's. The drawee is entitled to keep the bill 24 hours when presented for acceptance. The acceptance of an inland bill must be *in writing on the face of the bill*, or, if there be more parts than one, on one of such parts ; nothing short of this constitutes a valid acceptance.

If a bill is made payable a certain time *after sight*, it must, in order to fix the time when it is to be paid, be presented for acceptance, and the date of the acceptance should appear thus : "Accepted, July 1st, 1831."

Due diligence is the only thing to be considered in presenting any description of bill for acceptance ; and such diligence is a question depending

on the situation of the parties, the distance at which they live, and the facility of communication between them.

When the drawee refuses to accept, any third party, after protesting, may accept for the honor of the bill generally, or for the drawee, or for the endorser; in which case the acceptance is called an acceptance *supra protest*.

The drawers and endorsers are discharged from liability, unless due notice of non-acceptance when presented for acceptance, or non-payment at the time the bill becomes due, is given. These notices must be given with all due diligence to all the parties to whom the holder means to resort for payment. Generally, in both foreign and inland bills, notice is given next day to the immediate endorser, and such endorser, is allowed a day, when he should give fresh notice to the parties who are liable to him.

Notice may be sent by the post, however near the residence of the parties may be to each other; and though the letter containing such notice should miscarry, yet it will be sufficient; but the letter containing the notice should be delivered at the general post-office, or at a receiving house appointed by that office, not to the bellman in the street. In all cases of notice, notice to one of several parties is held to be notice to all; and if one of several drawers be also the acceptor, it is not necessary to give notice to the other drawers.

Upon the non-acceptance or non-payment of a bill, the holder, or a public notary for him, should protest it; that is, draw up a notice of the refusal to accept or pay the bill, and the declaration of the holder against sustaining loss thereby. Inland bills need not be protested; in practice they are usually only noted for non-acceptance; but this, without the protest, is wholly futile, and adds nothing whatever to the evidence of the holder, while it entails a useless expense on those liable to pay.

Endorsement of Bills.—An endorsement is the act by which the holder of a negotiable instrument transfers his right to another person, termed the endorsee. It is usually made on the back of a bill, and must be in writing; but the law has not prescribed any set form of words as necessary to the ceremony, and in general the mere signature of the endorser is sufficient.

All bills payable to order or to bearer for £1. and upwards, are negotiable by endorsement; and the transfer of them for a good consideration, before they are payable, gives a right of action against all the precedent parties on the bill, if the bills in themselves are valid; but a transfer after they are due will only place the holder in the situation of the person from whom he takes them.

Bills may be transferred either by delivery only, or by endorsement and delivery: bills payable to order are transferred by the latter mode only; but bills payable to bearer may be transferred by either mode. On a transfer by delivery, the person making it ceases to be a party to the bill; but on a transfer by endorsement, he is to all intents and purposes chargeable as a new drawer.

A bill originally transferable may be restrained by restrictive words; for the payee or endorsee, having the absolute property in the bill, may, by express words, restrict its currency, by endorsing it "Payable to A. B. only," or "to A. B. for his use," or any other words clearly demonstrating his intention to make a restrictive and limited endorsement. Such special endorsement precludes the person in whose favor it is made from making a transfer, so as to give a right of action against the special endorser, or any of the precedent parties to the bill.

In taking bills to account or discount, it is important well to examine all special endorsements. Lord Tenderden decided that a person who discounts a bill endorsed "Pay to A. B. or order for my use," discounts it subject to the

risk of having to pay the money to the special endorser, who so limited the application for my use; thus a party may be liable to pay the amount of the bill twice over, unless he previously ascertains that the payment has been made conformably to the import of the endorsement.

After the payment of part, a bill may be endorsed over for the residue.

If a bill fall due on Sunday, Good Friday, Christmas day, or any public fast or thanksgiving day, the presentment must be on the day preceding these holidays. By 7 & 8 Geo. 4, c. 15, if a bill or note be payable on the day preceding these holidays, notice of the dishonor may be given the day following the holiday; and if Christmas day fall on Monday, notice may be given on Tuesday.

On bills payable on demand, or when no time of payment is expressed, no days of grace are allowed; but they are payable instantly on presentment. On bank post bills no days of grace are claimed; but on a bill payable at sight the usual days of grace are allowed from the sight or demand.

Value of Foreign Coins.—Sir Isaac Newton, when master of the London mint, caused the principal coins in Europe to be assayed, and their values ascertained. His tables were published in 1719, by order of the privy council, and were for a long period taken as a guide by the exchange and bullion merchants. But since their publication, so many changes have taken place, that further assays became necessary: and of those which have been made, the tables of Dr. Kelly, published in his “Universal Cambist,” are perhaps the most accurate and valuable. They have been transferred into the last edition of the “Encyclopædia Britannica,” and M’Culloch’s “Dictionary of Commerce,” to which the reader may refer, if he desires to know the value of any particular foreign coin.

The following table of the par of exchange between London and the places mentioned, may be referred to. It is adopted from “Tate’s Cambist.” This table, we believe, comprises all the places with which exchange dealings are commonly transacted. The quotations are of two kinds: one where a variable amount of foreign money is given for a certain sum in English, namely £1 sterling: and the other, the reverse of this, where England gives an uncertain number of pence for a fixed coin of foreign money.

LONDON receives from:—

Amsterdam,	12 3	florens and stivers,	for £1 sterling.
Hamburgh,	13 12	mks. and schillings,	“
Paris,	25 50	francs and centimes,	“
Frankfort,	150½	batzen,	“
Vienna,	10 2	florens and Kreuz,	“
Genoa,	25 35	lire and centissimi,	“
Berlin,	6 25	dollars and silver gros.	“
Milan,	30 30	lire A. and cent.	“
Leghorn,	30 50	lire Tosc. and cent.	“

LONDON gives to:—

Lisbon,	53½	pence sterling,	for 1 milreis.
Madrid,	36½	“	1 dollar of plate.
Gibraltar,	48½	“	1 hard dollar.
Naples,	39½	“	1 ducat.
Palermo,	119½	“	1 onza.
Venice,	47	“	6 lire Austriache
St. Petersburg,	38½	“	1 silver rouble.
Rio Janeiro,	30	“	1 milreas,
New York,	47½	“	1 U. S. dollar.
Calcutta,	23	“	1 Comp. rupee.

The rates of Rotterdam and Antwerp are similar to the Amsterdam rates. That of Altona is similar to Hamburg, but by custom is usually quoted *à* Sch. Bco. more, or as it called worse. The Trieste rate is similar to the Vienna rate; and the Cadiz, Bilbao, Barcelona and Seville rates to that of Madrid.

The great fluctuations in the cost of exporting specie, and consequently in the rate of premium on bills, may be understood from the following particulars: Gold can be sent to Paris at the present time for about 30s. per cent. During a time of war this expense in considerably increased by the risk of having the bullion seized by the enemy. The advance in the rate of insurance to provide against this contingency, together with the charge for freight, taken together, then constitute the cost of transmission. It appears from the report of the bullion committee, that the expense of conveying gold from London to Hamburg, which prior to the war amounted to only two and a half per cent., had, in the latter part of 1809, increased to about seven per cent., showing that the limits within which fluctuations in the real exchange were confined in 1809 were about three times as great as those within which they were confined in 1793. And this increased cost of transmission during time of war is much greater between places far apart—the risk of loss being enhanced according to the time the gold will be *in transitu*—so that the exchange, for instance, on New York may be much higher than on Paris, because bills will bear higher premium without any other cause operating to produce this effect.—*Comp. to Eng. Almanac, 1846.*

BANK STATISTICS.

BOSTON BANKS.

According to the last Annual Report.

	Capital.	Circulation.	Deposits.	Specie.	Loans.	Profits.
Atlantic.....	500,000	\$238,227	366,801	62,013	943,593	22,254
Atlas.....	500,000	166,819	247,978	32,767	932,947	16,266
Boston.....	600,000	283,895	701,226	219,683	1,163,920	54,003
City.....	1,000,000	208,121	722,604	51,595	1,820,437	46,634
Columbian.....	500,000	134,416	468,794	161,520	844,855	16,896
Eagle.....	500,000	211,007	428,372	49,109	1,035,143	22,888
Freeman's.....	200,000	205,595	84,799	42,709	400,572	21,964
Globe.....	1,000,000	247,881	588,786	158,322	1,862,053	53,096
Granite.....	500,000	267,638	230,393	67,414	928,260	21,937
Hamilton.....	500,000	222,540	291,772	50,006	901,131	29,916
Market.....	560,000	227,696	347,748	34,627	1,074,468	111,480
Massachusetts.....	800,000	117,416	307,710	67,917	1,095,983	35,932
Mechanics.....	120,000	149,916	31,024	12,856	239,933	9,653
Merchants.....	3,000,000	818,440	2,346,586	1,000,892	5,503,889	223,716
New England.....	1,000,000	163,314	163,838	23,390	1,274,755	25,808
North.....	750,000	279,070	292,577	39,086	1,248,128	24,344
Shawmut.....	500,000	175,812	175,736	31,002	872,405	21,836
Shoe.....	500,000	246,916	171,271	35,856	988,584	65,400
State.....	1,800,000	405,076	754,268	57,100	2,814,132	73,807
Suffolk.....	1,000,000	318,027	161,417	389,990	1,753,555	288,667
Traders.....	400,000	214,431	171,808	36,431	738,583	20,391
Tremont.....	500,000	219,809	229,192	63,394	871,300	27,480
Union.....	800,000	197,551	229,227	56,440	1,026,688	30,242
Washington.....	500,000	201,335	208,226	28,506	918,166	16,577
Total,		\$5,921,248	9,722,153	2,773,625	30,945,479	1,201,126

Capital, dividend, and market value of stock, and aggregate resources or liabilities, according to the last annual report.

	Capital.	Dividend.		Stock sales.	Aggregate Resources or Liabilities.
		1845.	1846.		
Atlas Bank.....	\$500,000	6	6	100	\$1,031,498
Atlantic.....	500,000	6	6	100	1,164,408
Boston.....	600,000	7	7	116 a 118	1,743,147
* Boylston.....	150,000		5	98	.....
City.....	1,000,000	6	6	100	2,058,271
Columbian.....	500,000	5½	6	103	1,150,097
Eagle.....	500,000	6½	6½	101	1,261,283
Freeman's.....	200,000	7	8	105 a 107	1,212,359
Globe.....	1,000,000	6	6½	104 a 106	2,301,012
Granite.....	500,000	6	7	100	1,113,614
Hamilton.....	500,000	6	7	102 a 103	1,088,015
Market.....	560,000	8	9	107 a 108	1,260,965
Massachusetts.....	800,000	5 4-5	6	99 a 100	1,356,809
Mechanics.....	120,000	7	8	100	310,594
Merchants.....	3,000,000	7	7	103 a 105	7,023,635
New England.....	1,000,000	6	6	103	1,477,248
North.....	750,000	6	6	97 a 96	1,389,282
Shawmut.....	500,000	6	6½	95 a 96	1,023,014
Shoe and Leather Dealers....	500,000	6½	7½	105 a 106	1,273,192
State.....	1,800,000	6	6½	102 a 103	3,175,152
Suffolk.....	1,000,000	8	8	121	3,907,134
Traders.....	400,000	6	6	96 a 97	853,901
Tremont.....	500,000	6	6	100	1,073,914
Union.....	800,000	6	6	103 a 104	1,275,546
Washington.....	500,000	5½	6	98 a 99	926,139

25 banks \$18,180,000

\$39,750,114

Total dividends, October, 1845, \$561,500. April, 1846, \$593,000. October, 1846, \$603,000. *Commenced operations December, 1845.

Banks of Boston—October, 1846.

Banks.	Location.	President.	Cashier.
Atlantic,	8 Kilby street,	Pliny Cutler,	Benjamin Dodd.
Atlas,	63 State street,	Samuel C. Gray,	Joseph White.
Boylston,	Washington-st.,	Wm. Parker,	D. McB. Thaxter.
Boston,	48 State street,	Robert Hooper,	James C. Wild.
City,	61 State street,	C. W. Cartwright,	John Williams.
Columbian,	34 State street,	John G. Torrey,	William Coffin.
Eagle,	47 State street,	Titus Welles,	Waldo Flint.
Freeman's,	5 Sea street,	Solomon Piper,	Jeremy Drake.
Globe,	22 State street,	Ignatius Sargent,	Charles Sprague.
Granite,	70 State street,	George Denny,	Archibald Foster.
Hamilton,	66 State street,	Daniel Denny,	Otis Turner.
Market,	1 Exchange,	Josiah Stickney,	Jonathan Brown, Jr.
Massachusetts,	66 State street,	William Parsons,	James Dodd.
Merchants,	28 State street,	Franklin Haven,	Lowell M. Stone.
Mechanics,	South Boston,	David Nickerson,	Alvan Simonds.
New England,	67 State street,	Philip Maret,	Elijah P. Clark.
North,	2 Exchange,	James Harris,	John J. Loring.
Shawmut,	39 State street,	Benj. T. Reed,	Stephen G. Davis.
Shoe & L. Dealers',	65 State street,	Enoch Baldwin,	George W. Thayer.
State,	47 State street,	S. Frothingham,	Jonathan Call.
Suffolk,	65 State street,	Henry B. Stone,	Isaac C. Brewer.
Traders',	91 State street,	Isaac Parker,	Jeremiah Gore.
Tremont,	41 State street,	Andrew T. Hall,	James Dalton.
Union,	40 State street,	Samuel Fales,	Chester Adams.
Washington,	75 State street,	Aaron Baldwin,	Daniel A. Sigourney.

BANKS OF MASSACHUSETTS—OCTOBER, 1846.

No. of Banks.		Capital.	No. of Banks.		Capital.
Andover.....	1	250,000	Millbury.....	1	50,000
Attleborough.....	1	100,000	North Adams.....	1	100,000
Beverly.....	1	125,000	Northampton.....	1	200,000
Boston.....	25	18,180,000	Newburyport.....	3	510,000
Brighton.....	1	200,000	Nantucket.....	1	200,000
Charlestown.....	1	150,000	New Bedford.....	4	1,800,000
Cambridge.....	2	200,000	Oxford.....	1	100,000
Cabotville.....	1	150,000	Pawtucket.....	1	100,000
Canton.....	1	100,000	Pittsfield.....	1	150,000
Danvers.....	3	390,000	Plymouth.....	2	200,000
Dedham.....	1	150,000	Quincy.....	1	100,000
Dorchester.....	1	100,000	Roxbury.....	1	100,000
Fairhaven.....	1	200,000	Randolph.....	1	150,000
Falmouth.....	1	100,000	Salem.....	7	1,750,000
Fitchburg.....	1	100,000	Salisbury.....	1	100,000
Framingham.....	1	100,000	Southbridge.....	1	100,000
Fall River.....	1	400,000	Stockbridge.....	1	100,000
Gloucester.....	1	200,000	Springfield.....	3	600,000
Greenfield.....	1	150,000	Taunton.....	2	400,000
Georgetown.....	1	100,000	Uxbridge.....	1	100,000
Haverhill.....	2	340,000	Wareham.....	1	100,000
Hingham.....	1	105,000	Ware.....	1	150,000
Lancaster.....	1	100,000	Waltham.....	1	100,000
Leicester.....	1	100,000	Weymouth.....	1	100,000
Lee.....	1	100,000	Worcester.....	4	550,000
Lynn.....	1	50,000	Wrentham.....	1	150,000
Concord.....	1	100,000	Westfield.....	1	100,000
Lowell.....	2	800,000	Yarmouth.....	1	150,000
Marblehead.....	2	220,000			

105 \$31,120,000

THE BRITISH CABINET.

The functions of the First Lord of the Treasury ; the Lord Chancellor ; President of the Council ; Secretaries of State ; Chancellor of the Exchequer ; First Lord of the Admiralty ; President of the Board of Trade ; Lord Privy Seal ; Pay Master General ; and Postmaster General.

The "cabinet" is a collective phrase, used to distinguish the ministers of the highest political rank and importance from the general body of functionaries and heads of departments, who vacate office as a matter of course on every change of numbers or opinion in the house of commons—implying "confidence" or "want of confidence" in a ministry. The "cabinet" does not include more than a fourth part of those who are thus affected by the revolutions of politics, and the numbers of the division lists. Thus, it is possible to be a member of the government and not have a "seat in the cabinet ;" consequently, to gain that distinction is a natural object of ambition, and the inclusions in it, and the exclusions from it, give rise to a thousand negotiations and discussions ; to all those things, in fact, that constitute "ministerial embarrassments" and "difficulties," and render the construction of a cabinet an affair of as much delicacy and nice balancing of one poise against another

as building a house of cards, and often with about the same result with regard to stability and endurance. All the higher offices of the state, those that bear the chief responsibility for the conduct of the public affairs, necessarily give their holders a seat in the cabinet, which seldom consists of less than ten, or more than fifteen individuals. They are always of the privy council also; but here are at least ten times as many members of that right honorable body who are not in the cabinet. This is, in fact, a select body, in whom the whole of the royal authority for the time being is vested; the other ministers being considered as subordinates and the instruments for carrying into effect such measures as the cabinet may determine upon. These measures are broached, discussed, and arranged at meetings of the selected few, popularly known as "cabinet councils;" and when they are summoned with unusual frequency, it indicates there is more than ordinary difficulty and danger in the aspect of public affairs, or the critical position of the cabinet itself. The decisions are taken by votes, and a minister may find himself in the double difficulty of being in a minority in the cabinet and in the legislature at the same time; in such a case, his resignation is inevitable; or, having a majority in parliament, he may, in the same situation, "break up the cabinet," receive the royal command to form a new one, and select colleagues more compliant, or with views more consonant with his own. Or, lastly, certain topics may be left what are called "open questions," that is, when they come under discussion, each minister may vote according to his individual opinion upon them, without regard to his official position. But when any matter is made a "cabinet question," it is expected that the whole body will act together, and stand or fall by the public decision, whatever that may be. We need only add, that the deliberations of the cabinet are strictly secret, and its resolves are frequently unknown, even to the colleagues of this influential "council of ten," till they are put in execution. But, like many other secrets they generally ooze out in a mysterious manner, and become no secrets at all; a memorable instance of this occurred in December last, when the *Times* was able to announce to the world the coming repeal of the corn laws; a statement that was, for a time, refused belief, the credit of the journal hanging in the balance till doubt was converted into certainty. The "cabinet" therefore, it will be understood, is the "collective wisdom" of the ministry, as parliament is the "collective wisdom" of the nation.

FIRST LORD OF THE TREASURY,—LORD JOHN RUSSELL.

The duties once performed by the lord high treasurer have, in modern times, been divided among a board of five persons, styled lords commissioners for executing the office of high treasurer, in the same manner as the board of admiralty has superseded the ancient office of lord high admiral. The first lord of the treasury is always the prime minister, for the time being, or the "head of her majesty's government;" another is the chancellor of the exchequer; the other three are simply "lords of the treasury."

The office of lord high treasurer was held, as every person is aware, during the pleasure of the crown, and was conferred by letters patent; its duties consisted in the government of the court of exchequer, the custody of the king's treasure, the appointment of all employed in collecting the revenues of the crown, and the regulation of public revenues. All these powers are now delegated under letters patent to the commissioners, and the first lord is, for all practical purposes, the lord high treasurer; but his connection with the court of exchequer is now merely nominal.

Killing the lord high treasurer during the execution of his office is high treason.

THE LORD CHANCELLOR.—LORD COTTENHAM.

This distinguished functionary, whose authority is declared by statute (5 Eliz. cap. 18,) to be exactly the same as that of "lord keeper," holds his office during the pleasure of the crown, being created by the will of the sovereign, and not necessarily by patent or writ. The mere delivery of the king's great seal into his custody constitutes the lord keeper, but as lord chancellor he usually receives letters patent in addition. The origin of the name is, according to Sir Edward Coke, "a cancellando," on account of his power of cancelling the king's letters patent, when they are granted contrary to law. The office is very ancient, and said to be derived from the Roman empire, thence transferred to the Roman church, and thus arose a chancellor of a diocese.

The lord chancellor is, by prescription, speaker of the house of lords, and by virtue of his office, a member of the privy council. He appoints all justices of the peace, though usually upon the recommendation of the lords lieutenant of the several counties. He is patron of all livings in the gift of the crown rated below the value of twenty pounds a year. He is the visitor of all hospitals and colleges of royal foundation; the general guardian of all infants, idiots, and lunatics, and the highest judicial officer in the kingdom. When royal commissions are issued for opening the session, for giving the royal assent to bills, or for proroguing parliament, the lord chancellor is always one of the commissioners, and reads the royal speech upon the occasion. When the sovereign opens or closes the session in person, the lord chancellor stands on the right of the throne, and hands to the monarch the speech opening or terminating the annual labors of the legislature. In his person the lord chancellor enjoys considerable protection, for it is high treason for any one to put him to death, it being considered that, during the execution of his office, he is the immediate representative of the sovereign.

As the mere delivery of the great seal to the custody of this functionary is the mode of his appointment, so the resumption or resignation of that instrument constitutes the chancellor's dismissal or retirement.

The title of lord high chancellor is also given to the chancellor for Ireland.

PRESIDENT OF THE COUNCIL.—THE MARQUIS OF LANSDOWNE.

The president of the council is appointed by letters patent, under the great seal *durante bene placito*, and resigns his office with the political party to which he belongs. His duties include attendance on the king's person as an officer of state, and he manages all debates in the council, proposes matters at the sovereign's command, and reports the resolutions of the council which may be agreed to thereupon. From the reign of king John to that of Elizabeth he was styled *Principalis et Capitalis Consiliarius*, but in that queen's reign the office was suspended, and the lord keeper supplied his place. Charles I. revived the office on one occasion, but it subsequently remained vacant till the council was remodelled by Charles II., 1679, since which period it has been regularly occupied by a peer of considerable political importance.

SECRETARIES OF STATE.

The three chief secretaries of state are—EARL GREY, for the *colonies*; LORD PALMERSTON, for *foreign affairs*; and SIR GEORGE GREY, for the *home department*. The nature of their several duties will be suggested by the names of the offices over which they preside; but their rank, position, and powers, will require some little explanation.

Though in modern times it has been the practice to entrust the duties of

secretary of state to three individuals, yet this division of labor is only an arrangement to facilitate the despatch of public business, and the three secretaries are in theory but one; for their duties may be discharged by an individual, and their authority being co-ordinate, each is competent to execute any of the functions of the other two. To the secretary of state is delegated the authority of the crown throughout all our colonial possessions—governors, lieutenant-governors, and other public officers, being chosen at his immediate recommendation. To him is entrusted the appointment of all ambassadors, envoys, and other diplomatic ministers—the conduct of all negotiations and transactions with foreign powers—and the general superintendence and management of our relations with other countries. It likewise belongs to the secretary of state to fulfil the duties of a minister of police, to superintend the domestic and internal government of the country, to regulate the administration of justice, and in effect to exercise the prerogative of mercy. It is evident, then, that the office naturally divides itself into a triple arrangement, namely, the home department, foreign affairs, and the colonies. Each of these being now entrusted to different individuals, may be considered as a distinct branch of the executive government; for the only remaining trace of their original concentration under a single officer, consists in the fact, that no change of departments among the three is considered as a new acceptance of office under the crown, and it therefore does not unseat such secretaries of state as are members of the house of commons. Secretaries of state are always privy counsellors, members of the cabinet, and of parliament. It generally happens that there are two secretaries of state in the lower house, and one in the upper; this, however, is sometimes reversed; but there is no instance of the three secretaries being at once members of the same branch of the legislature.

The secretaries of state are appointed, as in ancient times, by the crown delivering to them certain seals of office; but in addition to this investiture, they have in modern times received also a patent under the great seal; formerly, however, no patent accompanied this delivery of the ensigns of office.

The secretary of state is, *ex officio*, a magistrate throughout every portion of the country; but the power of issuing general warrants in which the offenders are not specifically described, is an exercise of authority which no other magistrate is competent to perform, and which, even in the hands of the secretary of state, has given rise to considerable doubt. Lord chief justice Pratt, in giving judgment respecting the well-known John Wilkes, who was arrested under a general warrant, in 1763, said, "that he should consider a secretary of state's warrant throughout the whole affair as nothing superior to the warrant of a common justice of the peace."

The origin of the office of secretary of state, and the gradual alterations, which took place at different periods in his powers and authority, afford a striking exemplification of the manner in which the English constitution adapts itself to circumstances, without the frequent interference of legislative enactments, or the violence of sudden change.

Until about the end of Elizabeth's reign this officer was in no respect a member of the government, his duties being confined to the royal correspondence, and the communication of such of the sovereign's commands as were given in writing. The title of "principal secretary of state" arose from the existence of a secretary for the French language as well as one for the Latin language, both during and subsequent to the reign of Henry VIII. In 1539 the first important change took place, in the constitution of this office, for then the duties were divided between two persons bearing the same title, performing analogous functions, and entitled to a similar rank;

but for many years after the reign of Elizabeth there was but one principal secretary of state; and in the forty-third year of that monarch's reign the first instance occurred of this officer being styled "our principal secretary of estate." Soon after the union with Scotland the number was professedly increased to three, by the swearing in of James, duke of Queensberry, who, as well as his successors in office, were considered to be secretaries of state for Scottish affairs. This appointment was discontinued, however, in 1746; and from that time till 1768 there were but two secretaries. In the latter year, however, on the resignation of one of the existing secretaries, two were appointed in his place, of whom one was destined to take charge of our American possessions. But by statute 22 Geo. III., cap. 82, the office of colonial secretary was abolished, and there remained but two secretaries till 1794. From 1794, however, to the present day, there have never been less than three, viz. one for the home department, one for foreign affairs, and one for the colonies.

Until about the year 1782, it was the practice to describe the two departments, one as "northern," and the other "southern," but about that period these terms were discontinued, and the duties divided into "home" and "foreign;" the former of these performed the duties of colonial secretary till a separate officer was permanently appointed in 1794. The northern department used to include Germany, Denmark, Sweden, Poland, Russia, &c., while the southern included France, Switzerland, Italy, Spain, Portugal and Turkey. The designations at present in use of home and foreign require no explanation.

In 1794, the increase of business consequent upon the war, occasioned the appointment of the Right Honorable Henry Dundas, afterwards viscount Melville, as secretary of state for war; an office which must not be confounded with that of secretary *at* war. In the year 1801, the business occasioned by the colonies was transferred to the secretary of state for the war department, and the two offices have ever since remained consolidated, notwithstanding an attempt which was made in 1816 to have this third secretaryship abolished. Mr. Tierney's motion, in the house of commons, to this effect, was negatived on the ground that, although the war, for which the office was established, had ceased, yet the colonial branch of his business was sufficiently important and extensive to require the undivided attention of a distinct officer.

Each department includes an extensive establishment of under-secretaries and clerks. The business of the home department is conducted in Whitehall, while the colonial and foreign offices are in Downing street.

There are altogether six under secretaries of state, two for each department. One of these two is generally a member of parliament, and is appointed or resigns with the political party of which he is a member. The other secretary in each office is unaffected by ministerial changes, and in the absence of the principal secretary, he is the official representative, just as his political colleague is the parliamentary organ of the department to which he belongs.

The *secretary for Ireland* is subordinate to the secretary of state for the home department, for whom he may be said to act in all Irish business. That office is at present filled by MR. HENRY LABOUCHEZE, M. P. for Tamerton.

The *secretary at war* is the medium of communication between the army and the government of the day, just as the adjutant general is the channel of intercourse between the commander-in-chief and the military forces of the country. His department has an especial bearing upon the financial portion of the government of the army. He is bound to give

effect to the orders of the commander-in-chief, so long as they are consistent with the known resources of the service; but when they appear likely to occasion an excess of expenditure, he refers for further instructions to the treasury, by whose decisions he is bound to abide. His duty is to prepare the army estimates, and lay them before parliament; he is always, therefore, a member of the house of commons. He is occasionally, though not always, a member of the cabinet, but he is usually a privy councillor.

The office was established in 1666; and the first person who held the appointment was detached from the secretary of state's office, so intimately connected were the two departments then considered. The gazetting of military appointments and promotions, the preparation of the annual mutiny bill, the framing of the articles of war, and the investigation of complaints against the military, all fall under his control.

This office is discharged by the Right Hon. Fox MAULE.

THE CHANCELLOR OF THE EXCHEQUER.—MR. CHARLES WOOD, M. P.

When the burly Sir John Falstaff resolved himself into a committee of ways and means, the urchin he interrogated unconsciously performed the great duty of a chancellor of the exchequer—which is to make a statement of the general condition of the finances. "What money is in my purse?" is an important question, both to individuals and nations: it is that question which the chancellor of the exchequer has really to answer. May the whigs escape that "deficiency" with which Sir John, like many other great men, was troubled, and rejoice in a continuation of the "surplus" they inherit from Sir R. Peel!

The chancellor of the exchequer is a lord of the treasury, and must always be a member of the lower house; the peers not having the power of altering, amending, or originating measures involving the expenditure of public money.

Among the duties of the chancellor of the exchequer, is that of making each year a general statement of the financial condition of the country. This speech is technically termed "the budget," and embraces a review of the income and expenditure of the last year, as compared with those of preceding years; remarks upon the financial prospects of the country; an exposition of the intended repeal, modification or imposition of taxes during the session; a detail of the public expenditure during the current period, with its grounds of justification; an account of all operations relating to the national debt, and finally, the excess of income over expenditure, or *vice versa*, accompanied by such observations as the occasion may seem to require.

On the death of a chancellor of the exchequer, it has been the practice to commit the exchequer seal (which he holds) to the custody of the lord chief justice of the Queen's Bench.

FIRST LORD OF THE ADMIRALTY.—LORD AUCKLAND.

The board of admiralty now discharges the duties once attached to the office of lord high admiral, which was always conferred on a prince of the blood. James the Second, when duke of York, filled this post, in the reign of his brother Charles, commanding in person in the Dutch war. The last case in which the office was held by an individual was that of the duke of Clarence, for a short time, in 1827 and 1828. The duties had, long before that period, and have been ever since, performed by a number of "lords commissioners," commonly known as the "board of admiralty," of which

the first lord is the chief. Besides him the board consists of four, or more usually six junior lords, and two secretaries. Two of the lords at least are always naval officers, but the others may have no professional connection with the service. All the power and authority is vested in the chief lord; and he is, to all intents and purposes, the lord high admiral, the other lords merely acting as his advisers and counsel. All the commissioners and the first secretary hold their offices during pleasure, and are, therefore, members of the political party to which the ministers of the day belong. A new commission is of course made out whenever any change takes place in the responsible advisers of the crown; but even when the object is to confer a seat at the board upon one individual instead of another, it is the practice for an entirely new commission to be issued, re-appointing those who are to continue, and substituting the name of the new lord for that of the person retiring.

The majority of the lords of the admiralty are usually members of parliament; the first lord is ostensibly as well as really, the head of the department, and may or may not be a peer; but he is always a privy councillor and a member of the cabinet, and is responsible in parliament for the conduct of that branch of the public service. When he happens to be a member of the upper house, the first secretary to the admiralty is always chosen from amongst the supporters of ministers in the commons, and accordingly represents the department in that branch of the legislature.

The functions of the lord high admiral, or the board of admiralty, consist in the government of the navy, both in peace and war. By their orders, all ships are built and repaired, laid up in ordinary, or fitted for sea, broken up or sold entire, put into commission or out of commission, armed, stored, and provisioned, employed at home or on foreign stations. All appointments and removals of commission and warrant officers, with the exception of masters and surgeons, are at their disposal, and from this board emanate all instructions for the guidance of officers in command. From this board also proceeds all promotion in the several ranks; and in consequence of their recommendations, all honors, pensions, gratuities and superannuations are granted. To the board of admiralty all official returns from the fleet, and every practical detail respecting the discipline and condition of the ships, are addressed. All orders for the payment of money on account of the navy are given by them, and they prepare that portion of the annual estimates which concerns their department of the public service. Repairs, alterations and improvements in the dockyards, new buildings, inventions and experiments relating to naval matters, are all laid before them for approval; and tenders for the provisioning and storing of the ships are addressed to them after public advertisement.

PRESIDENT OF THE BOARD OF TRADE.—THE EARL OF CLARENDON.

The board of trade is a sub-committee of the privy council, to which is delegated the control of all measures influencing the commercial interests of the country. The president and vice-president are changed with each change of government; the former office is now held by the earl of Clarendon. Since the great development of the railroad system, a department of the board of trade has been established for the regulation of railway business.

The *President of the Board of Control* is an officer of a similar character to the foregoing, charged more particularly with the management of East India affairs, in conjunction with the East India Company; it is held by Sir J. Cam Hobhouse.

LORD PRIVY SEAL.—EARL OF MINTO.

The lord privy seal is appointed by letters patent: and, as the name implies, has the especial custody of the sovereign's privy seal, which is affixed to all charters, warrants, grants, and pardons, before the great seal is applied to them. It is his duty to apprise the monarch of any inconsistency that may exist between the common law of the land, and any instrument he is directed to seal.

PAYMASTER-GENERAL.—MR. T. B. MACAULAY.

The paymaster-general holds one of those offices which are conferred and resigned at the formation of every new ministry. He is invested with no discretionary powers, but makes payments in strict pursuance of such warrants as the treasury or secretary at war address to him. Each regiment has, in addition, a paymaster of its own, who is, of course, to a certain extent, under the control of the paymaster general. Formerly the paymaster-general was only entrusted with the payment of the military forces of the country; but, of late years, a consolidation has been practically effected in three of the departments of the public service, by conferring upon one person the office of paymaster-general, treasurer of the ordnance, and treasurer of the navy.

POSTMASTER-GENERAL.—THE MARQUIS OF CLANRICARDE.

This, perhaps, one of the most modern of the great offices of the state; and, from the name itself, the nature of its functions must be apparent to every one. A department so entirely practical, so unchanging in its purpose, and so little affected by, or effecting political changes, ought certainly to be exempted from the list of the "ins and outs." A permanent chief of this great national establishment, thoroughly acquainted with its workings, and above the trammels of routine and red-tapism, would be of great public advantage. But it is an improvement yet to be made.

LORD MORPETH—LORD CAMPBELL.

There are two other offices of the cabinet, which, although political in their tenure, are less connected with political functions than the others: one is the post of *first commissioner of woods and forests*, held by lord Morpeth; and the *chancellorship of the duchy of Lancaster*, which has been given to lord Campbell. The duties of the first are principally the administration of the land revenues of the crown; of the latter, the legal business of the County Palatine. [*London paper.*]

SALARIES OF THE BRITISH MINISTRY.

The annexed list will show the singular contrast between the salaries bestowed upon the eminent men of England and those given to the eminent men of our country:—*Ed. B. M.*

First lord of the treasury	£ 5,000
Lord high chancellor	14,000
Lord president of the council	2,000
Lord privy seal	2,000
Secretary of state, home department	5,000
Secretary of state, foreign department	5,000
Secretary of state, colonial department	5,000
First lord of the admiralty	4,500
Paymaster-general	2,500
President of the board of control	2,000

The above are in the cabinet.

Secretary of war	£2,500
Lord lieutenant of Ireland	20,000
Lord chancellor of Ireland	8,000

JUDICIARY.

Master of the rolls	£7,000
Vice chancellor (each)	6,000
Lord chief justice of the queen's bench	10,000
Four judges of the queen's bench (each)	5,500
Lord chief justice of the court of common pleas	8,000
Four judges of the court of common pleas (each)	5,500
Lord chief baron of the exchequer	7,000
Four barons of the exchequer (each)	5,500

REVENUE OF THE BISHOPS.

Archbishop of Canterbury	£ 129,946
Archbishop of York	223,220
Bishop of London	267,662
Bishop of Lincoln	373,976
Bishop of Norwich	331,750

☛ The combined revenue of the two archbishops and twenty-five bishops of England is computed at £3,154,560

The Bishop of Calcutta	£5,000
The Bishops of Jamaica and Barbadoes (each).	4,000
The Bishops of Bombay, Madras, and Quebec (each)	2,500

AMERICA.

President of the United States	\$25,000, equal to	£5,176
Secretary of state, war, treasury, and navy (each),	6,000, "	£1,242
The governor of Vermont	750!! "	£ 155
The governor of Rhode Island	400!!! "	£ 83

LEGAL MISCELLANY.

We alluded briefly in our October number, to the highly important case, involving the acts of the North American Trust and Banking Company, of New York. The opinion of vice chancellor M'Coun in the case of David Leavitt, receiver of the North American Trust and Banking Company vs. Henry Yates, Thomas T. Tallmadge, Wm. Curtis Noyes and others, has been published in a pamphlet of 39 pages 8vo. Said opinion was pronounced on the 22d September.

Messrs. Yates, Tallmadge and Noyes, were trustees, to whom had been committed by the bank, in trust, certain bonds and mortgages, as security for the payment of certain promissory notes issued by the bank, as a means of raising money. The vice chancellor pronounces this whole batch of notes illegal, not being based upon the pledge of securities *with the comptroller*, nor intended to be countersigned and registered as required by the banking law. The notes being void, the assignment of assets to secure their payment, is also void, and of no avail to the parties claiming an interest under it. The "opinion" enters largely into the merits of the case, and concludes as follows:

I have now done examining all the claims presented, on the hearing of the cause, in behalf of holders of notes issued under the trust deed of the 15th December, 1840, which notes and deed, it has become my duty, to declare void, as being of no force and validity in the law against the complainant in his capacity of receiver. There are a number of other persons, besides the claimants I have mentioned, who hold some of the notes, and have therefore been made parties to this suit, but who have not appeared and answered. Any claims that have been supposed to have or hold, by virtue of such notes, upon the property covered by the trust deed of assignment, will be cut off by the decree I am about to make.

It must be understood, however, with respect to all the holders of these trust notes, that the decree is only to declare the notes void in their hands, so that they are not to be used as evidence of debt against the North American Trust and Banking Company, or its receiver. Beyond this, I make no decree affecting the holders of this paper. I am not called upon to determine, (because such determination is not necessarily involved in the case,) whether or not the persons who have received notes connected with this trust, are to be considered creditors of the company, irrespective of the notes, and how far they may have a right to participate in the distribution of the property which Mr. Leavitt, as the receiver, may hereafter make. It is rather incidentally, than otherwise, that I have intimated an opinion in respect to some of the parties dealing directly with the company, that they may go back to the original consideration on which their claims arose. Perhaps, throwing aside the notes, they may be able to show that they are creditors to some amount, if not to the whole amount of the notes.

The decree must contain a reservation of their rights in that respect.

With regard to the trustees, Messrs. Yates, Tallmadge and Noyes, the decree must direct them to surrender the property which passed into their hands under or by virtue of the trust deed, and to account before a master for the disposition made of the same and of its proceeds; all those portions of the assigned property heretofore placed by any order of this court, in the hands or possession of a special receiver, must likewise be given up to the complainant with its proceeds, under the direction of a master, after all just allowances to the special receiver or receivers, who will then be discharged.

I have considered the point with regard to the allowances to be made to the trustees on the breaking up of the trust and the surrender of the property; and although the trust deed provides for a salary or compensation to them, out of the property assigned, yet as the whole thing was void, as being contrary to law, and not merely voidable at the instance of creditors, I am of opinion, they can have no just or valid claim to salary or compensation for any service they may have performed in relation to the trust or the property.

Their right in that respect, fails them with the failure of their legal title, and the court of chancery cannot undertake to allow a compensation for services voluntarily undertaken and performed in relation to property, over which the parties could not lawfully assume and exercise a control for the purposes they intended. Whatever money has been expended in the keeping and preservation of the property, or in the management of it with a view to its safety, while the title was in dispute, including reasonable clerk hire, the keeping of accounts, and the expense of employing agents to look after the property when necessary, should be paid out of the property and be allowed to the trustees under the head of just allowances. This will be a matter for the master to ascertain and allow on passing their accounts.

I have likewise considered the question of costs, which is by no means an inconsiderable matter in a suit of this magnitude. With so many parties,

such voluminous pleadings, depositions and exhibits, and so large an amount of money, or that which represents money, involved in the issue, this suit has scarcely had its parallel I believe in this court.

A strong effort is made to have the complainant's costs charged upon the trustees personally, while they and the other defendants contend that the costs should be paid out of the property or funds going into the hands of the complainant.

Awarding costs is a matter of discretion in this court; a discretion to be regulated and determined by the particular circumstances of each case. The principal parties engaged in this suit are acting in representative capacities; not suing or defending in their own individual personal rights; generally such parties are not charged with costs to be paid out of their own pockets. While I think the trustees, Messrs. Yates, Tallmadge and Noyes, may be excused from paying the complainant's costs of the suit, because from the position in which they stood, they could not well do otherwise than defend it, yet considering that they were not strangers to the transactions of the banking company when they consented to become trustees and undertook the performance of the trust, I do not feel justified in saying that they are to have their costs out of the property or fund. The least I can do is to leave them to bear their own costs of the suit, while the complainant is left to charge his costs to the fund coming into his hands. So with regard to creditors who have appeared and set up claims, and have succeeded to some extent in regard to particular equities, they also are entitled to taxable costs out of the fund. This, however, extends only to the executor of Vyse, and to Palmer, Mackillop, Dent & Co.

NOTE.—A case somewhat similar will be found at page 19, Bankers' Magazine, being an action brought against the guarantor of a note issued by the same company, for \$3,700, after the act of May 14, 1840, the fourth section of which act is as follows.—*Editor B. M.*

"No banking association or individual banker, as such, shall issue or put in circulation any bill or note of said association or individual banker, unless the same shall be made payable *on demand* and without interest; and any violation of this section, by any officer or member of a banking association or by any individual banker, shall be deemed and adjudged a misdemeanor punishable by fine or imprisonment, or both, in the discretion of the court having cognizance thereof."

LEGAL TENDER.

In a case pending before Baltimore county court, sitting as a court of appeals, Judge Purviance presiding, a question arose as to whether cents are a legal tender. From the evidence, it appeared that the appellant had tendered, in payment of a debt amounting to upwards of \$20, a bag of cents, which were refused. On the part of the appellee it was contended, upon the authority of a decision of the supreme court of South Carolina, that cents are not legal tender in payment of any debt amounting to more than four cents, as the smallest silver coin is the half dime or five-cent-piece, and as the constitution of the United States uses only the words gold and silver. For the appellant it was maintained that the act of assembly of Maryland, 1812, makes the coins of the United States current money, which may be tendered in payment of debts in Maryland, and that cents are as much the coins of the United States as any coins issued from the mint. In the course of the evidence it appeared that the tender was not made to a *person authorized to receive it*, and therefore the case passed off upon this point, the learned judge, however, in the course of his opinion, intimated that no difficulty

could exist as to the fact of cents being a legal tender, and in support of his opinion referred to a note to 2 Greenleaf on Evidence, page 496,—an able work, sanctioned by the approbation of the late Judge Story—in which it is declared “copper cents and half cents are established as part of the currency, and by implication made a legal tender, by stat. 1792, ch. 39, sec. 2.” The case was ably and elaborately argued by W. P. Preston, Esq., for the appellant, and W. H. Collins and J. C. Blackburn, Esq., for the appellee.

BROKER'S COMMISSIONS.

Defendants employed plaintiff, a broker, to sell certain property. Plaintiff communicated to them the name of a person who offered to purchase, but at a price less than defendants asked. The latter rejected the offer and discharged the broker; but, shortly after, through another agent, sold the property to the person whose name was communicated by plaintiff, and for the price originally offered by him. *Held*, that defendants could not, by discharging the plaintiff and consummating the negotiation through another, deprive him of his right to compensation for services which eventually enured to their benefit.

As a general rule, the whole service or duty must be performed, before an agent can claim any commissions; but cases may occur in which he will be entitled to a remuneration for his services in proportion to what he has done, although the business be not concluded, as where its completion was prevented by the act of the principal.

The defendants appealed from a judgment of the commercial court against them. The judgment was affirmed.—*Gottschalk v. Jennings*, supreme court of Louisiana, New Orleans, 1846.

NEGLECT OF A NOTARY.

Where a bank in which a note has been deposited for collection, places it, in case of non-payment, in the hands of the notary to whom its own business is uniformly entrusted, to be protested, it will not be responsible for the failure of the notary to protest the note, or to notify the proper parties, having shown the same care and attention in the management of the business entrusted to it which men of common prudence bestow on their own affairs.

The plaintiff appealed from a judgment of the district court of the first district against him. The judgment below was affirmed.—*Baldwin v. Bank of Louisiana*. *Ibid.*, 1846.

NOTE.—This decision is at variance with the opinion held by the court of errors of the state of New York, being the highest court in that state. See October No., p. 225.—*Ed. B. M.*

BILLS AND NOTES.

The holder of a bill of exchange, on *non-acceptance* and protest and notice thereon, has an immediate right of action against the drawer, and does not acquire a fresh right of action on the *non-payment* of the bill when due. The statute of limitations, therefore runs against him from the former and not from the latter period. *Doug.* 55; 5 M. & Sel. 282; 7 Taunt. 312; 1 Stark. 7; 13 East, 498. *Whitehead v. Walker*, 9 M. & W. 506.

A promissory note made payable to the order of the person who should there-
after endorse the same, is negotiable. *The United States v. White & Hungerford*, vol. 2, Hill's New York Reports, 59.

A guaranty of an endorsed note was thus: "I guaranty the collection of the within note:" held that, in an action on the guaranty, the plaintiff must show a diligent attempt to collect, both, as against the *endorser* and *maker*, or he could not recover. *Loveland v. Shepard*, 2 Hill's N. Y. Reports, 139.

After presentment and non-acceptance of a bill of exchange, and due notice given, it is not necessary that it should be presented for payment. *Bank of Rochester v. Gray*, *Ibid.*, 227.

The certificate of a notary who has protested a foreign bill of exchange, stating that he notified the endorser, cannot be received as evidence of such notice, in whatever mode the certificate may be authenticated. *Ibid.*

One to whom a promissory note has been transferred before due as collateral security for endorsements to be made by him, which are afterwards made, and who takes it without notice of a defence existing against it in the hands of the person from whom he received it, is entitled to be treated as a *bona fide* holder in the commercial sense. *Williams, executrix, &c., v. Smith and others*, *Ibid.*, 301.

In order to charge the endorser of a lost negotiable promissory note, the holder must tender an indemnity both to him and the maker at the time of demand and notice; and should the endorser sustain any injury by reason of the holder's neglect in this particular, it will be a good defence at the trial. *Smith and others v. W. and J. J. Rockwell*, *Ibid.*, 482.

Service of notice of dishonor cannot be made through the mail, if the party sought to be charged reside in the same place where presentment or demand is made. *Ransom & Ransom v. Mack*, 587.

Otherwise, if he reside in another place, several miles distant, though in the same town; provided it appear that there is a post office near his residence at which he usually receives his letters and papers, and a regular communication by mail between the two places. *Ibid.*

A notary, ignorant of the residence of M. the first endorser of a note to whom he was about sending notice of dishonor by mail, applied to the second endorser, who, assuming to possess the requisite information, designated the post office at A. as the one to which it should be directed, and it was sent accordingly: held, that though M. did not receive his letters and papers at that office, his residence moreover being nearer another, yet the notice was sufficient to charge him, due diligence having been exercised by the notary. *Ibid.*

Payment of a bill or note cannot be demanded on the *fourth of July*, so as to charge the drawer or endorser; but if that be the last day of grace, demand should be made on the *third*. *Ibid.*

A bill of exchange, mentioning no place of payment, was drawn upon and accepted by partners as such, one of whom died before it became due: held that a presentment of it for payment at the surviving partner's place of business, was sufficient to charge an endorser, and that no demand need be made of the personal representative of the deceased partner. *The Cayuga County Bank v. Hunt*, *Ibid.*, 635.

Business hours, in respect to the time of presentment and demand of bills and notes, generally range through the whole day down to the hours of rest in the evening, except where the paper is due from a bank. *Ibid.*

A notarial certificate of protest of a bill of exchange stated a presentment for payment at the office of the acceptor on the proper day, and that the office was closed, &c. but was silent with respect to the *hour* of doing the act; yet held, sufficient, as regularity in this particular should be presumed. *Ibid.*

STATE OF MARYLAND DEBT.

To the Editor of the Bankers' Magazine :

The article lately published in the New York Courier, Baltimore American and National Intelligencer, is somewhat calculated to lead persons astray, inasmuch as it *assumes* as correct the estimate made by the committee of ways and means as to the resources of the current year.

The debt of the state of Maryland on 1st Dec. 1845, was \$15,186,784 98.

In six per cents,	\$ 3,829,359 14
In five do.	1,899,759 17
In five do. (sterling,)	8,857,666 67
In four and a half,	100,000 00
In three,	500,000 00

\$15,186,784 98

This includes \$3,200,000 issued to the Baltimore and Ohio Rail Road Company and not used, and \$60,000 for tobacco inspection warehouse, the interest of which is paid from receipts from inspections.

The balance is \$11,926,784 98.

The interest on which is \$ 311,171 66 payable in London.

and 344,249 50 do. at loan office, Baltimore, -

by J. S. Gittings, Com'r. Loans.

\$ 655,421 16

The state suspended payment of its interest on the 1st January, 1842. The arrearages of interest on 1st December, 1845, were \$1,376,821 24.

The property in Maryland liable to taxation is \$177,139,645 23, on which a levy of *one quarter per cent.* is \$442,849 11.

Coupons and certificates of interest issued by the commissioner of loans, in sums of not less than \$5, are receivable in payment of taxes.

To pay the interest,	\$655,421 16
State has tax $\frac{1}{4}$ per cent.	\$442,849 11
Interest on tobacco loan,	3,600 00
Dividend on Washington rail road,	33,000 00
do. on Baltimore & Ohio rail road,	15,000 00
	<u>\$494,449 11</u>

Deficiency, \$160,972 05

To make up this amount, the committee of ways and means at the last session, estimated that there would be received from the tide water canal, the sum of

Baltimore and Susquehanna rail road,	\$ 67,000
Stamp act,	20,000
Other sources, say,	40,000
	<u>80,000</u>

Total, \$ 207,000
Deduct deficiency above 160,972 05

Apparent surplus, \$46,027 95

Unfortunately, the estimates on tide water canal, and Baltimore and Susquehanna rail road will not be verified, and \$50,000 must be deducted on those accounts. But this amount may be supplied from arrearages of taxes.

The *bonus* from the Washington rail road, from passengers is not included—being especially pledged to the school fund.

The sinking fund will be the subject of another paper.

We annex the estimate of revenues for 1846, as made by the committee of ways and means, viz.

Estimated Receipts for the year 1846.

From all ordinary sources, including the dividends on road stock, and from the Washington branch of the Baltimore and Ohio rail road, for one-fifth of the receipts from passengers,	\$4,000	\$281,400
From the tax on foreign insurance and protests,	10,000	
From the tax on collateral inheritances, legacies and distributive shares,	15,000	
From the tax on commissions of executors and administrators,	3,000	
From the tax on commissions of trustees and receivers,	2,000	
From the tax on civil commissions,	20,000	
From the Baltimore and Susquehanna,	67,056	
From the Susquehanna and Tide Water Canal Companies,	10,000	
From the tax on certain officers,	475,000	
From the direct and income tax,	40,000	
From the stamp tax,	646,056	
	\$927,456	
Estimated receipts,		850,474
Deducting the expenditures,		\$76,982
And there remains a balance of		\$77,000

Over and above this balance of about \$77,000, there was in the treasury on 1st December, 1845, a clear unappropriated balance of \$158,257.

A BANKER.

REPUDIATION.

A letter from J. J. SPEED Esq. of Baltimore, to a landholder of Maryland ; on the subject of Repudiation.

I confess to you that none of the modern heresies, in politics or morals, have filled my mind with such dismay as this doctrine of repudiation. Gross and startling enough some of these heresies have been, to be sure—and it has been painful to see the private and public mind giving way before their slow and covert approaches. But here is a great and lion-like leap in the path of dishonesty—performed at noon-day—at which the mind shudders and trembles; it shudders at the enormity and impudence of the sin, and trembles for its effects upon the fair name of the country.

If patriotism be a love of country and devotion to its government, the sentiment must become extinct in the breast of the man of virtue—for he cannot love a country that is stained with infamy, or feel devotion to a government that has tolerated dishonor. The extinction of this noble sentiment must speedily be followed by the decrepitude—the dissolution of the state. Such gross depravity in the public morals is the fatal disease of the body

politic. Its corrosive and deadening effect will be rapid and certain. Before it the state will sink—and then will come the whirlwind and thunder of revolution, to drive away the impurities, and refresh the moral atmosphere, as the storms of the elements fan away the effluvia of pestilent bogs and pools.

Some men imagine that the diffusion of the great shame of repudiation among all the people will leave but a little portion to each one's share; not enough to sink this individual or that into dis-esteem with his fellow men; and so they are emboldened to countenance in the public councils, and abet at the ballot box, measures which they wish it to be believed they would scorn in the intercourse of private life. The fallacy of this position consists, in the first place, in its want of truth; for, in my judgment, *the man who would repudiate the public debt would repudiate his own, if the lash and sting of the law left him free to do it.* The reasoning, moreover, is fallacious; for the public disgrace is each citizen's dishonor; the blot upon the national escutcheon has its full and broad impress upon the forehead of every man that has contributed to produce it. The enduring stigma is upon his brow, and his children's children will feel the hated shame.

Lawgivers are aware that without strong penal restraints upon the private actions of men, a sufficiently pure tone of morals for the purposes of society cannot be secured—hence, arson and treason and murder are denounced as capital offences, and great and hideous punishments are allotted to them; and swindling, and theft, and procuring money by false pretences, are denounced as felonies, and condign inflictions are allotted to them. Yet what shall we say of these lawgivers, the government, the parental head, when itself becomes guilty of all these latter offences? For, wherein is repudiation better than theft, and swindling, and withholding money that was obtained by false pretences!

Let us not disguise matters. Historians and posterity are to come after us, and they will speak of our actions with the praise or censure—the pride or the scorn that they may deserve. I affirm that repudiation of the public debt is an act which embodies all the turpitude of the above enumerated felonies. It is the result of a purely dishonest emotion in the public breast. It is the open expression of a determination to withhold from another what rightfully belongs to him. It is the deliberate, undisguised, and base avowal of a dishonest purpose. *The offence is not in the slightest degree mitigated by an argument drawn from the inconvenience of paying the debt, or the burthens of taxation that may be necessary to remove it. This should have been inquired into before the debt was contracted; at any rate, it is a question with which the creditor has no concern; it has nothing to do with the validity of his claim, or the obligation of the state to meet it.* Complaints of heavy taxation should be addressed to the government that may have made the burthen necessary, by unwise or profligate legislation; and not to the honest creditor who has shown his respect for the state by relying upon the faith and honor of its rulers.

The government of a sovereign state chooses to embark in enterprises, for the public good, that are beyond its ordinary means, and cannot be compassed by the supplies of its ordinary courses of taxation; it is led to pledge its faith, and borrow money from individuals, looking forward to rich returns, either in the shape of pecuniary gain, or increased political strength and advantage. The works are prosecuted with the public countenance and favor, and the loan receives, over and over again, expressions of the public approbation. At length, from the fickleness or the feebleness of the public councils—some new doubt of the utility of the projects—or other cause, they fall into disfavor;—they are abandoned, or prosecuted but tar-

dily—the debt contracted for their benefit, is disowned, and the confiding creditor of the republic is spurned from the door of the treasury. Can any thing be more utterly pusillanimous, or basely dishonest than this? How does such conduct comport with the high and elevated principles of our boasted Declaration of Independence? We there accuse a monarch of bad faith, and, with the most solemn adjurations to God, affirm that, for so great a sin, he merits the frown of the nation and the dismemberment of his empire. In contrasting the government we were leaving, with that we were about to form, we affirm that the latter is to be founded upon the purest truth—the strictest fidelity to justice and all its engagements. What a commentary would this act of repudiation furnish upon all this! Into what solemn mockery would it not turn it! After having appealed, with such solemnity and fervor, to the Most High for the purity of our motives and designs, of what perjury shall we not be guilty by so early, so gross, and so flagrant a breach of the national faith? But, aside from the offence against God, in what a position should we be placed with our fellow-men! Would not the nations shun us? Would they not combine against us, and scourge us for the great indecency and wickedness of our acts? Who shall number or weigh the ills of the state that shall fall into such profligate courses? What can redeem it? Though the industry of the husbandman may be blessed, and the harvest may be abundant—though the enterprise of our merchants may bring wealth to our shores—though every interest of the land may flourish—yet, if there is dishonor upon its name, contentment can never dwell in its border. It will fall into disrespect and disrepute—the public affection will be estranged from it; it will be accursed of men, and forsaken of God.

Admonition, however impressive, will probably fall like idle babbling upon the ears of those whose minds have been corrupted to the extent of admitting the doctrine of repudiation; but it may not be useless to portray to the great masses of our fellow-citizens the horrid tendency of such pernicious tenets. The press should, therefore, pour forth its daily rebuke; the patriot should ring the alarm in his conversations and his writings; those in high places, and upon the summits of society, should make their acts more conspicuous, hold their lights higher and higher up, and win their countrymen from such delusions by burning words, and by the more forcible eloquence of good examples. Let us remember the virtues of our fathers; let us remember that this is their land, before we permit it to be covered over with infamy. Let us appeal to all sacred considerations, to ancient lessons, to the common decencies of life;—let us pause and deliberate, and humble ourselves before God, and pray him to spare our minds the pollution of admitting for a moment the thought of violating the national faith. The moment such a sentiment obtains admission into the mind, dishonor becomes enthroned in the heart; and virtue and truth will fly in search of a safer asylum.

If the states of this confederacy shall find themselves in difficulties from the burthen of debt they may have contracted in attempts to improve their territory, let them be patient—remember that the motive for borrowing was good—be cheered and strengthened by this consideration, and feel assured that frugality and labor will ultimately relieve them. Let them remember that the money has been spent in attempts to improve an empire, and not in the desolations of war; that it has been laid out for the benefit of posterity, and not to purchase for themselves temporary pleasures, or a vain and fleeting magnificence. Let them not descend from the dignity that belongs even to the honest debtor, who acknowledges his debt, asks no favor, disdains all shuffling, scorns all subterfuge, but prepares, with manly pride, to meet his

obligations to the uttermost farthing. Shall these sovereignties, who have heretofore borne themselves so nobly, be frightened from their positions, and betrayed into indecorous courses, by a small modicum of debt?

I should hope that if the public creditor were to offer to give up his bond, a proud government would reject the boon—would never deign to accept it without rendering dollar for dollar. Yet it would be more dignified and becoming to do so—on bended knee, and with humble thanks upon the lip, than to withhold, forcibly, from the holders of these bonds, their honest dues. There is no process of argument, known to an honest mind, that can lead to the slightest countenance of these pernicious doctrines; the most deluded or selfish casuistry could not incline the understanding to them. He who advances them, does so knowing them to be utterly and wholly wrong; and the day of compunction will come, when the whip of asps would be more tolerable than the upbraids of his conscience. The gross and base act of cheating his fellow-man out of what is honestly and rightfully his own, is, if possible, the least part of his offence; he has aided in corrupting the minds of others; he has lowered the tone of the public morals; he has degraded the country. The present condition of things, in regard to the public debt of Maryland, is deeply to be deplored. It constitutes a crisis in her history that can never be remembered or referred to with pleasure. It is true that no sentiment of repudiation obtains footing here. Our people are, by far, too proud and too honorable for that. The chivalry of her sons could never bend to such humiliation. But, owing to her great undertakings, and the incomplete condition of all of them, the burthen of debt contracted on their account, and which is, hereafter, to be distributed amongst them, now rests as an incubus upon the state. She, as the foster mother, has to bear the burthen, until her canals and rail roads are completed. In the meantime, the calls upon the public treasury for the annual interest are very heavy; and the resources of the state, though greatly enhanced by new assessments and new rates of taxation, have been inadequate to meet them. A temporary suspension upon the interest payments has been the result: and a much deplored and injurious depression of the public stock has followed. This is alike disheartening to the creditor and mortifying to the debtor.

But she is earnestly at work in attempts to fill the treasury; her great works are nearly approaching the mineral regions; it is now the settled policy of the country that the great fund of the public lands is to continue in a way of distribution, and Maryland will soon emerge from her difficulties with pure hands and an unsullied reputation.

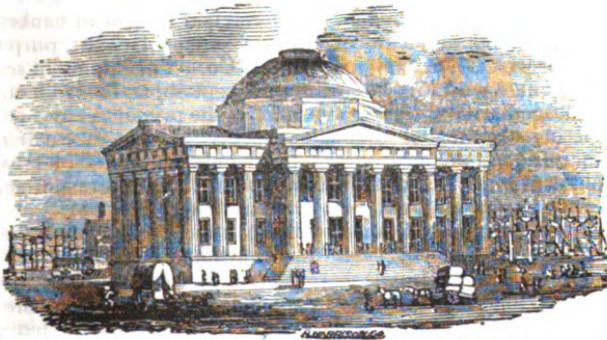
Recurring to the bad effects of these breaches of the national faith, and descending from the tone of disdain which the mind naturally assumes when treating them as questions of morals, let us look at them as questions of policy, and see how they will bear examination. A government that expressly repudiates the public debt, or, what amounts to the same thing, deliberately omits to provide for it, is guilty of a great corruption. It is a corrupt government. Its faith and honor are gone. Its system of jurisprudence becomes the offspring of a corrupt legislature. Its laws are the fruit of corrupt deliberation. The property in the state, and the rights and liberties of its citizens are only protected by the venal and ever changing rules of profligate enactments. Of what value would such property be? Contracts between man and man would soon be annulled. The public debt was found an inconvenience, and it was cancelled. Private debts would be certainly much more oppressive, why not cancel them?

The ancient notion about their sacredness has, by the new lights, been ascertained to be foolish. *It would be vain to talk about the sacredness of private contracts in a land where the public engagements had been repudiated.*

In all trading communities like our own, the debtor class comprises at least two-thirds of the population. A very wide right of suffrage prevails with us, and who does not see that debtor and creditor candidates for the legislature would soon be in the field. The former would prevail, of course. And then would come the wildest sweeps of licentiousness in legislation. All debts over a certain limit would be declared void, as being oppressive and onerous upon the people; large estates would be broken up; title deeds would be cancelled, and torn from the records; agrarian laws would be passed. Is there any painting in this? Does it not all follow as a necessary consequence of the one great act of perfidy? Does it go beyond the measure of a plain and practical application of the principles that dictated that act of perfidy? In my judgment, it does not. But I turn away from a subject that must be so distressing to the mind of every patriot, and will indulge in no more previsions of the sorrow, and shame, and disgrace that must fall upon our country, should it ever be betrayed into the sin of repudiation.

Ever, very faithfully, yours,
J. J. S.

MISCELLANEOUS.



Boston Custom House.—This splendid edifice, recently erected, and of which the above engraving is a representation, is 140 feet long by 75 feet in width, with a portico on each side of it, 66 feet long by 10 feet projection from the building; the base of the building is 9 feet high, the columns 33 feet, and the entablature 10 feet, 8 inches, making the height from the top of the sidewalk to the eaves, 52 feet, 8 inches, above which the dome rises 37 feet, 4 inches, making the whole height 90 feet. The shafts of the columns are each of one piece of granite, wrought in the finest manner possible, and all the other parts of the exterior are in keeping with this. The interior is arranged in the most convenient manner for the transaction of the business of the government, and the building may be considered as entirely fire-proof; there having been no wood used in its construction.

There were three building commissioners:—Samuel S. Lewis, Marcus Morton and Robert G. Shaw. The architect is Aaron B. Young, and the clerk to the board of commissioners, J. P. Robinson.

The growing importance of the foreign business of Boston is clearly shown by late official tables. The entire receipts from customs throughout the union, for the year ending June, 1845, was \$27,528,112, of which \$1,022,992 was received at Boston, for duties on goods imported by the

Cunard line of steamers, being nearly four per cent. of the whole duties for the year.

The amount of revenue received by the government at Boston, for duties on goods imported in the English mail steamers, to the end of the year 1845, is nearly three millions of dollars, as follows:

In 1840,	\$ 2,928	In 1843,	\$ 640,572
1841,	73,809	1844,	916,198
1842,	120,974	1845,	1,022,992
Total amount paid by:—			
Acadia, 24 trips,	\$ 469,842	Cambria, 6 trips,	\$ 361,598
Britannia, 26 trips,	504,241	Columbia, 12 trips,	85,782
Caledonia, 25 trips,	473,081	Hibernia, 14 trips,	882,930

Making in all 107 trips, and paying, in total amount, the sum of \$2,777,475

THE LONDON TIMES.—The newspaper press recently enjoyed a marked triumph, in a magnificent ovation given to the *London Times*, by a large number of the merchants and other eminent persons of London.

The occasion of this unwonted proceeding was the service rendered to the public by that journal, in dragging to light a conspiracy which has rarely if ever been equalled in the annals of crime. It was concocted in 1839, and had for its object the plunder of the principal European bankers, to the extent of £1,000,000, by means of circular letters of credit, purporting to be those of Messrs. Glyn, Halifax, Mills & Co. The Times in some way became acquainted with the scheme in its inception, and set on foot, through its numerous agents and correspondents, in all the principal cities of Europe, a thorough investigation of the whole affair. Although great risk was thereby incurred, it at once spread the whole nefarious plot before the world; and continued, at an immense expense, to collect testimony upon it, which was afterwards used with complete success.

A proposition was at once made by those who had been most benefitted, to reimburse the immense expense the Times had incurred; but that journal refused to receive it. In October, 1841, at the request of Messrs. Rothschild, Barings, and others, the lord mayor convened a public meeting, at which a subscription was opened, limited in each case to ten guineas, £2,770 was immediately raised, sums being sent in from almost every commercial city in Europe and Asia. Of this, £1,800 was invested in the purchase of £2,000 three per cent. consols, of which the dividends were appropriated to the support of two scholarships, to be called "the Times Scholarships," for the benefit of pupils from Christ's Hospital, and the other the City of London School, to Oxford or Cambridge.—*N. Y. Courier*.

THE PROPER USES OF MONEY.—Isaac Franklin, late of Sumner county, Tennessee, died on the 27th of April last. He began life as a boatman, and in that capacity commenced the acquisition of a fortune, which, at the time of his death, exceeded a million of dollars. He had large estates in the parish of West Feliciana, Louisiana, independent of an immense estate in Tennessee.

His Louisiana property has been valued at near half a million of dollars. By the law of that state, a testator, who leaves one legitimate child, can only dispose of two-thirds of his property situated there away from his child; one-half if he leaves two children; and one-third, if three or a greater number.

This power of disposition Mr. Franklin exercised to the utmost, for he so

disposed of his property in that state that one-third of it should, whatever might be the number of his children at his death, go to the seminary in Sumner county. To this donation of not less than \$150,000 he added all the rest of his property wherever situated, merely charging it with the payment of a few comparatively unimportant legacies, and an annuity determinable with a single life. Here, then, is an institution of learning endowed by a single individual, with property of the value of not less than \$600,000. Moreover, the will provides that it shall be built on his plantation in Sumner county, the selected retreat of his declining years—a spot cultivated like a Paradise, and as fertile and attractive as can be found in the valley of the Mississippi. This delightful spot, upon which nature has lavished her choicest gifts, is set apart to an object worthy of its natural excellence; and it may be hoped, will be ranked among those localities in the world to which our minds recur with sentiments of reverence and awe, as devoted by man, and sanctified by heaven to advance the well being of the world.

The simple and unpretending terms in which this liberal endowment is couched are not a little striking, and, at the same time, characteristic of the man. "The revenues arising from the property," says the will, "are to be laid out in building proper and suitable edifices on my Fairvue plantation, in the county of Sumner, and state of Tennessee, for an academy or seminary, the furnishing the same with fixtures and furniture, and the employment and payment of such teachers and professors, male and female, as may be considered necessary by my said trustees, for the education, board and clothing of the children of my brothers and sisters and their descendants, as well as my own children and their descendants, in the best and most suitable and proper manner for American youth; having a particular regard to a substantial and good English education, and such other higher and ornamental branches as the aforesaid revenue, &c., will enable my said trustees to accomplish. And, if the revenues, &c., shall be sufficient therefor, I also wish that the poor children in the said county of Sumner, of unexceptionable character, and such as my trustees may select, should likewise be educated and supported during the time at the said seminary."

The main object in the nature of events, here designed by the testator, namely, a provision for the *poor children* of Sumner county, is modestly cloaked under a provision seeming to be chiefly for his own and brothers' and sisters' posterity. This noble benevolence effectually extracts the sting of poverty and orphanage in Sumner county, and makes blessed a lot usually so mournful, and so exciting to our sympathies. A life of strenuous and laborious exertion in the pursuit of wealth, and crowned with extraordinary success, is worthily ended by the devotion of its product to such a truly glorious and christian benevolence, and is forever embalmed in the memory of men, and snatched from oblivion that so soon shrouds the names of ordinary mortals.

ST. LOUIS' PUBLIC LOAN.—This city offered proposals for a loan of \$70,000, at 6 per cent. interest, redeemable at the end of thirty years, and principal and interest payable in New York. The highest bid was 86 cents on the dollar.

MARINE INSURANCE.—At a meeting of the board of underwriters, held at New York, in September, it was unanimously voted to place the rates of premium for deck loads as follows, viz.

On decks of ships, barks and brigs. from October 15, to April 1st, for the present year, but hereafter from the 1st of September—

On cotton, 3 under deck rates.

On lumber, timber, staves, molasses and other articles in barrels, casks and crates, and non-enumerated articles—5 under deck rates.

Boilers and machinery, subject to special agreements.

On board sloops and schooners on coasting voyages, one rate in addition to the above.

Naval stores, ten rates by all vessels.

Freights on deck loads *not to be insured*.

The under deck rates upon which the above is based, are those of the Tariff of June 24, 1844.

Treasury Department, Oct. 22, 1846.

TREASURY NOTES.—This department will issue treasury notes to the amount of three millions of dollars, bearing an interest of 5 2-5 per cent. per annum, payable to the order of persons or corporations making deposits therefor in specie in sums not less than one thousand dollars, with either the treasurer of the United States, assistant treasurer at Boston, New York, Charleston, or St. Louis, or treasurers of the mint at Philadelphia or New-Orleans.

The notes will bear even date with the date of deposit.

R. J. WALKER,

Secretary of the Treasury.

“The fact being known at New York a short time since, that the secretary desired a loan on treasury notes, several of the banks of that city proposed to take the loan for treasury notes bearing six per cent. interest, which was declined by the secretary. Several other propositions for loans on terms less than six, and approaching nearly to five and two-fifths per cent. were also made by individuals, and declined by the secretary. The notes now issued will be receivable for all public dues, both in the land office and custom house, as well before as after maturity, and must be regarded in the light, for many uses, of specie bearing an interest; and at the rate now proposed, we cannot doubt, that there will be a large demand for these notes.”

Washington Union.

The rate of interest is the same as was suggested by Mr. Gallatin in 1812, being 1½ cent per day on each hundred dollars. (*See Bankers' Magazine*, p. 258.)

BANK ITEMS.

CITY BANK OF CLEVELAND.—George Mygatt has been elected President of the City Bank of Cleveland, Ohio, in place of R. Sheldon, resigned.

TRADESMEN'S BANK.—William H. Falls, for several years past cashier of the Tradesmen's Bank, of New York, has been elected president of that institution, in place of the late Preserved Fish.

LEWIS COUNTY BANK OF MARTINSBURG, NEW YORK.—This institution, the suspension of which is mentioned in our July number, page 41, has resumed business; arrangements having been made conformably to law for the redemption of its notes.

LEWISTOWN BANK, OF LEWISTOWN, PENNSYLVANIA.—This bank has made arrangements for the redemption of its circulation. We understand its notes are now taken on deposit at the Bank of Pennsylvania.

FARMERS' BANK OF DELAWARE.—At a meeting of the directors of the Farmers' Bank of the state of Delaware, at Dover, September 29, 1846, James P. Wild was duly elected cashier, to fill the vacancy occasioned by the death of John Manlove.

SHAWMUT BANK.—Mr. Stephen G. Davis, late teller, was elected cashier of the Shawmut Bank of Boston, on the 8th of October, in place of Mr. Thomas Drown.

MERCHANTS' BANK.—Mr. Lowell M. Stone, late pension clerk, was elected cashier of the Merchants' Bank of Boston, on the 8th of October, in place of Charles H. Eldredge, deceased.

NEW ENGLAND BANK.—Thomas Lamb, was elected on the 21st of October, president of the New England Bank, Boston, in place of Philip Marett, who declined a re-election.

DEATHS.

John Wood, cashier of the Bank of Rome, state of New York, left the city of New York, in feeble health, for Newport, R. I., on the 18th September, in the steamer Massachusetts, since which time nothing has been heard from him. He doubtless fell overboard in crossing the sound.

Mr. Wood had been cashier of the Bank of Rome for the last ten years, and discharged its duties with integrity and ability. He was in easy circumstances, of irreproachable character, and universally esteemed as a man of sterling honesty, purity of motive, and a christian.

At Utica, on Wednesday, October 7, Henry Harvey, president of the Exchange Bank of Lockport, aged fifty-six years.

At Rome, Oneida county, New York, on the 15th of October, Henry Huntington, aged eighty years, for many years, (until 1846,) president of the Bank of Utica.

At Dedham, Mass., on Tuesday, the 6th of October, Mr. Charles H. Eldredge, cashier of the Merchants' Bank of Boston, aged thirty-six years.

There is now and then one who goes out from our crowded house of life, after whom we look when we have said farewell to him at the narrow door—so strangely unaccountable seems his departure and so hard to be reconciled to and believe. CHARLES H. ELDRIDGE, who was buried on Wednesday, October 7th, at Mount Auburn, was known to most persons in Boston, and his look will come up when he is named, as one of the most healthy, fine looking of the young men of the community, and one whose promise of life might have been picked out as the fairest and best worth caring for. He was a robust, joyous and generous looking specimen of manly beauty, and many who were not personally acquainted with him will have been shocked more than by a common death, realizing only the bold and flowering mark thus chosen by the destroyer. But, though this unkept promise of life gives additional suddenness and disappointment to the distress of those who were related to him, it is for very unusual excellence as a son, husband, brother and friend, that Eldredge is mourned, and it is for these and uncommon union of loveable lesser qualities that it seems to me his death requires something more than mere formal mention. A better man in all the relations just named was not among us, and goodness, in these first links outward from the heart, is more worthy of honorable commemoration than much that is more talked of in obituaries. A princely nature, united to all the every-day virtues, should not go unremarked in a world like this, and such a union was his. Eldredge had found time, amid his assiduous duties as cashier of the Merchants' Bank, to cultivate a fine taste in the arts, and he was a generous friend to artists, and held, himself, by no means an indifferent pencil. He was refined in

all his tastes, and the beautiful monument at Mount Auburn, which had been newly completed and graced with a *bas-relief* commemorative of a lovely daughter, shows how poetical and reflective was the character of his mind. We were not prepared to place him beside it so soon after its completion, but he has been laid in this cold though tasteful bed of his own choosing and adorning, and it will be visited and tearful tribute paid to it, as the grave of one who was the pride and idol of all connected with him.

N. P. W.

SEMI-ANNUAL DIVIDENDS.

SEPTEMBER AND OCTOBER, 1846.

		per ct.	amount.
MAINE,	Manufacturers and Traders' Bank, Portland,	4	\$ 3,000
"	Canal Bank, do.	3	12,000
"	Casco Bank, do.	3	9,000
"	Bank of Cumberland, do.	3½	3,500
"	Merchants' Bank, do.	4	6,000
MASS'TTS,	Bunker Hill Bank, Charlestown,	4	6,000
"	Hingham Bank, Hingham,	3½	3,475
"	Village Bank, Danvers,	2	2,400
"	Taunton Bank, Taunton,	4	8,000
"	Old Colony Bank, Plymouth,	4	4,000
"	Plymouth Bank, do.	3½	3,500
"	Asiatic Bank, Salem,	3	6,000
"	Commercial Bank, do.	3	6,000
"	Exchange Bank, do.	3	6,000
"	Merchants' Bank, do.	3	6,000
"	Mercantile Bank, do.	3	6,000
"	Naumkeag Bank, do.	3	15,000
"	Salem Bank, do.	2	5,000
NEW YORK,	Bank of New York, New York,	4	40,000
"	City Bank, do.	4	28,800
"	Mechanics' Bank, do.	4	57,600
"	Union Bank, do.	4	40,000
"	Fulton Bank, do.	5	30,000
"	National Bank, do.	3½	26,250
"	Am. Exchange Bank, do.	3	34,662
"	Atlantic Bank, Brooklyn,	3½	17,500
"	Mechanics and Farmers' Bank, Albany,	5	22,100
"	Albany City Bank, do.	4	20,000
NEW JERSEY,	State Bank at Camden,	3½	9,100
"	Farmers' Bank, Mount Holly,	3	3,000
MARYLAND,	Farmers and Merchants' Bank, Baltimore,	3	11,806
"	Marine Bank, do.	3	9,276
"	Commercial and Farmers' Bank, do.	3½	17,939
GEORGIA,	Bank of Brunswick, Augusta,	4	8,000
LOUISIANA,	City Bank of New Orleans,	3	56,658

☞ The dividends of the Boston Banks will be found at page 294. The Fulton Bank and Tradesmen's Bank, New York, have both made their accustomed dividends of five per cent. This has been their rate for some years past. The Manhattan Bank, has resumed its semi-annual dividends after a rest of some years. A correct list of the presidents and cashiers of the Banks of Boston, will be found in this number.

EXCHANGES AND STOCKS.

New York, October 26.

London, 60 days,..... prem.	7.50	8.00
Paris, 60 days,.....	5.33	5.32
Amsterdam,.....	39	39½
Hamburg,.....	35	35½
Bremen,.....	77½	78
Boston,..... d.	½	½
Philadelphia,..... d.	½	½
Baltimore,..... d.	½	½
Richmond,..... d.	¾	1
North Carolina,..... d.	1½	2
Charleston,..... d.	1	1½
Savannah,..... d.	1½	2
Mobile,..... d.	¾	1
New Orleans,..... d.	¾	1
Nashville,..... d.	2	2½
Louisville,..... d.	1½	2
Cincinnati,..... d.	2	3
St. Louis,..... d.	1½	2

New Orleans, October 20.

London, 60 days,..... prem.	7.50	8.00
Paris, 60 days,.....	5.35	5.32
New York, 60 days,..... d.	1½	1½
Do. sight,.....	par.	
Boston, 60 days,..... d.	1½	1½
Philadelphia, 60 days,..... d.	1½	1½
Baltimore, 60 days,..... d.	1½	1½
Havana, 5 days,..... d.	4	5
American Gold,..... p.	1	1½
Sovereigns,.....	4 85	4 86
Twenty Francs,.....	3 83	3 86
Spanish Doubloons,.....	16 00	16 25
Patriot Doubloons,.....	15 53	15 60

New York.

Doubloons, Spanish,.....	16 00	16 50
Doubloons, Patriot,.....	15 50	16 60
Sovereigns,.....	4 83	4 84
Louis d'or,.....	4 80	4 84
Napoleons,.....	3 82	3 83
Ducat,.....	2 20	2 25
Ten Guilder,.....	3 90	3 95
Five Thaler,.....	3 85	3 90
Frederick d'or,.....	3 85	3 90
Five Franc,.....	93	94
Spanish Dollar,.....	1 03	1 04
Mexican Dollar,.....	1 00	1 01
American Gold, old,.....	1 05	1 06
American Gold, new,.....	1 00	1 01
English Guinea,.....	5 00	5 10

②-d. discount, p. premium.

Baltimore, Oct. 26.

	<i>per cent.</i>	
Maryland 6 per cents,....	77	78
Maryland 5 per cents,....	60	65
Maryland sterl'g 5 p. cents,	65	67
Maryland sterl'g 3 p. cents,	39	41
Baltimore 6 per cents,....	98	99
Baltimore 5 per cents,....	80	81
B. & O. R. Road 6 p. cents,	95	100
Bank of Baltimore,.....	84	86
Merchants' Bank,.....	84	86
Union Bank,.....	80	81
Farmers and Merchants',..	70	71
Commercial and Farmers',	100	101
Marine Bank,.....	80	86
Farmers & Planters',.....	87	91
Chesapeake Bank,.....	81	83
Western Bank,.....	74	80
Mechanics' Bank,.....	95	100
Franklin Bank,.....	58	60
Farmers' Bank of Md.,....	80	82

Philadelphia, October 26.

Pennsylvania 6 per cent,...	73	75
Pennsylvania 5 " ..	68	70
Tennessee 5 " ..	100	101
Philadelphia 6 " ..	100	101
Pittsburg 6 " ..	90	91
Texas 8 " ..	15	20
Texas 10 " ..	17	22
Texas Treasury Notes,....	15	19
Bank of North America,...	100	101
Bank of Pennsylvania,....	103	104
Bank of Northern Liberties,	115	116
Bank of Penn Township,...	120	125
Commercial Bank, Pa.,...	100	105
Bank of Commerce,.....	90	95
Farmers and Mechanics',..	130	140
Girard Bank,.....	19	20
Kensington Bank,.....	112	114
Philadelphia Bank,.....	111	114
Manufacturers and Mech's,	100	101
Southwark Bank,.....	120	130
Western Bank,.....	110	112
Union Bank, Tennessee...	50	53
Exchange Bank, Pittsburg,	80	84
Merchants & M. B'k, do.	86	88
Bank of Louisville,.....	82	86
Northern Bank, Ky.,.....	92	92
Bank of Kentucky,.....	76	77
Phila. & Balto. R. Road,..	56	60
Camden & Amboy R. Road,	127	130

THE
BANKERS' MAGAZINE
 AND
State Financial Register.

NOVEMBER, 1846.

CONTENTS.

ARTICLE.	PAGE.
I.— NATIONAL FINANCES AND PUBLIC LOANS: with a statement of all Treasury Notes issued from 1812 to 1843, . . .	257
II.— STATE FINANCES: Indiana and its bondholders, . . .	262
III.— PUBLIC CREDIT: Foreign views of American Credit, . . .	266
IV.— PUBLIC DEBT OF MARYLAND: by J. J. Speed, esq. . . .	271
V.— SAVINGS BANKS: their Origin and Progress: Savings Banks in Switzerland and France: New French Savings Bank Law,	273
VI.— FOREIGN BANKING ESTABLISHMENTS, No. III: The Bank of France: its History, Organization, Regulations and Privileges,	276
VII.— PRINCIPLES OF EXCHANGE: by J. R. McCulloch, esq: The Law of Bills of Exchange, and Par of Exchange between London and nineteen cities,	287
VIII.— BANK STATISTICS. —1. Banks of Boston: Capital, Circulation, Deposits, Specie, Loans, Profits, Dividends and Officers of each: 2. Banks of Massachusetts, their Capital and Location,	293
IX.— THE BRITISH CABINET: the Functions and Salaries of its members,	295
X.— LEGAL MISCELLANY: Twelve Cases relating to Brokers, Notaries, Bills of Exchange, and Promissory Notes,	303
XI.— STATE OF MARYLAND DEBT: by a Baltimore Banker, . . .	308
XII.— REPUDIATION: a Letter from J. J. Speed, to a Landholder of Maryland, upon Repudiation,	309
XIII.— MISCELLANEOUS: The Proper use of Money. The London Times: St. Louis Public Loan: Custom House, Boston: Treasury Notes: Marine Insurance,	312
XIV.— DEATHS OF BANK OFFICERS,	317
XV.— BANK ITEMS: Appointments and Resignations of Presidents and Cashiers,	316
XVI.— SEMI-ANNUAL DIVIDENDS OF BANKS,	318
XVII.— EXCHANGE, STOCKS AND MONEY,	319

THE
BANKERS' MAGAZINE
AND
State Financial Register.

VOL. I.]

DECEMBER, 1846.

[NO. VI.]

NATIONAL FINANCES.

Public notice was given on the 30th of October, for proposals for a loan to the government of five millions of dollars, bearing six per cent. interest, and irredeemable before 12th November, 1856. The following official notice appeared in the public papers, viz.

TREASURY DEPARTMENT, }
October 30, 1846. }

An act having been passed by Congress, and approved by the President of the United States, on the 22d of July, 1846, entitled "An act authorising an issue of treasury notes and a loan," the undersigned, Secretary of the Treasury, will, in pursuance of the provisions of said act, receive proposals at the treasury until the 12th of November, 1846, inclusive, for the subscription of a loan of five millions of dollars, on a stock bearing an interest of six per cent. per annum, payable semi-annually. The proposals will state the price to be paid for said stock; the money loaned to be placed to the credit of the Treasurer of the United States, with him or with either of the assistant treasurers at Boston, New York, or Charleston, or the treasurer of the mint of Philadelphia, or New Orleans. Stock will be inscribed on the books of the department, and certificates issued for the sums thus agreed for, on evidence of the deposit of the money as provided above, bearing interest from the date of the deposit, and irredeemable before the 12th of November, 1856. The proposals will state where the money will be deposited, and should be directed in letters, under seal, to the Secretary of the Treasury, endorsed "Proposals for the United States loan." No offer for any sum under one thousand dollars will be considered.

R. J. WALKER,
Secretary of the Treasury.

We learn that the loan was taken by various parties at a fraction over one per cent. premium, a very low rate when we take into consideration the market value of government and state six per cent. stocks. There is no doubt that the loan would have been taken at a much higher rate, but for the present prospect of a protracted war with Mexico.

We do not see why the general government loans should not bear as high a value as those of the states individually, unless it be that foreign capitalists are afraid of a large accumulation of public debt by this country, the United States loans are intrinsically better, and for mere purposes of in-

vestment, are more secure. It is only a few weeks since the state of New York realised within a small fraction of five per cent. premium on her newly created six per cent. stock. This occurred in July last, and at this moment, the six per cents. of that state are worth 105 • 107, while other state securities bear a fair premium.

The following quotations, are from sales made in November, 1846 :

New York state six per cent.	106 • 107
Tennessee, six “	100 • 101
Kentucky, six “	100
S. Carolina, six “	104
United States, six “	106 • 107 old loan.
do. fives “	95 • 96

There is obviously a want of public confidence in our rulers : a fear of an accumulated national debt, and a conviction that the financial measures of the administration are not in the right hands. The single fact that the Secretary of the Treasury was selected from a state in which repudiation had its origin and growth, has in itself been a source of mortification to the country. Repudiation, more than anything else, has been the cause of discrediting American securities in the European markets, for there capitalists do not discriminate so nicely between the state and general governments. The liabilities of Mississippi, as well as Massachusetts, are looked upon abroad as the liabilities of the whole country.

“A healthy tone of moral sentiment ; well regulated public opinion ; the influence of the natural and innate sense of justice are the only securities on which creditors can depend, in their dealings with states.”

These principles have been neglected by Mississippi, and the whole country now feels its share of the odium cast upon it in consequence. A citizen of Massachusetts or New York feels a pride in the glory achieved by the arms of Mississippi volunteers in Mexico : he also shares the deep mortification resulting from a dereliction of duty on the part of a sister state. The following official notice will show the present amount of treasury issues in circulation :

	} TREASURY DEPARTMENT, }
	} Register's Office, November 2, 1846. }
Amount outstanding of the several issues prior to the act of 22d July, 1846, as per records of this office,	\$ 412,283 97
Amount outstanding of issues under the act of 22d July, 1846,	3,227,000 00
	<hr/>
	\$ 3,639,283 97
Deduct cancelled notes in the hands of the accounting officers,	567,000 00
	<hr/>
	\$ 3,072,283 97

R. H. GILLET,
Register of the Treasury.

TREASURY DEPARTMENT, Nov. 2, 1846.

In reply to inquiries made of this department, notice is given that treasury notes issued under the act of the 22d of July, 1846, bearing an interest of one mill per hundred dollars per annum, may be deposited, under the advertisement of the 22d of October last, in exchange for treasury notes carrying an interest of five and two-fifths per cent. per annum.

R. J. WALKER,
Secretary of the Treasury.

FRAUDS UPON BANKS.

The recent instance of fraud upon the Mechanics' Bank of Baltimore, committed by one of the book-keepers of the institution, shows the necessity of a more accurate system of checks upon bank officers.

The frauds committed by the book-keeper in this case, amounted to upwards of fifty thousand dollars, and have been perpetrated in a series of years, with collusion of other parties. One individual having an account with the bank, has been allowed to overdraw his account twenty-four thousand dollars, by means of fraudulent entries by the book-keeper who kept the individual ledger, and by means of checks *presented and paid a second time*.

With a well managed bank, such frauds could never be committed. It is a new thing to us, for a teller to hand over paid-checks to the book-keeper, without cancelling them. In fact, the practice itself, would suggest to a mind, not otherwise strictly correct, the convenience and facility of fraud by means of re-presentation.

The losses which have occurred within a few years to banking institutions, in consequence of frauds alone, would serve to show the necessity of the most rigid system of checks and counter checks. We believe the following rules, if strictly observed, will effectually guard against any serious loss in this way.

1. All checks to be cancelled by the teller before transferring them to the book-keeper.
2. Where two individual book-keepers are retained in a bank, the ledger of each to be transferred to the other at least once a month.
3. Every bank-book to be settled at least once in three months.
4. *Depositors to enter their own checks in their own bank-books—the bank keeping one side of the account, the depositor keeping the other.

* The practice in this particular varies much in large cities. Some banks will not allow checks to be entered by depositors: while in other cities, the banks will not balance the books of depositors unless the latter have entered all their checks in regular order.

STATE FINANCES.

The recent convention for the formation of a new constitution, for the State of New York, adjourned at Albany, on the 9th of October, after a session of 131 days. The sections of the newly adopted constitution which have an important bearing upon the public debt of the state, the liabilities of stockholders, corporations, &c. are herewith published.

Our readers will see that a radical change is contemplated, by the abolishment of the public debt of the state of New York, and by more stringent provisions relating to stockholders of monied corporations.

ARTICLE VII.—Finance.—Sec. 1. After paying the expenses of collection, superintendence and ordinary repairs, there shall be appropriated and set apart in each fiscal year, out of the revenues of the state canals, commencing on the first day of June, 1846, the sum of one million and three hundred thousand dollars, until the first day of June, 1855, and from that time the sum of one million and seven hundred thousand dollars in each fiscal year, as a sinking fund, to pay the interest and redeem the principal of that part of the state debt, called the canal debt, as it existed at the time first aforesaid, and including three hundred thousand dollars then to be borrowed, until the same shall be wholly paid; and the principal and income of the said sinking fund shall be sacredly applied to that purpose.

§2. After complying with the provisions of the first section of this article, there shall be appropriated and set apart out of the surplus revenues of the state canals, in each fiscal year, commencing on the first day of June, 1846, the sum of three hundred and fifty thousand dollars, until the time when a sufficient sum shall have been appropriated and set apart, under the said first section, to pay the interest and extinguish the entire principal of the canal debt; and after that period, then the sum of one million and five hundred thousand dollars in each fiscal year, as a sinking fund, to pay the interest and redeem the principal of that part of the state debt called the general fund debt, including the debt for loans of the state credit to rail road companies which have failed to pay the interest thereon, and also the contingent debt on state stocks loaned to the incorporated companies which have hitherto paid the interest thereon whenever and as far as any part thereof may become a charge on the treasury or general fund, until the same shall be wholly paid; and the principal and income of the said last mentioned sinking fund shall be sacredly applied to the purpose aforesaid; and if the payment of any part of the said monies to the said sinking fund shall at any time be deferred, by reason of the priority recognized in the first section of this article, the sum so deferred, with quarterly interest thereon, at the then current rate, shall be paid to the last mentioned sinking fund, as soon as it can be done consistently with the just rights of the creditors holding said canal debt.

§3. After paying the said expenses of superintendence and repairs of the canals, and the sum appropriated by the first and second sections of this article, there shall be paid out of the surplus revenues of the canals, to the treasurer of the state, on or before the thirtieth day of September, in each year, for the use and benefit of the general fund, such sum, not exceeding \$200,000, as may be required to defray the necessary expenses of the state; and the remainder of the revenues of the said canals shall, in each fiscal year, be applied, in such manner as the legislature shall direct, to the completion of the Erie canal enlargement, and the Genesee Valley and Black River canals, until the said canals shall be completed.

If at any time after the period of eight years from the adoption of this constitution, the revenues of the state, unappropriated by this article, shall not be sufficient to defray the necessary expenses of the government, without continuing or laying a direct tax, the legislature may, at its discretion, supply the deficiency, in whole or in part from the surplus revenues of the canals, after complying with the provisions of the first two sections of this article, for paying the interest and extinguishing the principal of the canal and general fund debt; but the sum thus appropriated from the surplus revenues of the canals shall not exceed annually \$359,000, including the sum of \$200,000, provided for by this section for the expenses of the government, until the general fund debt shall be extinguished, or until the Erie canal enlargement and Genessee Valley and Black River canals shall be completed, and after that debt shall be paid, or the said canals shall be completed, then the sum of \$672,500, or so much thereof as shall be necessary, may be annually appropriated to defray the expenses of the government.

§4. The claims of the state against any incorporated company to pay the interest and redeem the principal of the stock of the state loaned or advanced to such company, shall be fairly enforced, and not released or compromised; and the moneys arising from such claims shall be set apart and applied as part of the sinking fund provided in the second section of this article. But the time limited for the fulfilment of any condition of any release or compromise heretofore made or provided for, may be extended by law.

§5. If the sinking funds, or either of them provided in this article, shall prove insufficient to enable the state, on the credit of such fund, to procure the means to satisfy the claims of the creditors of the state, as they become payable, the legislature shall, by equitable taxes, so increase the revenues of the said funds as to make them, respectively, sufficient perfectly to preserve the public faith. Every contribution or advance to the canals, or their debt, from any source, other than the direct revenues, shall, with quarterly interest, at the rates then current, be repaid into the treasury, for the use of the state, out of the canal revenues, as soon as it can be done consistently with the just rights of the creditors holding the said canal debt.

§6. The legislature shall not sell, lease, or otherwise dispose of any of the canals of the state; but they shall remain the property of the state and under its management, forever.

§7. The legislature shall never sell or dispose of the salt springs belonging to this state. The lands contiguous thereto, and which may be necessary and convenient for the use of the salt springs, may be sold by authority of law and under the direction of the commissioners of the land office, for the purpose of investing the monies arising therefrom in other lands alike convenient; but by such sale and purchase the aggregate quantity of these lands shall not be diminished.

§8. No monies shall ever be paid out of the treasury of this state, or any of its funds, or any of the funds under its management, except in pursuance of an appropriation by law; nor unless such payment be made within two years next after the passage of such appropriation act; and every such law making a new appropriation, or continuing or reviving an appropriation, shall distinctly specify the sum appropriated, and the object to which it is to be applied; and it shall not be sufficient for such law to refer to any other law to fix such sum.

§9. The credit of the state shall not, in any manner, be given or loaned to, or in aid of any individual, association or corporation.

§10. The state may, to meet casual deficits or failures in revenues, or for expenses not provided for, contract debts, but such debts, direct and contin-

gent, singly, or in the aggregate, shall not, at any time, exceed one million of dollars; and the monies arising from the loans creating such debts, shall be applied to the purpose for which they were obtained, or to repay the debt so contracted, and to no other purpose whatever.

§11. In addition to the above limited power to contract debts, the state may contract debts to repel invasion, suppress insurrection, or defend the state in war; but the money arising from the contracting of such debts shall be applied to the purpose for which it was raised, or to repay such debts, and to no other purpose whatever.

§12. Except the debts specified in the tenth and eleventh sections of this article, no debt shall hereafter be contracted by or on behalf of this state, unless such debt shall be authorised by a law for some single work or object, to be distinctly specified therein, and such law shall impose and provide for the collection of a direct annual tax to pay, and sufficient to pay the interest on such debt as it falls due, and also to pay and discharge the principal of such debt within eighteen years from the time of the contracting thereof.

No such law shall take effect until it shall, at a general election, have been submitted to the people, and have received a majority of all the votes cast for and against it, at such election.

On the final passage of such bill in either house of the legislature, the question shall be taken by ayes and noes, to be duly entered on the journals thereof, and shall be: "Shall this bill pass, and ought the same to receive the sanction of the people?"

The legislature may at any time, after the approval of such law by the people, if no debt shall have been contracted in pursuance thereof, repeal the same; and may at any time, by law, forbid the contracting of any further debt or liability under such law; but the tax imposed by such act, in proportion to the debt and liability which may have been contracted in pursuance of such law, shall remain in force and be irrevocable, and be annually collected until the proceeds thereof shall have made the provision herein before specified, to pay and discharge the interest and principal of such debt and liability.

The money arising from any loan or stock creating such debt or liability, shall be applied to the work or object specified in the act authorising such debt or liability, or for the repayment of such debt or liability, and for no other purpose whatever.

No such law shall be submitted to be voted on, within three months after its passage, or at any general election, when any other law or any bill or any amendment to the constitution, shall be submitted to be voted for or against.

§13. Every law which imposes, continues or revives a tax, shall distinctly state the tax, and the object to which it is to be applied, and it shall not be sufficient to refer to any other law to fix such tax or object.

§14. On the final passage in either house of the legislature, of every act which imposes, continues or revives a tax, or creates a debt or charge, or makes, continues or revives any appropriation of public or trust-money or property, or releases, discharges or commutes any claim or demand of the state, the question shall be taken by ayes and noes, which shall be duly entered on the journals, and three-fifths of all the members elected to either house, shall, in all such cases, be necessary to constitute a quorum therein.

ARTICLE VIII. *Corporations*.—Sec. 1. Corporations may be formed under general laws; but shall not be created by special act, except for municipal purposes, and in cases wherein the judgment of the legislature, the objects of the corporation cannot be attained under general laws. All general laws and special acts passed pursuant to this section, may be altered from time to time or repealed.

§2. Dues from the corporations shall be secured by such individual liability of the corporators and other means as may be prescribed by law.

§3. The term corporations, as used in this article, shall be construed to include all associations and joint-stock companies having any of the powers or privileges of corporations not possessed by individuals or partnerships. And all corporations shall have the right to sue, and shall be subject to be sued, in all courts in like cases as natural persons.

§4. The legislature shall have no power to pass any act granting any special charter for banking purposes; but corporations or associations may be formed for such purposes under general laws.

§5. The legislature shall have no power to pass any law sanctioning in any manner, directly or indirectly, the suspension of specie payments by any person, association or corporation issuing bank notes of any description.

§6. The legislature shall provide by law for the registry of all bills or notes, issued or put in circulation as money, and shall require ample security for the redemption of the same in specie.

§7. The stockholders in every corporation and joint-stock association for banking purposes, issuing bank notes or any kind of paper credits to circulate as money, after the first day of January, 1850, shall be individually responsible to the amount of their respective share or shares of stock in any such corporation or association, for all its debts and liabilities of every kind, contracted after the said first day of January, 1850.

§8. In case of the insolvency of any bank or banking association, the bill-holders thereof shall be entitled to preference in payment, over all other creditors of such bank or association.

§9. It shall be the duty of the legislature to provide for the organization of cities and incorporated villages, and especially to restrict their power of taxation, assessment, borrowing money, contracting debts and loaning their credit, so as to prevent abuses in assessments and in contracting debt by such municipal corporations.

TO THE PEOPLE OF THE STATE OF NEW YORK.

Albany, Oct. 9th, 1846.

The delegates of the people, in convention, having terminated their deliberations, present to you the result of their labors in an amended constitution of fourteen articles, to be considered together, for your adoption. They have presented for your separate consideration, a section relative to suffrage, equally applicable to the present, and proposed constitution.

In these fourteen articles they have reorganized the legislature; established more limited districts for the election of the members of that body, and wholly separated it from the exercise of judicial power. The most important state officers have been made elective by the people of the state; and most of the officers of cities, towns, and counties, are made elective by the voters of the locality they serve. They have abolished a host of useless offices. They have sought at once to reduce and decentralize the patronage of the executive government. They have rendered inviolate the funds devoted to education. After repeated failures in the legislature, they have provided a judicial system adequate to the wants of a free people, rapidly increasing in arts, culture, commerce, and a population. They have made provision for the payment of the whole state debt and the accomplishment of the public works begun. While that debt is in the progress of payment, they have provided a large contribution from the canal revenues towards the current expenses of the state, and sufficient for that purpose when the state

debt shall have been paid : and have placed strong safeguards against the recurrence of debt, and the improvident expenditure of the public money. They have agreed on important provisions in relation to the mode of creating incorporations, and the liability of their members ; and have sought to render the business of banking more safe and responsible. They have incorporated many useful provisions more effectually to secure the people in their rights of person and property against the abuses of delegated power. They have modified the power of the legislature, with the direct consent of the people, to amend the constitution from time to time, and have secured to the people of the state, the right once in twenty years to pass directly on the question, whether they will call a convention, for the revision of the constitution.

These articles embrace all the provisions agreed upon by the convention, to constitute the constitution of the state. They are of course very numerous, often dependant one upon another, and can be best considered, as a whole ; and the convention have not found it practicable to separate them into parts, to be separately passed upon by the people.

The convention have therefore presented the subject in the form that will best enable the people to judge between the old and the new constitution. If the constitution now proposed be adopted, the happiness and progress of the people of this state, will, under God, be in their hands.

JOHN TRACY, *President*.

JAMES F. STARBUCK, }
FRANCIS SEGER, } *Secretaries.*
HENRY W. STRONG, }

GOVERNMENT DEPOSITS.

Amount subject to the draft of the Treasurer of the United States.

	June 1, 1846.	Oct. 26, 1846.
Bank of America, New York,.....	\$ 1,017,883	358,782
Bank State of New York, do.....	707,400	368,860
American Exchange Bank.....	274,793	288,203
Bank of Commerce.....	975,587	294,221
Mechanics' Bank.....	670,205	148,006
Merchants' Bank... ..	864,091	338,173
North River Bank.....	446,237	105,147
Assistant Treasurer, New York,.....		1,864
Total city of New York,.....	\$ 4,955,696	1,847,756
Albany City Bank.....	\$ 165,255	81,734
Commercial Bank, Albany,.....	195,000	30,000
Mechanics and Farmers' Bank, do.....	168,681	71,549
Canal Bank, do.....	64,000	122,000
Brooklyn Bank, Brooklyn,.....	51,710	30,000
Oliver Lee & Co's Bank, Buffalo,.....	100,000	18,632
Total state of New York,.....	\$ 5,695,342	2,201,671
Merchants' Bank, Boston,.....	\$ 1,302,737	71,009
Assistant Treasurer, Boston,.....		146,996
Philadelphia Bank, Philadelphia,.....	397,603	48,178
Bank of Commerce, do.....	352,537	49,305
Exchange Bank, Pittsburgh,.....	181,214	17,127

Government Deposits.

329

Bank of Erie, Erie,.....	\$23,588	\$18,924
Bank of Middletown, Middletown,.....	45,526	45,526
Chesapeake Bank, Baltimore.....	305,881	157,928
Corcoran & Riggs, Washington.....	507,500	298,458
Bank of Washington, do.....	10,780	16,921
Bank of Metropolis, do.....	32,999	
Patriotic Bank, do.....	14,760	14,432
Bank of Potomac, Alexandria.....	8,146	9,738
Farmers' Bank of Virginia, Richmond....	57,140	42,141
Bank of Virginia, do.....	102,377	52,029
Exchange Bank of Virginia, Norfolk....	83,521	2,852
South Western R. R. Bank, Charleston...	143,898	41,777
Planters' Bank, Savannah.....	64,498	50,062
Bank of Mobile, Mobile.....	150,546	4,251
Do Uncurrent funds.....	5,350	5,353
Canal and Banking Company, New Orleans	12,456	
Ohio Life and Trust Co., Cincinnati.....	211,260	91,611
Firemen's Insurance Co., Cleveland.....	29,221	
Marine and Fire Insurance Co., Milwaukee	147,675	
Michigan Insurance Co., Detroit.....	83,633	
Mechanics and Traders' Bank, Portsmouth, N. H.....	7,325	
Arcade Bank, Providence.....	32,792	868
Farmers and Mechanics' Bank, Hartford..	31,698	
Union Bank of Tennessee, Nashville....	37,961	22,739
Bank of Burlington, Burlington.....	6,665	
State Bank, Morris, N. J.....	45,000	40,000
Bank of Louisiana, New Orleans.....	20	
Louisville Savings' Institution, Louisville.	127,830	51,168
Branch Bank Cape Fear, Washington....	13,151	
Clinton Bank, Columbus.....	94,145	16,338
Bank of Missouri, St. Louis.....	367,840	78,994
Farmers and Mechanics' Bank, Memphis..		7,195
Assistant Treasurer, Philadelphia.....		76,332
Treasurer U. S., Washington.....		56,312
Branch Mint, New Orleans.....		30
Receiver and Deputy, Detroit.....		200
Mint U. S., Philadelphia..		409,520
Branch Mint, Charlotte... }		32,000
Branch Mint, Dahlonga.. }		26,850
Branch Mint, New Orleans }	870,000	77,522
		<hr/>
		\$ 4,275,988
Deduct over-drafts and transfers.....		816,378
		<hr/>
Amount subject to draft.....	\$11,608,065	3,459,560

Transfers Ordered.

To Canal Bank, Albany.....	\$ 20,000 00
To Bank of Commerce, New York.....	78,631 25
To Bank of America, New York.....	60,000 00
To Merchants Bank, New York.....	50,000 00
To Chesapeake Bank, Baltimore, Md.....	25,000 00
To the Canal and Banking Company, New Orleans, La....	840,314 93
To Bank of Missouri, St. Louis, Missouri.....	25,000 00

\$ 1,098,946 18

From Oliver Lee & Co's Bank, Buffalo, N. Y.....	\$ 18,631 25
From Mechanics' and Farmers' Bank, Albany, N. Y.....	50,000 00

From Albany City Bank, N. Y.....	\$40,000 00
From Canal Bank, Albany, N. Y.....	110,000 00
From Bank of Commerce, N. Y.....	100,000 00
From Bank of America, N. Y.....	225,314 93
From Bank of the State of New York, N. Y.....	100,000 00
From Mechanics' Bank, do.....	75,000 00
From American Exchange Bank, do.....	90,000 00
From Merchants' Bank, do.....	100,000 00
From North River Bank, do.....	50,000 00
From Philadelphia Bank, Philadelphia.....	25,000 00
From Bank of Commerce, do.....	25,000 00
From Bank of Erie, Erie.....	10,000 00
From Chesapeake Bank, Baltimore.....	25,000 00
From Corcoran & Riggs, Washington.....	25,000 00
From Farmers' Bank of Virginia, Richmond.....	10,000 00
From Bank of Virginia, Richmond.....	20,000 00
From Planters' Bank, Savannah, Georgia....	5,000 00
	\$1,103,946 18

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## P E N N S Y L V A N I A .

The following letter is from a correspondent whose means of information are ample :

HARRISBURG, November 11, 1846.

*To the Editor of the Bankers' Magazine :*

The table of the funded debt of Pennsylvania hereto appended, may be relied upon as correct.

The *principal* of the public debt of our state due this year, amounting to \$5,471,832, has not been provided for. For this amount, no *new stock* has been issued, but the state goes on to pay the interest as if the principal were reimbursable hereafter.

You will see by the annual treasury report for 1846, and the circulars published with the same, some of the means that have been taken in 1845 to restore our lost credit, and to maintain, inviolate, our public engagements. The extraordinary efforts of the present year have been crowned with the same results, and the estimates made last winter, *have been more than realized*. By such efforts, there was collected in the single month of July, 1846, the sum of \$1,005,248. This enabled the state to meet its payment in August last, of above one million of dollars.

For further information respecting the existing indebtedness, revenues, expenditures, &c., I refer your readers to the annual report of the treasurer of the state to the legislature in January last, and also to the report of the board of revenue commissioners, which you will find useful in several particulars, especially in relation to the assessments of taxes and the aggregate amount.

Our fiscal year closes on the 30th of November, at which time the receipts and expenditures for the past twelve months will be ascertained, and an abstract will be furnished, if it can be procured, for your work.

I have examined carefully the copy of the "Bankers' Magazine and State Financial Register" for November. It is an able and useful publication, and eminently worthy the public regard.

Very respectfully, &c.

Statement showing the several loans of the commonwealth, and the acts of Assembly authorizing them, the rate per cent. interest of each, the time when reimbursable, and the amounts of the same as they respectively stood on the 1st day of December, 1845.

| Loans.                 |        | Rate of Int. | Reimbursable.                     | Amount.          |
|------------------------|--------|--------------|-----------------------------------|------------------|
| Stock loan,            | - 1821 | - 5          | - 1841                            | - \$ 39,531 69   |
| Do.                    | - 1826 | - 5          | - 1846                            | - 297,000 00     |
| Do.                    | - 1827 | - 5          | - 1850                            | - 999,960 30     |
| Do.                    | - 1828 | - 5          | - 1853                            | - 1,999,800 00   |
| Do.                    | - 1828 | - 5          | - 1854                            | - 799,463 69     |
| Do.                    | - 1829 | - 5          | - 1854                            | - 2,198,500 00   |
| Do.                    | - 1829 | - 5          | - { 1844                          | - 62,500 00      |
|                        |        |              | - { 1847                          | - 50,000 00      |
| Do.                    | - 1830 | - 5          | - 1858                            | - 3,999,900 00   |
| Do.                    | - 1831 | - 5          | - 1856                            | - 2,482,161 88   |
| Do.                    | - 1831 | - 5          | - 1856                            | - 300,000 00     |
| Do.                    | - 1832 | - 5          | - 1860                            | - 2,348,680 00   |
| Do.                    | - 1832 | - 5          | - 1860                            | - 300,000 00     |
| Do.                    | - 1833 | - 5          | - 1858                            | - 2,540,661 44   |
| Do.                    | - 1833 | - 4½         | - 1863                            | - 200,000 00     |
| Do.                    | - 1833 | - 5          | - 1858                            | - 530,000 00     |
| Do.                    | - 1833 | - 5          | - 1861                            | - 120,000 00     |
| Do.                    | - 1834 | - 5          | - 1862                            | - 2,265,400 00   |
| Do.                    | - 1835 | - 5          | - 1865                            | - 959,600 00     |
| Do.                    | - 1839 | - 5          | - 1859                            | - 1,199,123 24   |
| Do.                    | - 1839 | - 5          | - 1864                            | - 1,277,689 00   |
| Do.                    | - 1839 | - 5          | - 1864                            | - 100,000 00     |
| Do.                    | - 1839 | - 5          | - 1868                            | - 470,000 00     |
| Do.                    | - 1839 | - 5          | - 1859                            | - 50,000 00      |
| Do.                    | - 1839 | - 5          | - 1864                            | - 1,135,000 00   |
| Do.                    | - 1839 | - 5          | - 1868                            | - 2,054,000 00   |
| Do.                    | - 1840 | - 5          | - 1865                            | - 869,915 57     |
| Do.                    | - 1840 | - 5          | - 1864                            | - 863,032 78     |
| Do.                    | - 1840 | - 5          | - 1870                            | - 1,940,351 15   |
| Do.                    | - 1841 | - 6          | - 1846                            | - 800,000 00     |
| Do.                    | - 1841 | - 6          | - 1847                            | - 22,335 06      |
| Loan (relief),         | - 1841 | - 1          | - 1846                            | - 1,353,178 00   |
| Stock loan,            | - 1841 | - 5          | - At exp. cer. -<br>bank charters | - 567,933 50     |
| Do.                    | - 1841 | - 6          | - 1846                            | - 890,468 31     |
| Interest certificates, | - 1842 | - 6          | - 1843                            | - 557,836 13     |
| Do.                    | - 1843 | - 6          | - 1846                            | - 1,141,076 97   |
| Stock loan,            | - 1844 | - 5          | - 1849                            | - 60,648 72      |
| Interest certificates, | - 1844 | - 5          | - 1846                            | - 990,109 84     |
| Stock loan,            | - 1845 | - 5          | - 1855                            | - 1,851,010 10   |
| Total amount of loans, |        |              |                                   | \$ 40,686,861 92 |

Domestic Creditors.

Amount of certificates to domestic creditors, as per last annual report of the auditor general, - \$1,510,018 17  
 Amount issued during the year, ending 30th November, 1845, viz.

|                                                                                                 |                |                |
|-------------------------------------------------------------------------------------------------|----------------|----------------|
| To John Evans, for damages, on account of the railroad to avoid the inclined plane at Columbia, | \$1,000 00     |                |
| To David Strain and William Dunlop, for work on the Pennsylvania canal, - - -                   | 3,819 00       |                |
| Total amount issued,                                                                            |                | \$1,514,332 17 |
| Amount redeemed during financial year ending November 30, 1845,                                 | 8,953 50       |                |
| Amount redeemed as per last report, - - -                                                       | \$1,405,628 24 |                |
| Total amount redeemed,                                                                          |                | 1,414,581 74   |
| Amount outstanding 1st December, 1845,                                                          | - -            | \$ 99,750 43   |

## Public Debt.

|                                                                                  |                |                 |
|----------------------------------------------------------------------------------|----------------|-----------------|
| Funded debt, viz.—                                                               |                |                 |
| 6 per cent. stocks, - - -                                                        | \$1,752,335 06 |                 |
| 5 do. do., - - -                                                                 | 34,786,932 37  |                 |
| 4½ do. do., - - -                                                                | 200,000 00     |                 |
| Total funded debt, 1st December, 1845,                                           |                | \$36,739,267 43 |
| Relief notes in circulation, - - -                                               |                | 1,258,572 00    |
| Interest certificates, outstanding, - - -                                        | \$2,689,022 49 |                 |
| Interest certificates, outstanding, - - -                                        | 28,391 72      |                 |
| Interest on certificates, at 4½ per cent., 1st of August, 1843, if funded, - - - | 171,389 15     |                 |
|                                                                                  |                | 2,889,803 36    |
| Domestic creditors, - - -                                                        |                | 99,750 43       |
| Total public debt, 1st December, 1845, -                                         |                | \$40,986,393 22 |

## Public Property.

|                                                                     |                 |
|---------------------------------------------------------------------|-----------------|
| Canals and railroads, at original cost, - - -                       | \$28,643,316 77 |
| Public buildings and grounds at Harrisburgh, estimated value, - - - | 250,000 00      |
| Money due on unpatented lands, estimated, - - -                     | 190,000 00      |
| State arsenals, powder magazines, &c., do., - - -                   | 100,000 00      |
| Stock in sundry corporations, par value, - - -                      | 2,045,476 79    |
| Total, - - -                                                        | \$31,228,793 56 |

## PUBLIC DEBT OF MARYLAND.

For the Bankers' Magazine.

As it is very desirable that some plan should be adopted by the legislature of Maryland, at its next session, to resume the payment of the interest on its public debt, the following plan is submitted for consideration :

As the arrearages of interest must be provided for, before the accruing interest can be paid, I propose that they be funded at the rate of five per cent., and redeemable in the following manner: Let the legislature appropriate *one hundred thousand dollars* per annum, to pay the interest and redeem the principal. I assume that the arrearages will be, on 1st Jan. next, \$1,200,000; the interest on which, at 5 per cent., is \$60,000, leaving \$40,000 for the first year to the redemption of the principal. The second year, the principal being reduced, and the interest lessened, a larger sum will necessarily be applicable to the redemption of the principal; and so, from

year to year, until the whole is redeemed. The appropriation may be made payable quarterly, which will increase the power of redemption annually.

The next point is, how to raise a sufficient sum to pay the interest of the present debt, with the addition of the \$100,000. The interest of the present debt is \$655,421 16, and the annual appropriation will make that amount \$755,421 16. But the state having levied a tax on its own stock, and the tobacco inspections paying the interest on the tobacco loan, this amount will be reduced by,

|                     |          |
|---------------------|----------|
| Tax on loan, (say,) | \$25,000 |
| Tobacco inspection, | 3,600    |
|                     | <hr/>    |
|                     | \$28,600 |

Which leaves \$726,821 16 to be provided for.

|                                                                                                                                                    |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Direct tax, in round numbers,                                                                                                                      | \$443,000    |
| Dividend B. & Ohio R. Road, and Wash'n R. Road,                                                                                                    | 48,000       |
| One-fifth passengers' do.,                                                                                                                         | 42,000       |
| Tide Water Canal and Susquehannah R. Road,                                                                                                         | 75,000       |
| Stamp tax,                                                                                                                                         | 40,000       |
| Tax on certain officers, policies of insurance, foreign insurance companies, commissions of executors, trustees, &c., and collateral inheritances, | 40,000       |
|                                                                                                                                                    | <hr/>        |
| Total from the above sources,                                                                                                                      | \$688,000    |
| To be provided as above suggested,                                                                                                                 | 726,821 16   |
|                                                                                                                                                    | <hr/>        |
| Estimated deficiency,                                                                                                                              | \$ 38,821 16 |

This deficiency may be supplied either from the arrearages of taxes, or from the interest on the sinking fund. The bonus on the Washington rail road, by the act of 1832, ch. 175, was set apart to form a sinking fund, for the payment of the interest and redemption of the principal of the stock issued under that act.

By the act of 1834, ch. 299, in violation of act of 1832, the revenue derived from the Washington road was ordered to be paid into the treasury, "to meet the ordinary expenses of government," providing only for the payment of the interest on the loan. In justice, the bonus from this road ought to be applied to the payment of the interest of the debt incurred for internal improvements, and therefore it is included in the estimate.

But the true fund to be resorted to is the sinking fund. This fund is composed of the premiums received for loans, and the accumulated interest. By the act of 1834, ch. 241, section 3, it is provided that the excess or advance which the treasurer should obtain above par of the stock created by that act, with all the interest that may accrue thereon, "shall form and be set apart as a sinking fund for the *payment of the interest* and the redemption of the principal of the debt (\$3,000,000) of this state," by that act created. The amount received by the treasurer, as a premium on this loan, was \$432,000

in six per cent. Maryland stocks. This sum and its interest now constitute *at least one half* of the sinking fund, and yet not one dollar has ever been taken from it for the payment of the interest of the debt which it was pledged for.

The sinking fund of Maryland is an anomaly. It was harmless in its commencement, as the surplus revenue was then applied to the payment of the interest on the stocks held by it; thus enabling the treasurer to purchase other stocks, and increase the fund. But now there is no surplus revenue, and the money applied to this fund is so much taken away from the public creditor. Were the fund cancelled, Maryland would have ample means to pay its interest. *Its existence, therefore, is the cause of the continuance of the dishonor of the state.*

“The excess of revenue above expenditure is the only real sinking fund by which public debt can be discharged. The increase of the revenue, and the diminution of expense, are the only means by which this sinking fund can be enlarged, and its operations rendered more effectual; and all schemes for discharging the *state* debt, by sinking funds, operating by compound interest, or in any other manner, unless they are founded upon this principle, are illusory.” (Prof. Hamilton on the Sinking Fund of Great Britain.)

It is of importance that the debt of the state should be lessened. To effect this, the first measure adopted ought to be the sale of the state's right in the internal improvement companies. This was attempted by the legislature of 1842, but failed, as every attempt of the kind must fail where the legislature dictates terms without delegating discretionary powers to their agents. I fear that the time has now gone by when the Chesapeake and Ohio Canal can be made productive to the state. But there yet remains the interest of the state in the Tide Water Canal and Baltimore and Ohio Rail Road. If proper measures are adopted, at least \$1,500,000 of state stock might be procured from these sources. The \$3,200,000 of bonds in the possession of the Balt. and Ohio R. Rd. Co. are useless to it, and a source of disquiet to the state. The company derives no advantage from them, and the only benefit the state receives, if it be a benefit, is the appointment of eight directors. If the company could be induced to surrender the bonds, the legislature might give up this doubtful benefit.

As the capital and property of the whole state must be considered as mortgaged, it will be but sound economy in the banks, and other monied corporations to pay off their proportion of the mortgage, or buy an exemption from taxation during the continuance of their charters. So, individuals, having the means, might purchase from the state the right of taxation on their real estate. From all these sources, enough could be obtained to reduce the amount of debt to \$5,000,000. I need not say what would be the moral effect of this reduction. It would be incalculable. Maryland would at once regain the high position so long held by her among her sister states; and her sons, no longer compelled to blush for her humiliation, could point with pride to her honorable history, and the strict fulfilment of her engagements.

A BALTIMORE BANKER.

## MECHANICS' BANK.

The following advertisement appeared in the Baltimore papers of the 27th October:

§1000 Reward.—Richard J. Turner, late a book keeper in the Mechanics' Bank of Baltimore, absconded on or about the night of Tuesday, the 20th instant, since which it has been discovered, that through false entries, frauds have been committed on the Mechanics' Bank of Baltimore. The said Richard J. Turner is about 30 years of age, five feet eight inches in height, has reddish brown hair, a small artery in the left cheek always pulsating, which is easily observed: has a remarkably large foot: down look, with an inability to meet your eye: is courteous and bland in his manners.

The above reward will be paid by the President and Directors of the Mechanics' Bank of Baltimore for his apprehension and delivery to the civil authorities of this city.

By order, JOHN B. MORRIS, Pres't.

Mr. Turner was apprehended at Kingston, Canada, and was brought back to Baltimore, and his examination before the city court was commenced on the sixteenth of November. Judges Brice and Nesbit presiding.

A brief examination was had, and Mr. Perry, the principal paying teller of the bank, testified that the following checks were ascertained to have been twice paid, viz. a check of Messrs. James Corner & Sons for \$800; one of Charles D. Deford for \$252, and another of Mr. Deford's for \$200, making an amount of \$1,252. Mr. Corner being sworn, stated that he had drawn only one check such as that produced; it had been twice paid on the day of its date. Mr. Alnutt, cashier of the bank, being sworn, sustained the testimony of Mr. Perry, and further stated that it had been ascertained that William S. Birch, one of the depositors of the bank had, during a series of years, overdrawn the sum of \$24,274 73. This person has been engaged in the paper-hanging business in Hanover street. Besides the amount thus exhibited, the difference in the balance sheet which the bank has caused to be made in consequence of this affair, amounts to \$33,511 09 more, consisting of items yet to be ascertained, but supposed to be from checks twice paid. The aggregate amount of the fraud is thus found to be \$59,137 82. The entries relating to the checks were made by Turner on the debit side of his cash book and not transferred to the debit side of his ledger, but handed over every day to the general book-keeper and were of course not posted to the several specific amounts. The case was submitted to the court without remark, Mr. Johnson attorney for the bank observing that the examination was only to show that the fraud was in fact a continuous larceny, an actual robbery.

Mr. William S. Birch, the depositor, was arrested on the 17th November, on a charge of conspiring to defraud the Mechanics' Bank of Baltimore out of money. Samuel Manning and Charles H. Pitts, Esqrs., appeared as counsel for the accused, and Reverdy Johnson, Esq. on the part of the prosecution. Letters, which had been received at various periods by Mr. Birch from Richard J. Turner, asking the loan of certain sums of money, were produced and read to the court, as indications, together with other circumstances, of supposed fraudulent conspiracy. Upon hearing the testimony, the court held Birch to bail in the sum of \$15,000, on the charge of conspiring to defraud. Mr. George Rogers, of the firm of Jacob Rogers & Son, gave the required bail, and Mr. Birch was released from custody. In the case of Richard J. Turner, the court required security in the sum of \$15,000 on the charge of conspiracy to defraud, and \$10,000 additional on the

charge of felony. The entire loss inclusive of Birch's overdraft and the supposed frauds of Turner, is \$59,137 83. The capital of the bank, actually paid in, is \$589,812 00. Cash surplus on the 9th of November, 1846, \$50,331 68. Of the circulation issued between 1806 and 1831, judging from the length of time it has been outstanding, it is probable there has been lost, and for which the bank will not be called on to pay, \$24,420 00. The banking house and real estate of the bank, now stands estimated on the books of the bank at only \$9,000, but it is fairly supposed to be worth \$30,000.

The difference then between these two estimates shows a surplus of \$21,000. The earnings of the bank from the last discount day, up to November 17, are \$26,447 68. If, then, the bank divide three per cent. on its capital the next dividend day, it pays \$17,694 00, leaving a surplus of the last six months' profits of \$8,753 32. These four items, therefore, show the actual surplus in money and property which the bank has, over and above its capital, to be \$104,505 00.

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APPROPRIATIONS BY CONGRESS—The official statement of the appropriations made at the late session of congress, prepared by the clerk of the house of representatives, shows the aggregate to be \$51,476,191,10 The various heads of appropriation are as follows:

Civil and diplomatic expenses,	\$ 4,053,612 63
Indian department, do.	1,106,698 50
Naval service,	7,449,703 35
Army,	6,872,092 66
Volunteers and other troops,	11,957,359 00
Prosecution of existing war,	10,000,000 00
Regiment of mounted riflemen,	81,500 00
Snappers, miners, and pontoniers,	25,000 00
Military academy,	123,976 00
Fortifications,	1,440,000 00
"Defensive works,"	170,000 00
Post office department,	4,078,540 75
Pensions,	1,744,535 40
Deficiencies of 1846,	1,700,914 99
*Smithsonian Institution—viz.	
Interest on fund of (\$515,169 00) which may have accrued on 1st day of July next,	242,129 00
Miscellaneous,	429,138 89
	\$ 51,476,191 18

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**PUBLIC CREDIT.**—The advantages of maintaining at all times a high standard of credit on the part of states and smaller communities are strikingly exemplified in the case of the city of Boston. Confident expectations are entertained that Boston will be able to negotiate with Dutch capitalists, at a low rate of interest, for all the money that may be required for the construction of the works which are to supply that city with pure water. The sum necessary is, about three millions of dollars. In consequence of this expectation city of Boston five per cent. scrip has advanced in value.

\* The amount of appropriation for Smithsonian Institute, to be replaced in the treasury by interest accruing on state bonds held by the United States for original Smithsonian fund.

## THE ORIGIN OF REPUDIATION.

"All is vanity which is not honesty—thus is it graven on the tomb."

THE repudiation of state debts has excited so much attention in this country and in Europe; it has inflicted such injury upon American credit, and, in some parts of the United States, is apparently working its way into popular favor with such calamitous celerity, that an exposition of the doctrine can hardly fail to interest the readers of our journal. Nor is the subject inappropriate to our pages, involving as it does considerations of law as well as of state policy and public faith; and should it be considered as slightly out of our usual track, the deviation will, we trust, be excused on account of its general interest and importance. We propose, in what follows, to show the origin of the doctrine; to discuss, as far as we may, the arguments adduced by its advocates in its support, and its tremendous consequence, to the country, should it be allowed to obtain a popular and permanent foothold amongst us.

In 1838 the state of Mississippi chartered the Mississippi Union Bank. Its capital was \$15,500,000, divided into shares of \$100 each, to be "raised by means of a loan to be obtained by the directors of the institution." To facilitate the bank in its negotiations for so large a sum, the faith of the state was pledged "for the security of the capital and interest." The governor was authorised to issue seventy-five hundred bonds for two thousand dollars each, bearing five per cent. interest, and redeemable in twelve, eighteen and twenty years, and to deliver them from time to time, in amounts proportioned to the sums subscribed, and secured to the satisfaction of the directors, as required by the charter.

The charter prescribed the form of the bonds, which is inserted here because it has a material bearing upon the course subsequently adopted by the state.

"Know all men by these presents, that the state of Mississippi acknowledges to be indebted to the Mississippi Union Bank in the sum of two thousand dollars, which sum the state of Mississippi promises to pay in current money of the United States to the order of the President, Directors and Company, in the \_\_\_\_\_ year, with interest at the rate of five per cent. per annum, payable half yearly at the place mentioned in the endorsement hereto, viz. On the \_\_\_\_\_ of every year until the payment of the said principal sum. In testimony whereof the governor of the state of Mississippi has signed, and the treasurer of the state has countersigned these presents, and caused the seal of the state to be affixed thereto at Jackson, this \_\_\_\_\_  
in the year of our Lord.  
Governor.  
Treasurer."

The bonds were made transferable by the endorsement of the president and cashier of the bank to the order of any person whomsoever, or to the bearer, and the endorsement was to fix the place where the principal and interest should be paid, but the bank was to pay the principal and interest of the bonds as they severally fell due.

An act supplementary to the charter, passed before the bank commenced operations, prescribed that two and one half per cent. on the subscriptions should be immediately paid. The balance was to be secured by mortgages on real estate, and the bank to commence business as soon as \$500,000 were subscribed and paid in on the capital. As soon, however, as the state bonds were sold and the proceeds of the sale realized by the institution, the directors were required to refund to the subscribers within ninety days the amount paid by them in cash on their subscriptions, with five per cent. interest.

The supplement directed the governor to subscribe in the name of the state for fifty thousand shares, to be paid for out of the proceeds of the state bonds. The government of the institution was authorised to appoint three commissioners to sell the bonds in "any market within the United States or in any foreign market," and under any rules and regulations, "not inconsistent with the provisions of the charter." Upon the power of sale there were but two restrictions, viz. that the bonds should "*not be sold under their par value,*" and that the commissioners should not "accept any commission or agency from any other banking or railroad company for the disposal of any bonds for the raising of money, or act as agents for the procuring of loans upon the pledge of real estate for the benefit of any other corporation."

By the charter the bank was empowered to "receive and possess all kinds of property, either movable or immovable, and to sell, alienate, demise and dispose of the same; to loan; to negotiate; to take mortgages and pledges, and to discount on such terms and securities as they should judge proper." Seven offices of discount and deposit were established in different locations with an aggregate capital of \$10,500,000, the directors of which were to appropriate two-thirds of the capital of each office to loan on mortgages, and one-third to loans on promissory notes and bills of exchange.

On the day the books were opened at Jackson, the capital of the state, governor McNutt subscribed for 50,000 shares, and between the fifth and ninth days of June, 1838, executed and delivered to the bank twenty-five hundred bonds, payable in twelve and twenty years from the fifth of February preceding. Soon after the receipt of the bonds, the directors appointed three commissioners to effect their sale. The commissioners received a sealed power of attorney, which contained a clause prohibiting them from selling the bonds "for less than their par value in current money of the United States."

Upon the 18th August, 1838, the commissioners, in the name of the Union Bank, contracted with Nicholas Biddle for the sale to him individually of the whole amount of the state scrip then issued. The contract made the bonds payable at the agency of the Bank of the United States, in London, in sterling money of Great Britain, at the rate of four shillings and sixpence to the dollar, with interest, payable semi-annually, at the same place and rate; Mr. Biddle, on his part, agreeing to pay the commissioners, five millions of dollars, lawful money of the United States, in five equal instalments of one million each, on the first day of November, 1838, and on the first days of January, March, May, and July, 1839. The Bank of the United States guaranteed the faithful performance, by Mr. Biddle, of this agreement. *It was punctually performed and the money received by the Union Bank.*

Of the bonds thus purchased fifteen hundred and forty-three, amounting to \$3,086,000, were deposited by the Bank of the United States as security for loans to it in Europe. Some of these are now in the hands of Hope & Co. of Amsterdam. The rest may have been sold by the Bank of the United States. We cannot say exactly where they are, nor is it necessary to the right understanding of the case. It is sufficient to know, that the whole \$5,000,000 are still outstanding against Mississippi.

In the following year, 1839, five millions more in bonds under the same charter were issued to the Union Bank; but upon the second day of March, 1840, the governor, fearing that they would be illegally disposed of, issued his proclamation, "warning all persons and corporations not to advance money or securities or credit on the hypothecation of said bonds, or to receive the same in exchange for the circulation or other liabilities of the Mississippi Union Bank, or to purchase the same on a credit or for a less sum than their par value in specie, or any other terms not explicitly authorised

by the charter of said bank." In his annual message on the 5th January, 1841, the governor informs the legislature, that, by this proclamation, he had prevented an *invalid* sale of the bonds. Repudiation, therefore, affects only the first set issued and sold to Mr. Biddle.

In less than two years after the Union Bank was chartered, it became hopelessly insolvent. Upon the amount it realized by the sale of the state bonds, the bank pursued its business with the spirit and desperation of a lunatic gambler, and ruined itself irretrievably, "by making advances upon cotton, issuing post-notes and loaning the principal portion of its capital to insolvent individuals and companies."\* The history of this concern during its short existence is an exposition of gross folly and reckless fraud, which can be paralleled by that of no other institution in the country excepting that mighty mass of corruption lately controlled by the "great financier."

The situation of the bank was communicated to the Mississippi legislature in the annual message of the governor, January, 1841, and certain measures were suggested by him in relation to the bonds. In this message first appears the word at the head of this article, and which has since been generally adopted in the United States as a synonyme for extensive swindling; a word which, unless measures be taken to redeem the national honor so deeply implicated in the course of Mississippi, will be hereafter used abroad as characteristic of American faith; a word, in short, which, like the terrific cries of the French *sansculottes*, is filled with anarchy and revolution.

Without directly advising the measure, the governor insinuates that amongst others this will "be undoubtedly recommended," namely, "placing the bank in liquidation for the benefit of all concerned and **REPUTATING** the sale of five millions of the bonds in the year 1838, on account of fraud and illegality." The response of the legislature to this *insinuation* was worthy the honor and dignity of the state. Joint resolutions were passed and presented for approval. As they are brief and pointed, we insert them here to show what was at that time the temper of the people as evinced by a newly elected legislature.

First. "That the State of Mississippi is bound to the holder of the bonds of the State of Mississippi and sold on account of the Planters' and Mississippi Union Bank, for the amount of the principal and interest due thereon."

Second. "That the State of Mississippi *will* pay her bonds and preserve her faith inviolate."

Third. "That the insinuation that the State of Mississippi would repudiate her bonds and violate her plighted faith, is a calumny upon the justice, honor, and dignity of the state."

On the 22d May, 1841, Messrs. Hope & Co., finding that the interest on the bonds holden by them on the first of that month was unpaid, addressed a letter to Governor McNutt, informing him of the delinquency, and expressing great confidence that the justice of that state would prevent future

\*Annual message, January, 1841. The statement of the bank's affairs given in this message is as follows:

|                                          |                |
|------------------------------------------|----------------|
| Suspended debt in suit, . . . . .        | \$2,689,869 20 |
| do. do. not in suit, . . . . .           | 1,777,337 78   |
| Resources chiefly unavailable, . . . . . | 8,034,154 28   |
| Immediate liabilities, . . . . .         | 3,034,154 28   |
| Capital stock, . . . . .                 | 5,008,000 00   |
| Specie on hand, . . . . .                | 4,349 06       |

"Not more than one-third of the debts due the bank will ever be collected, and the whole of its capital is irretrievably lost. It advanced to the planters, in the fall of 1838, sixty dollars per bale upon seven thousand bales of cotton."

"demur or irregularities so prejudicial to American credit in general, and to that of the state of Mississippi, in particular." To this letter the governor replied on the 13th July, 1841, when, after stating his reasons, he explicitly declares, that "this state will never pay the five millions of dollars of state bonds issued in June, 1838, or any portion of the interest due or to become due thereon."

*It therefore seems settled, that this state will forever rest under the imputation of having deliberately committed the most barefaced robbery in the history of nations.*

We have given all the facts of the case, and they show that this language is not too strong. A bank is chartered with an immense capital to be raised by loan. It had no credit and could raise nothing without assistance. The state lends its name to the whole amount. Its bonds go forth bearing its promise to pay the amount if the bank shall not pay. Upon the faith of that promise a large sum is actually received. The bank fails to pay even the interest. The contingency happens then, which justifies the holders of the bonds in calling upon the state. It is requested to pay and refuses. It has been cheated by the institution it created—and that, although not so alleged, is its real excuse for refusing.

Accordingly in his annual message to the legislature, 1841, the governor assigns the following reasons why the sale was illegal and fraudulent and asserts that either of them is "sufficient to prevent its having any obligatory force on this state."

First. The Bank of the United States is prohibited by its charter from purchasing such stock either directly or indirectly.

Second. It was fraudulent on the part of that bank, inasmuch as the contract was made with an individual when it was for the benefit of the bank and payment was made with its funds.

Third. The sale was illegal inasmuch as the bonds were sold on a credit.

Fourth. Interest to the amount of about one hundred and seventy thousand dollars, having accrued on these bonds before the purchase money was stipulated to be all paid, the bonds were, in fact, sold for less than their par value, "in direct violation of the charter of the bank."

In his letter to Hope & Co., he adds another, namely, "The currency in which the bonds were made payable was changed from current money of the United States, to pounds sterling of Great Britian, at the rate of four shillings and sixpence to the dollar."

Such is the foundation on which repudiation rests. Another reason might have been assigned fully as tenable and much more candid—namely—That the state found it troublesome to pay without direct taxation, and that measure, if resorted to, might have endangered personal popularity.

We return now to a review of the arguments relied upon by the governor and the advocates of his doctrine.

1. "The purchase by the Bank of the United States was illegal, and in fraud of its charter. I have understood that the larger portion of those bonds have not been sold by the bank, but are hypothecated with European bankers, and loans obtained upon them. It is a well settled principle of law, that where no authority is given to an agent to sell on time, no legal sale can be made except for cash. The Mississippi Union Bank was not authorised by her charter to sell the bonds on a credit. It is a well settled principle, that where no express authority is given to an agent to sell on a credit, the sale must be for cash, and that a credit sale is not binding under such circumstances on the principal." "It will no doubt be contended, that inasmuch as those bonds have passed into the hands of innocent purchasers, that the state is bound to redeem them. This argument vanishes

when it is considered, that, under our statutes, all defences may be set up against an endorsee which would be available against a payee."

Admitting it to be consistent with the honor of a sovereign state to take advantage of this provision of its local law, how does the defence stand against Messrs. Hope & Co.? In the first place, the Union Bank was not the agent of Mississippi, as alleged by the governor. The contract of agency was never contemplated by the parties. The law regulating the relation between principal and agent has no application to the conduct of the bank in selling the bonds.

[The case of the *State of Illinois v. Delafield*, in the chancery court of New York, reported in the third volume of the Law Reporter, page 240, may seem, in some degree, to militate with the positions assumed in the text. There is, however, an obvious and important distinction between the situation of Illinois in respect to her bonds and that of Mississippi. An outline of the policy of the former state may interest the reader, and at the same time serve to explain this distinction. Upon the 27th February, 1837, the legislature of Illinois passed an act establishing an extensive system of internal improvements. No less than \$10,200,000 were appropriated for the commencement and completion of various works, comprehending railroads, canals, common roads, and the improvement of navigable rivers. A board of "fund commissioners" was created by the act, whose principal duty consisted in "contracting for and negotiating all loans authorised to be effected by the legislature on the faith and credit of the state, for objects of internal improvements,"—and "to sign and execute bonds or certificates of stock therefor, in the manner directed by law, and to receive, manage, deposit and apply all sums of money arising from said loans, in such manner as shall, from time to time, be provided by law. "A board of commissioners of public works," was created by the same act, whose duties were "to locate, superintend, direct, and construct on the part and behalf of this state, all works of internal improvement which have been or shall be authorised to be undertaken, prosecuted, and constructed by the state, either in whole or in part, (excepting the Illinois and Michigan canal.)" "The charge and superintendence of all such public works" were vested in this board. To raise the money thus appropriated, "a fund for internal improvements" was constituted, to consist, amongst various other items, of "all monies which shall or may be raised by the sale of stocks, or state bonds." The board of fund commissioners was authorised to contract, from time to time, for one or more loans, not exceeding, in the whole, \$8,000,000, for the payment of the "legitimate demands upon the fund for internal improvements," and to issue for such loans, transferable certificates, to be denominated "certificates of Illinois internal improvement stock," in the name of the state, and the faith of the state was "irrevocably pledged," for the payment of interest and their final redemption. By a supplement to this act, passed March 4th, 1837, the "board of fund commissioners" was authorised to sell the stock for not less than par, which was to be deemed "a good execution of the power to borrow," and the governor of the state was authorised to execute the bonds whenever requested so to do by that board. The board was authorised by the same act, to appoint agents "with full power to negotiate the loans and make sale of the state bonds and certificates of stock."

The Michigan and Illinois canal, had been commenced previously to these acts, and stock, to the amount of \$4,073,048, had been issued by the state. Large donations of public lands were also given by the general government, to aid in its construction. The state of Illinois was thus a gigantic contractor on its own account. All the money received was to be paid into

her own treasury, and to be appropriated to the construction of her own works. The fund commissioners were her agents, they stood with respect to her, precisely as the commissioners of the Union Bank stood with respect to that institution. In the opinion of the chancellor in the case cited above, he says "these state securities in the hands of its agents, were not an article of merchandise. The object was to borrow money, not to sell stock in the way in which stock, held by individuals, is sold." In the Mississippi case, the direct reverse of this is true. The *Union Bank* might, perhaps, *before it had received the money of Mr. Biddle*, have taken the same grounds that Illinois took. Besides, *Illinois did not receive the money*. Her course was altogether proper, and such as became the dignity of a sovereign commonwealth. "*It never contended for the bonds parted with by Delafield, in good faith, nor denied its legal and moral obligation to pay them when passed into the hands of innocent and bona fide purchasers.*" See letter of Richard F. Barret, Esq., fund commissioner of Illinois, published in 4th Hazard's Register, page 32.

The state debt of Illinois is now over \$13,000,000, and "not a single work is completed or in a condition to produce revenue to the state." *American Almanac*, 1842, page 107.

From the earliest period of the sales of the public lands, to 30th September, 1838, this state has had granted to her, by the general government, 1,537,317 acres of the public lands, being at the government price \$1 25 per acre, equivalent to \$1,921,646. That portion granted to her for roads and canals, is 450,000 acres, equal at the same rate, to \$600,000. Letter of secretary of treasury, February 7, 1839.

The general government has also granted to her, to aid in building her great canal, lands, "the estimate of which is equal to the whole cost of constructing the canal," namely, \$7,000,000. This is specifically pledged for the redemption of the state bonds as indeed is, almost, the entire property of Illinois. 1 Hazard's Register, 1839.]

It is said, however, that the whole transaction was merely colorable, and that Mr. Biddle's name was used to give a false aspect to the affair.

But suppose it to have been merely a colorable transaction. Does that fact lessen the obligation of the sovereign state of Mississippi to redeem the bonds? Messrs. Hope & Co., or any other subsequent holders, may have reason to complain that they were deceived into buying bonds of an institution which had no right to sell them, and might, perhaps, rescind their contract. But is this defence tenable by Mississippi, who is the largest stockholder in the bank which originally sold them? Who has enjoyed her portion of the profits arising from the use made of the money? Who as a stockholder, appointed the agents who sold the bonds? Who by receiving the money, ratified the proceeding, and made herself a *particeps criminis*? *Who, by acts of her legislature, has procured out of this very money, loans to the amount of \$175,000, besides discounts to the amount of \$25,000 more?* Surely she shall not be allowed *in foro conscientie*, at least, to set up her own fraud, if such she choose to call it, in avoidance of the consequences of it. Let her first pay the interest due, and tender the amount of the principal, and she may then place herself *recta in curia*, and be better entitled to refuse farther performance of her contract.

"The bank, I have been informed, has hypothecated these bonds, and borrowed money upon them of the Baron Rothschilds; the blood of Judas and Shylock flows in his veins, and he unites the qualities of both his countrymen. He has mortgages upon the silver mines of Mexico and the quicksilver mines of Spain. He has advanced money to the Sublime Porte, and taken as security a mortgage upon the holy city of Jerusalem, and the se-

pulchre of our Saviour. It is for this people to say whether he shall have a mortgage upon our cotton fields and make serfs of our children. Let the baron exact his pound of flesh of Mr. Jaudon and the Bank of the United States, and let the latter 'institution of our country' exact the same of the Mississippi Union Bank. The honor, justice and dignity of the people of this state will not suffer them to interfere in the banker's war!"

In this choice specimen of executive eloquence, it is doubtful whether malignity or jacobinism be most conspicuous. The conclusion legitimately deducible from it is, that as Baron Rothschild is very rich, he can afford to lose five millions of dollars. And that, as the people of Mississippi are not so rich, their "justice, honor and dignity" will suffer them to cheat him out of it because he is a Jew.

"Justice is the basis of all society, the sure bond of all commerce. Human society, far from being an intercourse of assistance and good offices, would be no longer anything but a vast scene of robbery, if no respect were paid to this virtue, which secures to every one his own." *Vattel's Law of Nations*, c. 5. s. 53. *Hæc enim una virtus omnium est domina et regina virtutum.*

Between individuals, justice may be well enough administered by the courts; but where a sovereign community is concerned, an adherence to the unavoidable subtleties and necessary refinements of law, are inconsistent alike with its dignity and its faith.

A healthy tone of moral sentiment; well regulated public opinion; the influence of the natural and innate sense of justice are the only securities on which creditors can depend, in their dealings with states. It is true, that Mississippi has wisely allowed itself to be made a defendant in its chancery court, yet it is above the reach of any process of the court. It cannot be imprisoned for contempt, nor is its property liable to sequestration, till a compliance with the court's decrees. On the contrary the statute conferring this jurisdiction, provides that "no execution whatever shall issue on any degree in chancery against the state of Mississippi, whereby the state may be dispossessed of lands and tenements, goods and chattels." It may well enough be doubted, whether, if the foreign holders of the bonds obtained a decision in their favor, it would be of any ultimate value to them. Their case has been prejudged, both by the executive and the people to whom he has appealed. If the chancellor were righteous enough and firm enough to disregard this indication of popular opinion, suppose him uninfluenced by dependence upon popular caprice for re-election to office, and to decide in favor of these creditors, should they come before him; how long would it be before he was forced from his high station by an outbreak of popular clamor? The same spirit which at the ballot box, has declared in favor of repudiation, would intercept an execution of his decree; for to the people through their representatives, the question would at last be sure to come.

In proportion precisely as an individual is beyond the reach of compulsory process, should he be inclined to disregard the technicalities of mere law, and base himself upon the broader principles of natural justice. This is still more necessary where an independent sovereignty is concerned, because it is more difficult to procure redress for wrongs committed by a state. The relation between debtor and creditor, in all cases involving the repose of confidence, is pre-eminently a fiduciary relation when the debtor is a sovereign commonwealth. It should be distinguished by that *suberrima fides*, which secures the strict letter of the contract, and regards its spirit and intention. "The same principles of equity which bind the conscience and govern the actions of individuals in dealings of a private character ought ever to regu-

late the conduct of states. More imperative, indeed, upon them rests the obligation of such principles, since their own views of justice and uncontrolled will, constitute the only rules of their action."

We place the obligation of Mississippi, to redeem her bonds upon the broad and immutable principles of justice. The question is not whether by nice distinctions of law she be able to escape her liabilities, but whether she be not in justice bound to redeem them, because the purpose of issuing her stock, was substantially answered.

That such is the fact, no one, not even the governor, will be hardy enough to deny. It is apparent, from his own statement, that the Union Bank came lawfully into possession of the bonds. That they were issued for the purpose of enabling that institution to raise money by their sale. That it actually received a large amount of money and applied it, apparently, to the purposes of its charter. That the state itself received and used for its own purposes a considerable portion of this very money. That the bank grossly imposed upon the state is admitted, but no suggestion is made that the Bank of the United States, or any subsequent holder of the bonds was in any wise cognizant of the fraud. They had no control over the Union Bank, and were neither bound to know nor could know its conduct. Even had they been fully aware that the bank was misapplying the money it received, that knowledge would not affect the obligation of the state.

Yet the fraud of the Union Bank, by which the state has been deprived of many anticipated advantages, is the motive cause of that greater fraud upon its creditors which Mississippi undertakes to perpetrate. The consideration of state dignity and faith; the tremendous moral influence of such an example; the deep blow it inflicts upon American credit, whether of individual citizens, corporations, sovereign commonwealths or the federal government; the indelible and fatal stain upon our national honor, are all disregarded. Resort is had for justification, not to enlarged considerations of natural justice, but to the narrow technicalities of municipal law; not to the comprehensive reasoning of an enlightened statesman, but to the cunning refinements of a pettifogging attorney; and the grave question of state honor is discussed by the governor as if the commonwealth were an insolvent client, whom he was laboring to save from a jail.

What substantial difference is made by the fact that the institution was corrupt? Over its management no bondholder had control, nor even the right of inquiry. The state had its own directors; was itself the largest proprietor; had prescribed its own rules, and had over it almost omnipotent power. Although a legal distinction is made between the state acting in its sovereign capacity and as a speculating proprietor of bank shares, yet before the common sense of mankind, it is, and forever ought to be, precluded from advancing the fraud of that institution as an excuse to escape from its unfortunate liabilities. The money was paid upon the faith of the state, to persons legally entitled to receive it. What became of it afterwards the state and stockholders have alone any concern.

But, says governor McNutt, the bonds were sold below par, and were to be paid in sterling currency. Whence large sums have been lost to the bank which is therefore less able to indemnify the state. So far as this is intended as a legal defence, it is totally untenable. Is it any more so as an equitable defence? The argument amounts to this; that as the bank wasted four millions, Mississippi will not redeem her promise; because, by the nature of the contract on which the money was received, it was precluded from having one more million, to waste in the same way! A singular objection to advance directly after the exposition made to the legislature of the utter rottenness of that concern. Were this argument even plausible, it

would affect only the obligation to repay more than the actual amount received.

Were a merchant under similar circumstances to set up against the payment of his debts, this defence of governor McNutt's, he would never again dare to show himself on 'change, should every court in the country decide in his favor. Already in a neighboring and eminently commercial commonwealth does a merchant of high standing attempt to escape the effect of a contract upon the ground, that the endorsement of a sealed instrument is not binding. Already has no measured reprobation been bestowed upon this course, although a compliance with his engagement may possibly ruin him. The success or failure of the defence will not alter public opinion as to its character.

Shall more scrupulous honor be expected of an individual than of a sovereign state? Will public opinion, by which we mean, not the clamor of an interested multitude, but the judgment of high-minded men, be more favorable to the latter than the former? We think not. The voice of condemnation will swell in louder and more unequivocal tones against a state, which, resting upon its sovereign immunity, declares itself above compulsion and deaf to the voice of justice.

Individuals lose their character and are punished for the crimes they commit. Fraud and robbery, however perpetrated, whether by the devices of cunning, or the arm of violence, receive the retribution of the law and the odium of society. Even those huge associations, which have been suffered for so many years, like beasts of prey, to devour the substance of society, and to taint the moral atmosphere with corruption, find the influence of their members and the power of their wealth insufficient to protect them. In a community where all moral sense is not yet obliterated, which is still within the pale of christian nations, and under the influence of christian principles, the state of Mississippi will not escape the scorn it merits for this stupendous fraud.

The states of this union have generally withdrawn themselves from the jurisdiction of any court, whether federal or of their own creation. No remedy lies against them in favor of injured creditors. The sole resort is a supplication to their justice or an appeal to their fears. The former is declared by the official authorities of Mississippi to be useless and the latter must involve the nation in a war. By its independent sovereignty it defies the national judiciary. Its agents close the halls of legislation, declare the case already decided, and announce its determination never to perform its promise. Confidence in its own courts is prostrated by its executive. The people sanction and adopt his acts by ranging themselves, in a popular election upon the side of those who raise the banner, and shout the cry of "repudiation."

Thus does christendom, for the first time in history, witness the astounding occurrence of a christian community taking advantage of its station in the civilized world, to commit an act which would make the cheek of an Arab burn with shame. The commercial world is astonished by a declaration that *debts honestly incurred upon the pledged faith of a commercial state* shall never be discharged. American patriotism and pride are mortified and humbled by a spectacle of one of their own number, with an increasing population and extended wealth; which produces the great staple of the country, "equal in value to one-fourth of the whole crop of the Union, which yields an amount equal to one-seventh of the whole exports of the United States of domestic growth, and whose immense increase in the growth of corn, oats, wheat and rye, and its large amount of cattle, horses and swine raised by its planters, have already made it independent of other states for

the necessaries of life," violate its honor and trample upon its faith, to escape the payment of five millions of dollars, the use of which its citizens have enjoyed! Every honorable merchant and honest man, every genuine philanthropist and sincere patriot, every upright statesman whose conscience is not seared by the demon of party, every American citizen who desires the prosperity and regards the character of the Union, all, all must unite in unmitigated reprobation of this atrocious fraud.

The people of Massachusetts are deeply concerned in this question. No one doubts that our debt will be punctually paid. The honor of Massachusetts has ever been and ever will be above suspicion to those who know her. But the disgrace of one portion of the Union is, in one sense, the disgrace of the whole. Foreigners will not be apt to separate in condemnation one part of this great country from another. The states are embarked in a common bottom, united by a common tie, with one character, one interest, and one policy. The dishonesty of one member inflicts a stain upon the American name, to be borne alike by the revolutionary repudiation of Mississippi, and the cautious conservatism of Massachusetts.

No one can be blind to the truth, that within ten years, and especially within the last five, public morality has been gradually undermined. It is not our province to discuss the causes of the fact; the fact alone is all we are concerned to know. Petty crimes have increased. Mobs, riots and lynch law are of daily occurrence. Fraud in every gradation, from the trifling tricks of a timorous thief to the barefaced bribery of a beggared bank; robbery, arson and murder in all varieties of horrid shapes, are the disgusting details of decaying morals.

That our national independence is founded upon the intelligence and virtue of the people, is a truth become stale by repetition, but which cannot be too often repeated. We point in vain to our public schools, to the universally accessible means of education; in vain do we boast that in a multitude one individual can scarcely be found unable to read and write; our splendidly endowed institutions will be worse than useless, if the virtue of the people keep not pace with their intellectual progress. Intelligence and morality must exist together; neither alone can preserve our national existence. Better that the people should be as ignorant as the serfs of Russia or the cannibals of New Zealand, if they disregard that standard of virtue, without which public education is but a torch destined to wrap the institutions of the country in the blaze of a general conflagration.

*Non nobis solis nati sumus, ortusque nostri partem patria vindicat, partem amici.* The influence of individual example is inculcated by our preachers as a maxim of christianity; it should be promulgated by our statesmen as an axiom of politics. If individual character be important to social relations, where the people have comparatively slight political influence, it is eminently so in our country where they control the destiny of the nation. The more prominent his station, the more scrupulous should an American citizen be, that his declarations and his acts furnish no encouragement to a sin, which, unless checked, bids fair to be a national characteristic.

In the present depression of popular morals, who can, therefore, doubt the pernicious tendency of repudiation upon individual virtue? It is in vain that nice distinctions and metaphysical differences are arrayed to support it. They will be neither regarded nor comprehended. The great fact will alone be recollected, that a sovereign state has refused the payment of a debt which justice requires it to pay. Many a petty villain, imprisoned for his crimes, will denounce the partiality of the law which visits its retribution on him, but suffers dignified wickedness to escape unscathed.

We are now indebted to European creditors more than two hundred mil-

lions of dollars. The money was advanced upon our solicitation, and with reliance upon our national honor. These creditors, many of whom sought in American securities, investments, not for extravagant gain, but for certainty of income and safety of principal, are not the avaricious Shylocks governor McNutt would induce his constituents to believe. They became creditors, because they were solicited to be, and accepted what terms were proposed. They saw a young and vigorous nation, striving with magnificent energy, to develop its resources. They saw the lavish profusion with which Providence had poured forth its bounties on this favored region, and that a people, so blessed, should become bankrupt, was never imagined.

The enormous sum borrowed has been wasted. Speculations have failed; plans are defeated; anticipations of wealth have faded like a morning dream. The debt, however, remains. The imprudence which contracted it, cannot diminish the obligation to repay it, and we will be the last to believe that the whole of it will not, sooner or later, be discharged. If, however, the doctrine of Mississippi prevail; if it be not indignantly frowned down by the moral sense of the community, the country must rank on the same level with that abandoned herd of plunderers whose deeds have asounded the world.

Already has repudiation raised its horrid cry in Pennsylvania. Thanks to the independent firmness of her noble executive, to the patriotic virtue of her enlightened legislature, it finds no foothold there. Thanks to the virtue of her people, who, uncorrupted by that mass of profligacy she has so long unwittingly cherished, support her magistrates in maintaining the honor of the American name. But can we rely upon the continuance of this tone of mind? Demagogues are not wanting there to raise the piratical standard of governor McNutt. Repudiation is agitated; the miseries of taxation are proclaimed; the Shylocks of the east are holden up to alarm the people for their independence. Governor McNutt has triumphed over justice, and his doctrines, at least in his own state, are adopted by the people.

Has his example had no effect upon Michigan? None on Illinois? Will it have none upon Pennsylvania and the other indebted states? When the alternative of direct taxation or repudiation is distinctly proposed, the virtue of the people will be put to its test. If the legal and political sophistry by which governor McNutt has undertaken to justify himself be admitted by the country, it needs no great foresight to predict that, when an unworthy servant is raised to the executive chair, who shall also employ the influence of his station to excite popular clamor against the payment of the debt, he will find a precedent in the course of Mississippi, and consolation for his infamy in the support of the people.

Such, then, is the moral influence of the Mississippi doctrine. It has broken the ice—"Ce n'est que le premier pas qui coute." It offers a temptation which the moral firmness of the country may not be, but which we trust in heaven it yet is, great enough to resist. It has shown to what extent fraud may be carried with impunity. How much farther effect it shall have, rests with the people to determine; but if not received by them with unequivocal and universal reprobation, they removed the first barrier to a mighty flood of wickedness, which once in motion will hurry to a vortex of ruin the character and independence of the nation.

We have left barely space to allude to some of the practical consequences of this doctrine. The holders of Mississippi bonds will not rest contented with governor McNutt's exposition of the law. They will endeavor, in some mode, to obtain redress. What course can be taken? The state of Mississippi allows them to sue her in her chancellor's court. Will they avail themselves of the permission? What an idle waste of money for these

creditors to seek justice in her courts! Her chancellor is elected by the people for six years. His term of office is about expiring. This fact indicates the sort of justice reasonably to be expected. The circumstances are an admirable commentary upon the policy of an elective judiciary.

But suppose the chancellor to be firm enough and righteous enough to decide against the state; and we have no reason, from any knowledge of his personal character, to suppose that he would not impartially administer the law. With their decrees in their hands the bondholders must petition the legislature for satisfaction. The result is obvious; who would dare vote for the payment of a repudiated debt!

What other course remains? Shall they appear as plaintiffs in the federal courts? These have no jurisdiction over sovereign states. Shall they petition congress? *Cui bono*, when so many domestic claimants are, year after year, denied a hearing by the interference of party tactics and the miserable brawls of its members? An application to congress, even were there no constitutional objections in the way of redress, would be more futile than an application to the justice of the Mississippi legislature, for the last would settle the question by a prompt refusal; the former would wear patience threadbare by delay.

Only one of two courses remains. They must petition their own government to make it the subject of diplomatic negotiation with ours, or they must seize upon Mississippi property, wherever found, and pay themselves.

Is the federal government authorised to interfere? Suppose it is. Shall congress pay the amount out of the national treasury? What would this be but an assumption of the state debts, and a premium to repudiation throughout the country? If done in one case why not in all? Such a course would be as demoralizing and insane as the extravagance which incurred the debt.

But if the federal government should conclude to pay the amount, shall it not require a repayment? How can such requisition be enforced? Shall taxes be imposed on Mississippi? It is unconstitutional. Taxes must be uniform and equal. Shall she forfeit her portion of the proceeds of the public lands? Would Mississippi submit to be thus indirectly forced to pay a debt she had deliberately repudiated? Her share is not enough to cover the interest, and besides who shall guarantee the continuation of the distribution or any other national policy?

But suppose, what would doubtless be the case, that the federal government should refuse to interfere, because in its commercial operations a sovereign state is a mere individual. What would then result? Either Holland will consider herself justified in demanding of the federal government the liquidation of the debt, with war as the alternative, or Messrs. Hope & Co., choosing to right themselves, will seize Mississippi property wherever found, and thus compel us to take up arms in defence of that state.

Should these creditors insist upon some recompense for their injury, and our government interferes, either a civil war, or a national debt of two hundred millions is the consequence. Should it refuse to interfere, then there is a war with Holland.

It is true, that, apart from the disgrace of it, such a war is not to be feared. Holland may pause, before she inclines to provoke our strength. To disburse from her own treasury, the amount stolen from her citizens by superior power, may be a less evil to her than the misery of a war, in which she would inevitably fail. If repudiation, therefore, be confined to Mississippi, no very great practical consequences may result to the nation, except so far as the federal government, in being compelled to tolerate so enormous a fraud, will excite the contempt of the civilized world. But should this detestable doctrine extend, as it may do, to other states, the probability of a war with all christendom will be reduced to a certainty.

Whether or not repudiation offers to foreign nations a justifiable cause of war, we will not now discuss. We hold, that it does, and perhaps on some future occasion may attempt to prove it. Under such provocation for hostilities, however, other causes would soon arise, and no peace could be expected without a settlement of the debt.

Most of our state bonds are in the hands of English capitalists. We have already so many causes of complaint against that arrogant power, that probably nothing but the strong commercial ties which unite us with England, nothing but mutual interest has long since prevented us from coming to a rupture. Let it once be understood that the basis of commercial intercourse, good faith, is destroyed, what interest will keep us at peace? of what value will our commerce be to England if wholesale robbery is officially countenanced?

We will not pursue this theme. We have sufficient confidence in our countrymen to believe that their foreign debt will be paid. Boundless wealth, exhaustless resources, are at their disposal. Activity and enterprise, without parallel in the history of the world, stand ready to develop them. Time and determination to do justice are all which are required, and the blessing of heaven must attend their righteous labor.

Let us hope also that, although "a wonderful and horrible thing is committed in her land; though her prophets prophesy falsely, and the priests bear rule by their means, and her people love to have it so," a better feeling will soon pervade our sister state; that the virtue of her citizens may soar superior to the sordid policy of her governor, and that the black cloud with which repudiation has enveloped the American name may be dissipated by the returning light of that "queen of virtues," which can alone secure our prosperity and independence.—*From the Law Reporter, 1841, edited by Peleg W. Chandler, Esq.*

## NEW YORK LIFE INSURANCE AND TRUST CO.

From the Annual Report—1846.

The amount of capital loaned out on bond and mortgage, exclusive of interest, was, on the first of January, 1846, \$1,000,000.

The amount of loans on bond and mortgage, not included in loans of capital, and other than loans to monied corporations, or to their officers or agents, for their use and benefit, was, on the 1st January, 1846, \$2,159,427 57.

The amount of loans on stock securities, exclusive of interest, and other than loans to monied corporations or to their officers or agents, was, on the 1st January, 1846, \$427,657 60.

The amount of loans on bonds, bills, or notes, with personal security only, was, on the 1st January, 1846, \$102,602 67

Loaned for 1 year and over, . . . . . \$43,778 91

On demand, . . . . . 58,823 76—\$102,602 67

The amount due from persons on account, other than loans to, or for the use of, monied corporations, was, on the 1st January, 1846, \$6,414 47, being monies advanced upon letters of credit granted by the company, on their agents in London, and for which the company hold satisfactory security; also, a balance in the hands of Magniac, Jardine & Co., of London, of \$16,758 54.

The whole amount of interest accrued, due and payable on loans, includ-

ing interest accrued on stocks owned by the company, was, on the 1st January, 1846, \$72,597. In this amount there is included the sum of \$17,008 98, which has been due over six months.

No loan has been made to any monied corporation, or to their officers or agents, for their use and benefit, except the interest due December 1, 1845, and payable in the country banks, may be so considered; which interest, by contract with the banks, is allowed to remain with them for a fixed period, before it is drawn for, in consideration of the banks' services in keeping the account, and placing the funds in New York. The amount due from country banks, January 1, 1846, was \$50,986 30.

The whole amount of money on hand the 1st January, 1846, was \$14,922 46, being the balance in the Bank of the State of N. York, at the disposal of the trustees on that day. The above is the bank in which all the deposits of the company are made, and with which all the company's banking business is done. All money drawn from the bank is drawn by checks, signed by the president and countersigned by the secretary.

The amount of securities taken for monies received by the company in trust, to be invested at the risk and for the benefit of the persons from whom such monies were received or of other persons designated in the trust, was, on the 1st January, 1846, \$49,876 35.

*Liabilities and Resources, January, 1846.*

| Liabilities.                                                   |  |                    |
|----------------------------------------------------------------|--|--------------------|
| Capital stock paid in                                          |  | \$1,000,000        |
| Deposits in trust                                              |  | 2,854,590          |
| Trust of accumulation,                                         |  | 210,298            |
| Life insurance premiums,                                       |  | 154,907            |
| Annuity granted,                                               |  | 83,182             |
| Premium account,                                               |  | 6,796              |
| Guardianship account,                                          |  | 6,926              |
| Contingent account and unclaimed dividends,                    |  | 2,868              |
| Redemption fund,                                               |  | 2,251              |
| Interest on deposits,                                          |  | 75,459             |
| Interest on trust of accumulation,                             |  | 39,237             |
| Interest on guardianship accounts,                             |  | 896                |
| Surplus profits,                                               |  | 75,068             |
|                                                                |  | \$4,512,478        |
| Resources.                                                     |  |                    |
| Bonds and mortgages,                                           |  | 3,210,982          |
| Loans on stocks, and bills receivable,                         |  | 478,706            |
| Certificates of state stocks,                                  |  | 371,295            |
| Real estate owned by the company,                              |  | 324,707            |
| Letters of credit                                              |  | 6,414              |
| Due by country banks,                                          |  | 50,986             |
| Insurance account, bond and mortgage,                          |  | 5,444              |
| Receivership account,                                          |  | 3,608              |
| Magniac, Jardine & Co. London,                                 |  | 16,759             |
| Cash in Bank of the State of New York,                         |  | 14,922             |
| Interest due on bonds, mortgages, bills receivable, loans, &c. |  | 72,609             |
| Rent account,                                                  |  | 5,200              |
|                                                                |  | 4,561,622          |
| Deduct estimated depreciation,                                 |  | 49,144             |
| <b>Total liabilities or resources.</b>                         |  | <b>\$4,512,478</b> |

## LEGAL MISCELLANY.

INJUNCTION—STATE OF ILLINOIS *vs.* DELAFIELD.

*Before the Chancellor of the State of New York, October, 1840.*

The following report of this highly important case, is taken from the *Law Reporter*, 1840, page 262. Our readers will find the report alluded to, in page 341, of our *Magazine*, and the tabular view of the debt of Illinois, also given in this number, will further elucidate this subject.—*Ed. B. M.*

This was an application for an injunction to restrain the defendant from selling, hypothecating, or parting with certain bonds or certificates of public stock of the state of Illinois, or the proceeds thereof, and for the appointment of a receiver of the bonds or certificates which remained in the hands of the defendant, and of the proceeds or avails of such of the stock as had been sold.

The bonds for three hundred thousand dollars of the stock, were signed by the governor and auditor of the state, and countersigned by the treasurer, as directed by the act of the ninth of January, 1836, for the construction of the Illinois and Michigan canal; and the bonds of two hundred and eighty-three thousand dollars, the residue of the stock, were signed by the fund commissioners, and were countersigned by the auditor, as authorised by the act of February, 1837, to establish and maintain a general system of internal improvement. The interest upon the first bonds, at the rate of six per cent. per annum, was payable semi-annually at New York or Philadelphia, at the option of the holders, and the principal reimbursable at either of those places at the pleasure of the state, after the year 1860, and the other bonds were payable in the same manner, except that the principal was not reimbursable until after the first of January, 1870. The first parcel was received by the defendant under an agreement made by the agents of the governor, who was authorised by law to appoint agents to borrow money upon such stocks for the making of the canal; under an express prohibition, however, contained in the statute, that the stock should not be sold for less than its par value. And the last parcel was received by the defendant under an agreement made with the fund commissioners. They were authorised to procure loans of money for the internal improvement of the state, and to issue such bonds for the money loaned thereon, but under a similar restriction, that the stock or bonds should not in any event be sold for less than par value. The bonds in both cases were sold to the defendant on a credit, the money to be paid to the state in periodical payments without interest, although the bonds were to be delivered to the defendant in advance, and were to bear interest immediately. The defendant had paid to the agents of the state about \$170,000 towards the bonds, but had made default in meeting the other instalments as they became due, leaving more than four hundred thousand dollars of the amount of the bonds delivered still due and unpaid according to the contracts.

Daniel Webster and William Kent for the complainant.

G. Griffin and Edgar S. Van Winkle for the defendant.

Walworth, chancellor, after going over the various positions taken by the counsel, concluded as follows:

Even if the usage were otherwise as to sales of stocks belonging to individuals, that would not authorise the officers or agents of a state, who were authorised to borrow money for its use, to contract to sell and deliver the pub-

lic securities on a credit without an express authority for that purpose. The two or three recent instances in which states have had the misfortune to lose large amounts of their stocks, in consequence of the mistakes of their agents in suffering the stock to go out of their hands before they had received the money agreed to be loaned, cannot amount to a general usage to sell state stocks on a credit.

Indeed, the very idea of selling these state bonds on a credit, is entirely inconsistent with the spirit of the statutes of Illinois, under which these bonds were to be issued. These state securities in the hands of its agents, were not an article of merchandise. The object was to borrow money, not to sell stock in the ordinary way in which stock held by individuals is sold. The statute does indeed authorise the agents of the state to contract for loans—payable by instalments, as the money may be wanted for the use of the state; but this does not imply that the lenders are to receive the securities of the borrowers before the money agreed to be loaned is actually lent. I am not aware that any sane and solvent man ever borrowed money by giving his negotiable securities in advance to the lender, taking pay in his promises instead of cash; unless those promises were put in such a form as to be convertible immediately into cash, at some rate, and were intended to be sold at a discount, to raise the money elsewhere. In this case, however, the agents of the state contract to deliver the securities of their government in advance, and to take a mere agreement which is not negotiable to pay the money to the state, by instalments, at future times. This is not a borrowing of money, but is a sale of the state securities, as an article of merchandise, on a credit, without any authority, expressed or implied, to give such credit. The necessary result of such a transaction must be, if there is any great fall in the price of the stock before the time for the actual payment of the money arrives, that the borrower will be unable or unwilling to fulfil his agreement, and the state will lose its securities. Upon this ground, therefore, as well as upon the ground that the sales of the stock were below its par value, the agreements with the defendant were wholly unauthorised.

It is said, however, that the state of Illinois has confirmed the acts of its agents, who made these sales, and that it is now too late to rescind the agreements as having been made without authority. No officer or agent of the state had any power to make or to authorise the making of such contracts originally; and of course none of them had the power to confirm them afterwards. For no person can confirm an unauthorised agreement made by another, unless he had himself the power to authorise the making of the agreement. As the sovereign power of the state, by its legislative act, had prohibited any of its officers or agents from selling its stock below their par value, it follows, of course, that nothing short of a law of the state proceeding from the same authority can legalise the transaction.

I admit that the general financial agents of the state may sometimes interpose their powers to protect its interests where they are endangered by the unauthorised acts of others. And probably in this case those agents might have made an arrangement with this defendant, for a return of the securities which he had not sold, and a compromise of the claim against him for the others to prevent an entire loss of this stock, which a court of justice would consider as binding upon the state. But if they had any power to make a settlement of the claim of the state against the defendant for the stock received by him under these unauthorised agreements, it must be to make an agreement in the nature of an accord and satisfaction of the claim, and not by way of affirmance of the original unauthorised contracts.

Whether any such power existed it cannot be necessary now to determine; for there is no ground of pretence in this case that there has been

an accord or satisfaction. The defendant has received and retains the bonds of the state to the amount of \$ 583,000, and has paid thereon but \$170,000. The balance he has neither paid, nor agreed to pay, except by the original contracts which he now refuses to fulfil. The fact that one branch of the legislature of Illinois temporarily concurred in the report of its committee that these contracts were unauthorised, could not have the effect to injure him by depreciating the stocks which he had previously sold. And if he did not wish to sustain a loss on those which then remained on hand, his proper course was to offer to return them to the agents of the state, instead of selling them afterwards at a loss and thereby compelling the state to pay to others the whole nominal amount of the bonds which he had obtained from the agents of the state without authority. If the bonds had been sent by him to England to be sold, as suggested by his counsel, he should have offered to return them, as soon as they could be sent for and received back from that country.

The contracts for the delivery of the bonds being wholly unauthorised, and there having been no subsequent ratification by the legislative power of the state of Illinois, or any officer or agent who had the power to ratify these illegal sales of the stock, an injunction must be granted as prayed for. And it must also be referred to a master in the city of New York to appoint a receiver and to take from him the requisite security; unless the complainants should prefer to have the New York Life Insurance and Trust Company appointed such receiver, in which case no security is to be required. The defendant must also assign and deliver over to the receiver, on oath, under the direction of the master, such of the stock or bonds, if any, as are now in his possession, or under his power or control, and the proceeds of such stock or bonds as have been sold, pledged, or hypothecated by him, and all contracts and securities and other property taken therefor.

The receiver is to have the usual powers for the conversion of the securities and proceeds of such sales into money; and to deposit such money in the Trust Company to accumulate, as often as the sum of \$1,000 shall be received beyond the necessary expenses of the trust. The Illinois bonds, if any, are not to be sold by the receiver, but are to be deposited in the Trust Company for safe keeping, to abide the further order of this court.

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#### BILLS OF EXCHANGE AND PROMISSORY NOTES.

1. Where a note is payable on demand at a specified bank, no demand need be made at any other place, and in an action against an endorser, it will be presumed, in the absence of evidence to the contrary, that the note was at the bank, and that some officer of the bank was in attendance to receive payment.—*Folger v. Chase*, 18 Pickering's Mass. Reports, 63.

2. Where a note endorsed by the payee to a bank of which P. H. F. was the cashier, was again endorsed as follows: "P. H. F., cashier," it was held, that such second endorsement was sufficient. And *it seems*, that in an action upon such note, by the second endorsees against the payee, if the second endorsement is not sufficiently certain, the plaintiffs may, at the trial, prefix the name of the bank to such endorsement.—*Ibid.*

3. An endorsement written on a slip of paper, which was attached to the back of a note by a wafer, for the purpose of writing receipts of partial payments thereon, there not being room on the back of the note, was held to be sufficient; the endorsement having been made after several of such receipts, had been written on such attached paper.—*Ibid.*

4. Where a joint and several promissory note was executed and left in the hands of M., one of the promisers, to be delivered to the payee, when it should be demanded by him, in exchange for a note for the same amount, but of a previous date, and signed by M. alone, and no demand was made therefor by the payee before the death of M., it was *held*, that the new note did not operate *de facto* as a payment of the old note, that the property in such new note had not vested in the payee, and that he could not recover the possession of it from the administrator of M., it being presumed, that the interest which had accrued upon the old note was to be paid upon making the exchange.—*Canfield v. Ives, Ibid.* 253.

5. In the case of a note endorsed after it has become due, the endorser is not liable unless payment be demanded of the maker and notice of the non-payment given to the endorser; and as such a note has become payable on demand, the demand on the maker must be made within a reasonable time, and immediate notice of non-payment given to the endorser.—*Coll v. Barnard, Ibid.* 260.

6. A promissory note given for compounding a public prosecution for a misdemeanor, is founded upon an illegal consideration.—*Jones v. Rice, 440.*

A demand on the maker of a note payable on demand, made on the seventh day from the date, was *held* to have been made within a reasonable time, to charge the endorser.—*Seaver v. Lincoln, 267.* 21 Pickering's Reports.

If a note is made payable at a bank, there is no default of payment on the part of the maker until the close of the usual banking hours, on the last day of grace, at such bank.—*Chase v. Clark, Ibid.* 310.

If no particular bank is named, the hour will be determined by the usual banking hours at the bank or several banks, in the place where the note is payable.—*Ibid.*

The drawer of a bill of exchange having no effects in the hands of the acceptor from the time when the bill was drawn to the time when it became due, was held liable without proof of demand and notice of non-payment.—*Kinsley v. Robinson, Ibid.* 327.

In an action by the endorsee against the drawer of a bill of exchange, the acceptor is a competent witness to prove that he has not had in his hands any funds of the drawer.—*Ibid.*

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#### BANK-CHECKS.

1. Where a forged check purporting to be drawn by a customer on a bank, where such customer keeps a deposit, is paid at such bank to an innocent holder who paid a valuable consideration for it, and who had no knowledge of the forgery, such bank cannot recover of such holder the amount so paid.—*Bank of St. Albans v. Farmers and Mechanics' Bank, 10 Ver.* 141.

2. If such check is purchased by another bank, in good faith, and is received in the course of business by the drawee, and passed to the credit of the bank that purchased it, and notice of the forgery is not given the bank so purchasing it until two months afterwards—the bank, on which the check purported to have been drawn, thereby makes the loss its own.—*lb.*

3. In such a case, notice of the forgery should be immediately given, to entitle the drawee to a recovery.—*lb.*

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#### FOREIGN LAW.

In an action against the endorser of a promissory note of hand, made in Illinois, the plaintiff must prove that judgment has been recovered against the original promisor and remains unsatisfied.

**Assumpsit on promissory note of hand, payable to the defendant or order, and by him endorsed.** The note was made in Illinois, and the defence was, that by the law of that state, an endorser is only liable after judgment has been recovered against the promissor, and remains unsatisfied.

*Cooke for the plaintiff. Choate for the defendant.*

**Shaw C. J.**—We think the law of Illinois is to govern in this case. This provision, respecting the liability of endorsers goes not to the remedy merely, but to the substance of the contract and is a part of it; and it makes no difference that the note in the present case is payable generally to order. There being no evidence that the plaintiff has complied with the law of Illinois, the default which was entered, must be set aside, and the cause stand for trial.—Supreme Judicial Court, Mass. 1840.

Where the administrator of an endorser of a promissory note, had been appointed to that office before the maturity of the note, and had given due notice of his appointment, it was held, that he was entitled to the same notice of the non-payment of the note, as is required by law to be given to an endorser.—*Oriental Bank v. Blake*, 206, 22 Pickering's Mass. Reports, p. 24.

#### BILLS AND NOTES.

A bill of exchange drawn in one state of the union upon persons residing in another, is to be treated as a foreign bill, and a protest, apparently under the seal of a notary public, made in the state where the drawees reside, need only be produced, and proves itself as to the presentment and refusal; and so also, it seems, as to the transmission of notice to the parties on the bill, if such fact be stated in the protest.—*Halliday v. Mc. Dougall*, 20 Wendell's N. Y. Reports, 81.

Checks are governed in several particulars by the same rules that prevail in relation to inland bills of exchange, payable either on demand or at a given number of days after sight.—*Smith v. Jones*, *Ibid.* 192.

Where the parties all reside in the same place, the check should be presented on the day it is received, or on the following day; and when payable at a different place from that in which it is negotiated, it should be forwarded by the mail on the same or next succeeding day for presentment.—*Ib.*

Where a second endorsee of a check on receiving it put it into circulation, and not more than four or five days elapsed thereafter before it was sent for presentment, it was held, in an action by him against the payee, that he was not chargeable with laches; there being no evidence in the case but that he became the holder on the day it was negotiated by the payee.—*Ib.*

#### CORPORATIONS.

An action of assumpsit lies against a monied corporation, for refusing to permit a transfer of its stock upon the books of the corporation, when by the act of incorporation such transfer is necessary to give validity to the transaction; case would lie, but assumpsit may be maintained.—*Kortright v. Buffalo Com. Bank*, 20 Wendell, 91.

An incorporated company has not the power to create a by-law, subjecting to forfeiture shares owned by individuals in the stock of the company, for the non-payment of instalments due upon such shares, unless the power to pass such by-law is expressly granted by the charter of the company.—In the matter of the *Long Island Railroad Co.*, 19 Wend. 37.

## USURY.

Howard's Reports of Cases in the Supreme Court, U. S., vol. III.

*John Walker, plaintiff in error, v. the President and Directors of the Bank of Washington, defendant in error.*

Every subsequent security, given for a loan originally usurious, however remote or often renewed, is void.

Where there was an application to a bank for a discount upon a note, to be secured collaterally, and the party applying drew checks upon the bank which were paid before the note was actually discounted; and the bank treated the note, when discounted, as having been so on the day of its date instead of a subsequent day in which its proceeds were carried to the credit of the party, it was held not to be usury.

The court below was right in refusing an instruction to the jury that, upon such evidence, they might presume usury as a fact.

In cases of a written contract, the question of usury is exclusively for the decision of the court.

This case was brought up by writ of error from the circuit court of the United States for the District of Columbia, in the county of Washington:

The facts were these.

On the 30th of January, 1840, Walker, the plaintiff in error, addressed the following letter to the bank:

"GENTLEMEN:—I am desirous of obtaining a loan of twenty-five thousand dollars, to purchase cattle for fulfilling my contract with the government, for N. York station, say 2,000 barrels, and amounting to nearly \$27,000.

"In security for the above money, I'll assign all my right and title to the beef now on hand, say barrelled and salted, and all that I may have (reserving a prior right of \$3,000, already given for Norfolk station) at the warehouse on Bradley's wharf, to be subject to your control.

"I'll deposit an accepted draft of E. Kane, Esq., navy agent, for the payment of contract for N. Y. station.

"Y<sup>r</sup>s, resp'y, JNO. WALKER."

On the 6th of February, 1840, John Walker executed a promissory note in favor of Henry Walker or order, for \$10,000, payable ninety days after date, negotiable and payable at the Bank of Washington. This note was delivered to the bank under the circumstances stated in the first bill of exceptions. The note upon which the suit was brought was a renewal of it, dated on the 9th of May, 1840, the maturity of the above.

On the 19th of February, 1840, the following draft was drawn:

"Elias Kane, Esq., navy agent, Washington, D. C.

"SIR:—Please pay to James Adams, Esq., cashier of the Bank of Washington, or order, the sum of ten thousand dollars, out of the delivery of navy beef, to be made by me at the navy yard, Brooklyn, New York, under my contract, dated 30th September, 1839.

"And oblige, sir, very respectfully, &c.,

Your ob't serv't,

JNO. WALKER."

"Washington, D. C. February 19, 1840."

On the face of the foregoing draft, was the following acceptance, to wit:

“Accepted, to be paid by me, when the bills shall have been received and duly approved by the commandant of the navy yard.

ELIAS KANE.”

On the 20th of February, 1840, Walker executed to the bank a bill of sale of all the beef which he had then on hand or should put up, reciting that he, Walker, stood largely indebted to the bank on loans and discounts obtained from it, and was anxious to secure the payment of notes that had been drawn or given, or might thereafter be drawn or given, &c., &c.

On the 2d of April, 1840, the following draft was drawn, which is referred to in one of the exceptions:

“Elias Kane, Esq., navy agent, Washington, D. C.

“SIR:—Please pay to James Adams, Esq., or order, the amount, due me for delivery of navy beef, to be delivered by me, under my contract, at the navy yard, Brooklyn, New York.

“And oblige, sir, very respectfully,

Your ob't. serv't,

“April 2d, 1840.”

JNO. WALKER.”

On the face of the above was the following acceptance, to wit:

“Accepted, to be paid by me, when the bills shall have been received and duly approved by the commandant of the navy yard, Brooklyn, New York.

ELIAS KANE, Navy Agent.”

On the 9th of May, 1840, the following note was executed, upon which the suit was brought:

“(\$10,000.)

City of Washington, May 9, 1840.

“Thirty days after date I promise to pay to Henry Walker, or order, ten thousand dollars, for value received. Negotiable and payable at the Bank of Washington.

JNO. WALKER.”

“Credit the drawer.”

It was endorsed by Henry Walker, Lewis Walker, and John Walker.

Not being paid at maturity, suit was brought upon it in May, 1840, and in 1841, the case came on for trial, when exceptions were taken, on the part of the defendant.

Mr. Justice Wayne delivered the opinion of the court.

This suit is brought upon a promissory note, given in renewal of a former note, which had been discounted by the defendants in error. The defendants in the court below deny that the plaintiffs have any right of action upon the note sued on, on the ground that the first note was tainted with usury.

Such is the law in such a case. The mere change of securities for the same usurious loan to the same party who received the usury, or to a person having notice of the usury, does not purge the original illegal consideration, so as to give a right of action on the new security. Every subsequent security given for a loan originally usurious, however remote or often renewed, is void. *Tuthill v. Davis*, 20 J. R. 285; *Reed v. Smith*, 9 Cow. 647, and the cases of *Sauerwein v. Brunner*, 1 Harr. & Gill, 477; *Thomas v. Cathedral*, 5 Gill & Johns. 23, decided in the courts of appeal in Maryland, under the statute of which state, it is said, the note now sued upon, is void. But such is not the case before us. The defendant, Walker, had entered into a contract with the United States to supply the navy with beef, and to enable himself to do it, he applied to the bank, by letter dated the 30th January, for a loan of \$25,000, and offered as a security a draft upon E. Kane, the navy agent, and also to assign to the bank the beef which he might put up. The bank accepted his offer, but before Walker gave the draft upon Mr. Kane, or made the assignment, he drew his note on the 6th day

of February, seven days after he had written his letter asking for a loan, for \$10,000, at ninety days, and handed it into bank; which note, at maturity, was renewed by the note of the 9th May, now in suit. This note, however, was not discounted until the 18th February, and when then done, the proceeds were not passed to his credit until the 22d. The cause of the delay, in both particulars, the proof in the case shows, was, that Walker did not, until the 19th of February, draw his draft upon the navy agent, as he had proposed to do, or make an assignment of the beef to the bank, until the 20th. He may or may not have passed the navy agent's acceptance to the bank on the day it is dated, or have delivered his deed for the beef the day after; but between those days and the 22d inclusive, he did so, and the bank's security being then in its possession as he had offered it, the proceeds of his \$10,000 note was, on the last mentioned day, passed to his credit. But, in the mean time, Walker had drawn out of the bank, upon his checks, more than seven thousand dollars, with which he was debited when the proceeds of his note were carried to his credit; which sum and the interest upon it, computed for ninety-four days, from the date of the note, left a balance to his credit of \$997 86. The computation of the interest from the 6th February, instead of from the day when the proceeds were carried to his credit, is the usury complained of. The letter of the defendant of the 30th January, asking for the loan of \$25,000; the acceptances of his drafts upon the navy agent by that officer, and the defendant's assignment to the bank of certain portions of the beef which he had on hand, and which he might put up under his contract with the United States, and which assignment was not executed until the 20th February, were in evidence before the court below. The assignment recites the defendant's contract with the United States, so far as it was necessary to introduce the contract which he was about to make in it with the bank; then his indebtedment to the bank for loans and discounts, his intention to secure the payment of the money due by him, and all drafts, note or notes that have been given for the same, or might be afterwards given by way of substitution or renewal of such drafts or notes, or any of them, &c., &c., and then states that the money which had already been advanced or loaned, or which might afterwards be advanced or loaned by the bank to the defendant, being for the purpose of enabling him to fulfil his contract with the United States. Now, the proof is positive, on both sides, that the note sued on was given in renewal of the note of the 6th February, which had first been given under his proposal for a loan, and that it was intended to be the note, the payment of which was to be secured by the assignment. Such being the evidence, the court correctly refused every instruction which was asked to refer the question of usury to the jury as a fact. It was a case of a written contract, in which the court had the exclusive power of deciding whether it was usurious or not. *Levy v. Gadsby*, 3 Cranch, 180. But, if it were not so, we think the instructions, as they were asked, could not have been given by the court to the jury. Each of them called upon the court to give an opinion upon the sufficiency of the evidence, and in all of them, except the eighth, there was a separation of the facts from the entire evidence, so as to bring them under the cases of *Scott v. Lloyd*, 9 Peters, 418; *Greenleaf v. Booth*, 9 Peters, 292; and that of the *Chesapeake and Ohio Canal Co. v. Knapp*, 9 Peters, 541. Nor do we think that there was any error in the instruction given by the court to the jury under the defendant's first prayer. The court sufficiently distinguish between the facts of the cashier's evidence and his belief, and tell the jury that they are to determine by the facts whether the cashier's inferences were justified.

The judgment of the circuit court is affirmed.

## SPECIAL AGREEMENT.

*John B. Camden, plaintiff in error, v. Thomas C. Doremus, Cornelius R. Suydam, James Suydam, and John M. Nixon, defendants in error.*

Where a general objection is made, in the court below, to the reception of testimony, without stating the grounds of the objection, this court considers it as vague and nugatory; nor ought it to have been tolerated in the court below.

Where at the time of the endorsement and transfer of a negotiable note, an agreement was made that the holder should send it for collection to the bank at which it was, on its face, made payable, and in the event of its not being paid at maturity, should use reasonable and due diligence to collect it from the drawer and prior endorsers before resorting to the last endorser, the holder is bound to conditions beyond those which are implied in the ordinary transfer and receipt of commercial instruments.

Evidence of the general custom of banks to give previous notice to the payer, of the time when notes will fall due, was properly rejected, unless the witness could testify as to the practice of the particular bank at which the note was made payable.

A presentment and demand of payment of the note, at maturity, within banking hours, at the bank where the note was made payable, was a sufficient compliance with the contract to send it to the bank for collection.

The record of a suit brought by the holder against the maker and prior endorsers was proper evidence of reasonable and due diligence to collect the amount of the note from them; and it was a proper instruction, that if the jury believed that the prior endorsers had left the state and were insolvent, the holder of the note was not bound to send executions to the counties where these endorsers resided at the institution of the suit.

The diligent and honest prosecution of a suit to judgment with a return of *nulla bona*, has always been regarded as one of the extreme tests of due diligence.

And the ascertainment, upon correct and sufficient proofs, of entire and notorious insolvency, is recognised by the law as answering the demand of due diligence, and as dispensing with the more dilatory evidence of a suit.

If the holder cannot obtain a judgment against the maker for the whole amount of the note, in consequence of the allowance of a set-off as between the maker and one of the prior endorsers, this is no bar to a full recovery against the last endorser, provided the holder has been guilty of no negligence.

This case was brought up, by writ of error, from the circuit court of the United States for the district of Missouri.

The defendants in error were citizens of the state of New York and partners in trade under the name and style of Doremus, Suydams and Nixon. The plaintiff in error was the surviving partner of the mercantile house of John B. and Marbel Camden, which carried on business at St. Louis, under the name and firm of J. B. and M. Camden. The plaintiff in error was sued in the court below as endorser of the following promissory note.

On the 8th of June, 1836, Ewing F. Calhoun executed this note, viz.

"\$4,219 90.

"Twelve months after date, I promise to pay Judah Barrett, or order, four thousand two hundred and nineteen dollars and ninety cents, negotiable and payable at the Commercial Bank of Columbus, June 8, 1836.

EWING F. CALHOUN,  
Columbus, Mississippi."

"Mississippi, × 1809,"

Which note was endorsed by Barrett to Sterling Tarpley, or order, by him to J. B. and M. Camden, or order, and by them to Doremus, Suydams and Nixon, or order.

On the 22d of August, 1836, the plaintiffs and defendant entered into the following agreement:

*"New York, August 22d, 1836.*

“Memorandum of an agreement and trade made by and between Doremus, Suydams and Nixon, of the city of New York, of the one part, and J. B. & M. Camden, of the city of St. Louis, of the other part, witnesseth : Whereas, the said Camdens have this day sold and assigned unto the said Doremus, Suydams and Nixon, a note for four thousand two hundred and nineteen dollars and ninety cents, payable twelve months after date, and dated the eighth day of June, 1836, and negotiable and payable at the Commercial Bank of Columbus, Mississippi, executed by Ewing F. Calhoun to Judah Barrett, and endorsed by the said Judah Barrett and Sterling Tarpley and J. B. & M. Camden. Now, it is expressly understood and agreed by the contracting parties, that the said Doremus, Suydams and Nixon, are to send the said note to the said Commercial Bank of Columbus, Mississippi, for collection, and in the event of its not being paid at maturity, they are to use reasonable and due diligence to collect it of the drawer and two endorsers before they call upon the said Camdens ; but in the event of its not being made out of them, then the said Camdens bind and obligate themselves, so soon as informed of the fact, to pay the said Doremus, Suydams and Nixon, the principal of the said note, together with its interest and all legal costs they may have incurred in attempting its collection.

J. B. & M. CAMDEN,  
DOREMUS, SUYDAMS & NIXON.”

Mr. Justice Daniel delivered the opinion of the court.

No question has been raised on this record in reference to the original character of the instrument on which the action was founded as a negotiable and commercial paper, nor in reference to the duties and obligations of the parties arising purely from their positions as parties to such a paper. And for aught that the record discloses, every requirement of the law merchant, with respect to the note, or with respect to the rights of the endorsers thereof, appears to have been fulfilled. Presentment at maturity and within due time was made at the Bank of Columbus, Mississippi, and payment there demanded ; the failure to make payment was followed by regular protest, and by like notice to all the endorsers. The exceptions specifically urged by the defendant in the court below, and pressed in his behalf before this court, grow out of an agreement signed by the firm of the Camdens and by the defendants in error at the time that the note of Calhoun was endorsed by the former to the latter, and which agreement, it is contended, bound the defendants in error to undertakings and acts beyond the usual duties incumbent upon endorsers and holders of negotiable paper, and without the fulfilment of which no right of recovery against the plaintiffs in error could arise. Before entering upon an examination of this agreement and of the questions which it has given rise to, it is proper to dispose of an objection by the defendant in the court below, which seems to have been aimed at the entire testimony adduced by the plaintiffs, but whether at its competency, or relevancy, or at its regularity merely, that objection nowhere discloses. After each deposition offered in evidence by the plaintiffs to the jury, it is stated, that to the reading of such deposition the defendant, by his counsel, objected, and that his objection was overruled. A similar statement is made with regard to the record of the suit instituted in the court of Hinds county against Calhoun, the maker of the note, and offered in this cause as proof of due diligence. With regard to the manner and the import of this objection, we would remark, that they were of a kind that should not have been tolerated in the court below pending the trial of the issue before the jury. Upon the offer of testimony oral or written, ex-

tended and complicated as it may often prove, it could not be expected, upon the mere suggestion of an exception which did not obviously cover the competency of the evidence, nor point to some definite or specific defect in its character, that the court should explore the entire mass for the ascertainment of defects which the objector himself either would not or could not point to their view. It would be more extraordinary still if, under the mask of such an objection, or mere hint at objection, a party should be permitted in an appellate court to spring upon his adversary defects which it did not appear he ever relied on; and which, if they had been openly and specifically alleged, might have been easily cured. 'Tis impossible that this court can determine, or do more than conjecture, as the objection is stated on this record, whether it applied to form or substance, or how far, in the view it presented to the court below, if any particular view was so presented, the court may have been warranted in overruling it. We must consider objections of this character as vague and nugatory, and as, if entitled to weight anywhere, certainly, as without weight before an appellate court.

Recurring to the agreement signed by the parties at the time of the transfer of the note, and to the instructions given and refused at the trial, with respect both to that agreement and the proceedings had in fulfilment thereof, we will remark, as to the agreement itself, it is clear that it bound the endorsees to conditions beyond those which are implied in the ordinary transfer and receipt of commercial instruments. Their obligations, therefore, to these endorsers could by no means be fulfilled by a compliance with such usual conditions. The language of the agreement is explicit. The said Doremus, Suydams and Nixon were to send the note passed to them to the Commercial Bank of Columbus, Mississippi, for collection, and in the event of its not being paid at maturity, they were to use reasonable and due diligence to collect it of the drawer and two previous endorsers before they were to call upon the said Camdens, &c., &c. The obligation of the plaintiffs, as endorsees and holders, would have been fulfilled by regular demand, protest, and notice; from these a right of action would immediately have accrued. But the condition stipulated in the agreement is, that before they can have any right to make demand upon their endorsers, they shall diligently endeavor to collect of the maker and previous endorsers. With the view of showing a failure in the plaintiffs in fulfilling their contract, and of deducing therefrom their own exemption from responsibility, the defendants first offered a witness to prove a difference in the practice prevailing in the eastern and western banks with respect to the management of paper deposited with them for collection; and inquired of the witness whether a note presented at a bank for payment on the last day of grace by a notary public would be considered as having been sent to the bank for collection, within the meaning of the contract. This question, on motion of the plaintiff's counsel, the court refused to allow, and rejected all testimony by the witness in relation to the practice of banks as to notes deposited for collection, unless the witness could testify as to the practice or usage of the Commercial Bank of Columbus. The ruling of the court on this point we think was proper. The note was made payable at the Commercial Bank of Columbus; by the agreement between the parties it was moreover expressly stipulated, that it should be sent to that bank for collection; if, then, any custom or practice other than general commercial usage were to control the management of the note, it was the usage of the Bank of Columbus, certainly not the particular usage of other banks not mentioned in the contract, and perhaps never within the contemplation of the parties to that contract. The next exception is taken upon an instruction asked of the court to the jury, that unless it was proved to their satis-

faction, that the note was sent to the Bank of Columbus for collection by the plaintiffs, they must find for the defendant. The court responded affirmatively to the proposition that the note should have been sent to the Bank of Columbus for collection, but declared its opinion that by presentment and demand of payment of the note at maturity by the plaintiffs at the said bank, within banking hours, so as to make a legal demand on the makers, the requirement of the contract in this particular would be complied with. A nice distinction might be made between the language of the agreement and that of the instruction given upon this point. The distinction, however, we should deem to be more apparent and verbal than substantial, and not to be applicable either to the intention of the parties, or to the real merits of the case. The note was payable at the Commercial Bank of Mississippi. The maker of the note resided in the county in which the bank was situated; the endorsers Barrett and Tarpley, who were to be looked to for payment before proceeding against the Camdens, were also residents of the state of Mississippi. Every party upon the note must be presumed to have been cognizant of its character, and to have known when and where it was payable; and was bound to prepare for his respective responsibility arising from his undertaking. Other notice than that to which the law entitled him from his peculiar position upon the note, he had no right to claim. It would be going too far, then, to imply any other right, or to admit it upon ground less strong than that of express and unequivocal contract. The language of the agreement we hold not to amount to this, and as being satisfied with the interpretation that the note should be regularly presented and payment thereof demanded at the Commercial Bank of Columbus, simply as one of the means of collection to be adopted before recourse should be had to the last endorsers.

But it has been contended, that had the note been placed under the management of the bank itself, notice might have been given by the bank to the maker and prior endorsers, before the maturity of the note, and that, thereby, provision might have been made to meet it when due. In reply to this argument, it may be said, that the agreement itself expresses no such purpose or object, in requiring the note to be sent to the bank, and we do not think that such an object is necessarily implied in the requisition. In the next place, there is no proof that the bank would have given notice to the maker and endorsers, previously to the maturity of the note; nor is there any thing in the record to show that this would have been in accordance with its practice in similar cases. Under the silence of the contract itself, and in the absence of proof *dehors* the agreement, we are not at liberty to set up a presumption, which neither the language of the agreement nor justice to the parties imperatively calls for.

The defendants also excepted to the opinion of the court, given upon a prayer to instruct the jury, that the record of the suit by the plaintiffs, against the maker and prior endorsers of the note, did not show due diligence as to those parties. This instruction the court refused, but, in lieu thereof, instructed the jury, that the record was proper evidence to show due diligence on the part of the plaintiff, and that if they believed, from the evidence submitted in addition to the record, that the endorsers Barrett and Tarpley had left the state of Mississippi, were insolvent, and had left no property in the state at the time of the judgment in the said record, the plaintiffs were not bound to send executions to the counties in which those endorsers respectively resided at the time when suit was instituted against them. This court can conceive no just foundation for this exception to the ruling of the circuit court. The condition to which the plaintiff was pledged, was the practice of due, that is, proper, just, reasonable, diligence; not to the per-

formance of acts which were obviously useless, and from which expense and injury might arise, but from which, advantage certainly could not. The diligent and honest prosecution of a suit to judgment, with a return of *nulla bona*, has always been regarded as one of the extreme tests of due diligence.

This phrase, and the obligation it imports, may be satisfied, however, by other means. The ascertainment, upon correct and sufficient proofs, of entire or notorious insolvency, is recognised by the law as answering the demand of due diligence, as dispensing, under such circumstances, with the more dilatory evidence of a suit; evidence, which, in instances that it may be easy to imagine, might prove prejudicial alike to him who should exact, and to him who would supply it. *Dulany v. Hodgkin*, 5 Cranch, 333; *Violet v. Patten*, *ibid.* 142; *Yeaton v. Bank of Alexandria*, *ibid.* 49. We hold, therefore, that, both as to the instruction refused and as to that which was given upon this prayer, the decision of the circuit court was correct.

We come now to the last exception taken to the opinion of the circuit court upon the points presented to it. The defendant in that court insisted, that by the law of Mississippi, the plaintiffs were entitled to a recovery of the full amount of the note, against the maker and endorsers, subject to no set-off between the maker and endorsers; and that, if the plaintiffs had, by their neglect, permitted a judgment for a smaller amount, the defendant was discharged from all accountability for the sum thus lost. The courts refused so to lay down the law, because the record from the court in Mississippi furnished the only evidence to which the instruction prayed for referred, and no negligence appeared, from the record, in the prosecution of the suit against the defendants thereto. This refusal of the court was clearly right, and the reason assigned for it is quite satisfactory. The question to which the instruction asked was designed to apply, was that of due diligence. The timely and *bona fide* prosecution of a suit is, perhaps, the highest evidence of due diligence. If, in the conduct of that suit, the party should be impeded or wronged, by an erroneous decision of the tribunal having cognizance of his case, that wrong could, on no just principle, be imputed to him as a fault. It certainly does not tend to show him to have been the less diligent in the pursuit of his claim; and least of all should be prejudiced thereby, when the error insisted on has been induced by the person who seeks to avail himself of its existence.

Upon the whole, we consider the rulings of the circuit court, upon the several points before it, to be correct; its judgment is, therefore, affirmed.

*NOTE.*—The preceding case is one of many instances where equity and the law come in conflict. In the case now recited there was an express understanding that the note now in suit should be forwarded to a certain bank in Mississippi for collection. Now, the legal sense in which the term for collection is held, is that a note shall be forwarded at any period, even the very day, before maturity. But in a commercial sense, or to the understanding of those who are familiar with the trade of the West more particularly, it is to send a note or bill within such a period as will give the payer a reasonable and timely notice of the transmission.

It is well known that many merchants of the West and Southwest are more tenacious of their credit at home than at the Eastern cities where they purchase: and many would, (especially at the period when the note was given by E. F. Calhoun,) pay their paper if deposited near home, while their Eastern paper was at the same time suffered to go to protest. It was, no doubt, a knowledge of this usage, which produced the express contract between the parties to the suit; the true meaning of which was, although the court set it aside, that the note should be at the bank in Columbus a sufficient time, say ten or twenty days, to enable the bank to give the maker a notice and thereby induce him to sustain his credit at

home. In the present instance, the payer had not timely notice; otherwise, (as the endorsers well knew,) he would have adopted measures if possible to pay it. The object of the plaintiff in error, in making a written contract as to the early transmission for collection, was thus defeated; and the opinion of the lower court against him was confirmed.

[Ed. B. M.]

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## STATE FINANCES.

### TENNESSEE.

Condition and operations of the Treasury of Tennessee, for the fiscal year ending the  
1st Monday of October, 1846.

*Comptroller's Office, Nashville, Tenn.* }  
October 22, 1846. }

|                                                                                                                                                                                  |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| For the fiscal year ending the 1st Monday of Oct., 1846, warrants have been issued directing payments into the treasury to the amount of                                         | \$340,119 57 |
| On which there has been received,                                                                                                                                                | 321,052 53   |
| <hr/>                                                                                                                                                                            |              |
| Leaving outstanding and unreceived,                                                                                                                                              | 19,067 04    |
| During the same period there have been issued warrants directing payments out of the treasury to the amount of                                                                   | 344,506 39   |
| On which there has been paid                                                                                                                                                     | 252,464 63   |
| <hr/>                                                                                                                                                                            |              |
| Leaving outstanding and unpaid,                                                                                                                                                  | 92,041 76    |
| During the same period there has been received into the treasury, from all sources—both upon warrants issued during the year, and upon those previously issued, the total sum of | 336,247 07   |
| And there has been paid out of the treasury for all purposes, both upon warrants issued during the year and upon those previously issued,                                        | 273,042 71   |
| <hr/>                                                                                                                                                                            |              |
| Leaving an excess of receipts over disbursements for the twelve months of                                                                                                        | 63,204 36    |
| Which added to the balance in the treasury on the 1st Monday of October, 1845,                                                                                                   | 109,329 52   |
| <hr/>                                                                                                                                                                            |              |
| Leaves in the treasury on the first Monday of October, 1846, a balance of                                                                                                        | 172,533 88   |
| The payments into the treasury have been received from the following sources, viz.                                                                                               |              |
| By sheriffs and collectors,                                                                                                                                                      | 85,821 79    |
| Clerks of the supreme court,                                                                                                                                                     | 2,622 67     |
| Clerks of the circuit court,                                                                                                                                                     | 13,202 41    |
| Clerks of the county court,                                                                                                                                                      | 60,428 97    |
| Clerks of the chancery courts,                                                                                                                                                   | 2,664 57     |
| Entry takers,                                                                                                                                                                    | 14,463 16    |
| Penitentiary,                                                                                                                                                                    | 3,000 00     |
| W. H. Humphreys, for the Nashville Bank,                                                                                                                                         | 2,960 33     |
| Commissioner for Internal Improvement Companies, viz.                                                                                                                            |              |
| For Clarksville and Russellville Turnpike Co., <i>dividend</i> ,                                                                                                                 | 990 00       |
| Nashville and Charlotte Turnpike Co.,                                                                                                                                            | 1,200 00     |
| Clarksville and Russellville “                                                                                                                                                   | 600 00       |

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| For Columbia Central Turnpike Co.                         | \$ 367 83           |
| Franklin and Columbia, "                                  | 2,647 70            |
| Nashville and Kentucky "                                  | 345 75              |
| Clarksville and Russellville " deficit,                   | 1,387 50            |
| Nash., Murf. and Shelbyville " dividend,                  | 2,608 77            |
| Nash., Murf. and Shelbyville "                            | 2,547 36            |
| Lebanon and Nashville "                                   | 1,500 00            |
| Franklin and Columbia "                                   | 2,019 35            |
| Columbia, Pulaski, E. and Ala. "                          | 1,372 88            |
| Columbia, Pulaski, E. and Ala. " deficit,                 | 73 50               |
| Bank of Tennessee, for schools                            | 100,000 00          |
| Bank of Tennessee, for Academies                          | 18,000 00           |
| Planters' Bank of Tennessee, Bonus for 1845,              | 10,000 00           |
| Farmers & Merchants' Bank, Memphis, Bonus, 1845,          | 3,000 00            |
| Life and Trust Insurance Co. Bonus, 1845,                 | 750 00              |
| Marine and Fire Insurance Co. Bonus, 1845,                | 750 00              |
| Merchants' Insurance Co. Bonus, 1845,                     | 250 00              |
| Clarksville Insurance Co. Bonus, 1845,                    | 250 00              |
| Memphis Insurance Co. Bonus to 1st Monday of March, 1846, | 375 00              |
| Sundry costs, &c.                                         | 47 59               |
| <b>Total receipts,</b>                                    | <b>\$336,247 07</b> |

The payments out of the treasury were for the following purposes, viz.

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| For legislative expenses,                           | \$62,544 73         |
| Judiciary, salaries of supreme judges,              | 5,400 00            |
| do. do. chancellors                                 | 5,250 00            |
| do. do. circuit judges,                             | 18,884 68           |
| do. do. attorneys,                                  | 1,356 33            |
| Executive officers, compensation and contingencies, | 5,048 11            |
| Costs of prosecutions,                              | 25,348 08           |
| Conveying convicts to the penitentiary,             | 4,277 24            |
| Bounties on wolf scalps,                            | 529 00              |
| Tax aggregates and copies of tax lists,             | 1,135 50            |
| Common schools,                                     | 65,083 78           |
| Country academies,                                  | 11,931 36           |
| Humphrey's reports,                                 | 312 38              |
| Bounties on cocoons and reeled silk,                | 77 95               |
| Extinguishment of and warrants,                     | 265 00              |
| Cost of bank investigation of 1844,                 | 68 45               |
| Lunatic hospital,                                   | 7,050 00            |
| Capitol and capitol grounds,                        | 25,500 00           |
| Bank of Tennessee, United States land revenue,      | 9,326 78            |
| Public printing,                                    | 8,395 57            |
| Internal improvements,                              | 10,119 54           |
| Institution for the blind,                          | 2,500 00            |
| State geologist,                                    | 500 00              |
| Nance & M'Lean, running Kentucky line,              | 658 70              |
| Sundry expenses                                     | 454 09              |
| Apprehending fugitives from justice,                | 775 33              |
| <b>Total payments,</b>                              | <b>\$272,792 60</b> |

*Explanatory Remarks.*—Of \$ 172,533 88, the reported balance in the treasury—\$641 08, consists of notes of hand of the securities of J. T. Bradley, former sheriff, which leaves a cash balance in treasury of \$171,892 80.

This balance exceeds, by \$10,661 88, the balance estimated for this period by the comptroller in obedience to a resolution of the house of representatives in November last, which excess may be accounted for in the large amount of outstanding warrants not presented for payment.

After this estimate was made, by the act of 31st January, 1846, the revenue arising from the act of 1843, ch. 115, together with the dividends on the stock of the state in internal improvement companies, and the state tax on license for the retail of spirituous liquors, was set apart as a *contingent fund* to be applied to the payment of the interest on state bonds. By the act of 1846, ch. 24, sec. 4, the dividends received from the Franklin and Columbia Turnpike Co., the Lebanon and Nashville Turnpike Co., the Nashville Murfreesborough and Shelbyville Turnpike Co., the Gallatin Turnpike Co., and the Nolensville Turnpike Co., are directed to be applied by the comptroller to the purchase of outstanding bonds of the state, until the bonds so purchased shall equal in amount the bonds issued in conformity with that act.

|                                                                                                      |             |
|------------------------------------------------------------------------------------------------------|-------------|
| Of the total amount of receipts from internal improvement companies,                                 | \$17,660 64 |
| There was received, prior to the passage of the act of 31st January, 1846, dividends,                | \$ 990 00   |
| On account of deficits of individual stock, there has been since received,                           | 1,461 00    |
| Also dividends appropriated to the purchase of state bonds,                                          | 11,323 18   |
|                                                                                                      | <hr/>       |
|                                                                                                      | 13,774 18   |
| Leaving to the credit of contingent fund,                                                            | \$3,886 46  |
| There has been received from sheriffs, under the act of 1843, ch. 115, since the 31st January, 1846, | 17,153 45   |
| From clerks, under the same act,                                                                     | 2,981 53    |
| From tipping license,                                                                                | 400 00      |
|                                                                                                      | <hr/>       |
| Total contingent fund,                                                                               | \$24,421 44 |
| Of which there has been paid in interest on bonds of the state,                                      | \$ 5,250 00 |
| Interest heretofore paid and released to the Nashville, Murfreesborough and Shelbyville Turnpike Co. | 3,500 00    |
|                                                                                                      | <hr/>       |
|                                                                                                      | 8,750 00    |
| Leaving net contingent fund, undrawn,                                                                | \$15,671 44 |

#### State Administration.

|                               |                       |          |
|-------------------------------|-----------------------|----------|
| Governor,                     | Aaron V. Brown,       | \$ 2,000 |
| Secretary of State,           | John S. Young,        | 800      |
| Treasurer & Supt. Pub. Inst., | Robert B. Turner,     | 1,500    |
| Comptroller of Treasury,      | Felix K. Zollicoffer, | 2,000    |
| Attorney General & Reporter,  | Wert H. Humphreys,    | 1,000    |
| State Geologist,              | Gerard Troost,        | 500      |

#### Supreme Court.

|                          |                                 |          |
|--------------------------|---------------------------------|----------|
| Judge, Western Division, | William B. Turley, of Jackson,  | \$ 1,600 |
| Judge, Eastern Division, | William B. Reese, of Knoxville, | 1,800    |
| Judge, Middle District,  | Nathan Green, of Winchester,    | 1,800    |

## ILLINOIS.

A statement in relation to State Bonds, disposed of by the several boards of fund commissioners of the State of Illinois.

|                                                                                                                                                                                                                                                                                                                  |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 2665 Bonds of \$1000 each, Illinois Bank and internal improvement stock, dated July 31st, 1837, signed by Joseph Duncan, governor; Levi Davis, auditor; and J. D. Whiteside, treasurer of state; payable in 1860; numbered 1 to 2665 inclusive;—were sold to the state bank and bank of Illinois, as bank stock, | \$2,665,000      |
| 1575 bonds of this class have been taken up and destroyed,                                                                                                                                                                                                                                                       | <u>1,575,000</u> |
| Balance,                                                                                                                                                                                                                                                                                                         | \$ 1,090,000     |
| 3287 bonds of \$1000 each, signed by the fund commissioners (or a majority of them) and countersigned by Levi Davis, auditor pub. accts., reimbursable in 1870, numbered 1 to 3007 and 3038 to 3317 inclusive, (sold to N. Biddle and others,)                                                                   | 3,287,000        |
| 27 of these bonds taken up and cancelled,                                                                                                                                                                                                                                                                        | <u>27,000</u>    |
| Balance,                                                                                                                                                                                                                                                                                                         | \$ 3,260,000     |
| <b>Sterling internal improvement bonds left with Messrs.</b>                                                                                                                                                                                                                                                     |                  |
| Wright & Co., London,                                                                                                                                                                                                                                                                                            |                  |
| 1701 bonds of £100 each, No. 1 to 1701 inclusive, £170,100                                                                                                                                                                                                                                                       |                  |
| 744 bonds of £225 each, No. 1 to 744 inclusive, £167,400                                                                                                                                                                                                                                                         |                  |
|                                                                                                                                                                                                                                                                                                                  | <u>£337,500</u>  |
| (Equal to \$1,500,000 at 4,44 to the pound sterling)                                                                                                                                                                                                                                                             |                  |
| Of these bonds, Messrs. W. & Co., disposed of 530                                                                                                                                                                                                                                                                |                  |
| of £225 each, No. 1 to 345 and 560 to 744 inclusive,                                                                                                                                                                                                                                                             | £119,250         |
| 33 of £100 each, No. 1 to 33,                                                                                                                                                                                                                                                                                    | <u>3,300</u>     |
|                                                                                                                                                                                                                                                                                                                  | £122,550         |
| Equal to \$594,000 in round numbers, estimating the pound sterling at \$4,85,                                                                                                                                                                                                                                    | \$ 594,000       |
| 128 bonds of \$1000 each, denominated stock for public buildings, dated August 1st, 1839, signed by Levi Davis, auditor, and J. D. Whiteside, treasurer of state, payable 1861, numbered 1 to 128, (I suppose, the registered numbers not having been reported to this office,)                                  | 128,000          |
| 6 of these bonds taken up and cancelled,                                                                                                                                                                                                                                                                         | <u>6,000</u>     |
|                                                                                                                                                                                                                                                                                                                  | \$ 122,000       |
| 799 bonds of \$1000 each, denominated internal improvement stock, signed by R. F. Barret, fund comptroller, dated May 1st, 1840, payable January, 1870, numbered 1 to 800, except 566, not issued                                                                                                                | 799,000          |
| 278 of these bonds taken up, destroyed and cancelled, No. 522 to 800                                                                                                                                                                                                                                             | <u>278,000</u>   |
|                                                                                                                                                                                                                                                                                                                  | \$ 521,000       |
| 100 bonds of \$1000 each, Illinois and Michigan canal stock, numbered 1301 to 1400, appropriated for the completion of the Northern Cross Railroad from Jacksonville to Springfield,                                                                                                                             | 100,000          |
| 46 of these bonds are destroyed and cancelled                                                                                                                                                                                                                                                                    | <u>46,000</u>    |
|                                                                                                                                                                                                                                                                                                                  | \$ 54,000        |

854 bonds of \$1000 each, issued for the purpose of paying interest on public debt, dated May 1st, 1841, signed by Thomas Carlin, governor, and payable after the year 1865, were disposed of by J. D. Whiteside, fund comptroller, No. 1 to 50 sold to the state bank and No. 201 to 1004, hypothecated to Macalister & Stebbins.

Those sold to the state bank, No. 1 to 50 inclusive, 80 of those hypothecated as above, have been taken up, destroyed and cancelled, leaving a balance of said bonds outstanding of 724.

The amount procured of Macalister & Stebbins, on hypothecation of the aforesaid 804 state bonds, \$261,500  
Interest on the same up to June, 1846, say, 78,500

|                                             |         |             |
|---------------------------------------------|---------|-------------|
|                                             | 340,000 |             |
| Totals,                                     |         | 5,981,000   |
| Internal improvement scrip outstanding, say |         | 750,000     |
| Existing debt,                              |         | \$6,731,000 |

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ILLINOIS AND MICHIGAN CANAL.

From the Boston Daily Advertiser.

Some erroneous statements having appeared of late in the newspapers in reference to the Illinois and Michigan Canal, and the arrangements which have been made for the supply of water for the summit level, you will confer a favor on your correspondent by inserting the following note in the Advertiser.

In the original plan of the work, the summit level of the canal was intended to be supplied with water by means of a thorough cut from Lake Michigan to the main Eastern branch of the Illinois river, (Des Plaines,) a distance of about 30 miles. Although the depth of the cut did not at any point exceed 20 feet, still for a great portion of the distance, the substratum was composed of an exceedingly hard material, known as cemented clay, cemented gravel, &c., and for the distance of about seven miles, the entire cut was through a magnesian limestone, ranging in depth from 14 to 18 feet.

An idea may be conveyed of the formidable character of this thorough cut when it is stated that the entire canal of 100 miles in length, with its 15 locks, overcoming some 140 feet of lockage, together with all the other accessory works, was by the estimates of 1836, to cost 8,650,000 dollars, while the summit level, or thorough cut alone, was to cost nearly six millions dollars.

When the state of Illinois, in 1843, found itself unable, for the want of means, to complete the canal, upon which about 5,000,000 dollars had then been expended, a modification of the original plan was proposed, by which it was made to appear that some 850,000 dollars might be saved in the cost of construction, thereby reducing the cost of completing the work, according to carefully revised estimates, to a sum less than 1,600,000 dollars.

It was at this period that the holders of canal bonds and other evidences of indebtedness of the state, both in Europe and in this country, were invited to make a loan to the state of 1,600,000 dollars to complete the canal, and as security for the payment of this loan, the state offered to convey the canal, its lands (some 230,000 acres,) and other property to three trustees, two to be appointed by the subscribers to the loan, and one by the state.

The proposed modification of the original plan consisted in this, to aban-

don the thorough cut in which there remained to be excavated some 2,360,000 cubic yards of cemented clay, or hard-pan, and about 450,000 cubic yards of rock : to raise the entire summit level eight feet, or one lock in height, and thereby avoid about 2,000,000 cubic yards of the cemented clay, and 300,000 cubic yards of rock ; to conduct the waters of Des Plaines, the Calumet and Du Page rivers, to the summit level, thus deriving the supply of water from the adjacent streams, and abandoning the plan of drawing it from the lake. This, by the estimates, was to be effected at a cost of about 1,500,000 dollars, thereby saving some 850,000 dollars in the cost of construction.

At the request of the European bondholders, to whom application had been made for a loan by the state of Illinois to complete the canal upon the *modified plan*, the Honorable John Davis and Captain W. H. Swift of the army visited Illinois and examined the canal, the plans, estimates, &c., in 1843, and in March, 1844. These gentlemen, after having spent several weeks in their examinations, made a very full report to the agents of the bondholders in Europe (Messrs. Baring, Brothers & Co. and Messrs. Magniac, Jardine & Co.) In this report, among other conclusions at which they had arrived, they stated the opinion that the canal could be completed according to the plan proposed by the state of Illinois, for the sum named to the bondholders, to wit: 1,600,000 dollars, and that the work could be accomplished within a period of three years.

They further stated that they considered it necessary for a maximum trade upon the canal that a greater supply of water for the summit level should be introduced, than that which the state had deemed adequate: to effect this object, they stated that the sum of 1,800,000 dollars would in their opinion be necessary. In this case, they contemplated uniting the waters of the Fox river to those of the Du Page, and to lead the combined streams upon the summit.

During the spring of 1845, the negotiations which resulted in the loan of 1,600,000 dollars were completed. In May and June, the trustees were elected, and the board was fully organized; engineers were appointed and contracts for a large portion of the work made prior to 20th July, of the same year.

Subsequently, further examinations and more minute surveys were made, with the object of ascertaining the *minimum* cost of leading the waters of the Fox river across to the summit; the results did not differ essentially, from those which were furnished by the less detailed surveys made in 1843, at the suggestion of governor Davis and captain Swift, to wit: some 350,000 dollars.

It was known, by repeated measurements, made of the Calumet, Des Plaines and Du Page rivers at their lowest stages, that they would afford an ample supply of water for a *maximum* trade, excepting the dry season of the year, embracing ordinarily, a period of three or four months. The question which then presented itself for consideration was this, whether it would be better to conduct the additional quantity of water which the canal would require for these three or four months from the Fox river at an expense of 350,000 dollars, or to elevate the same quantity by a pumping engine from the lake. In the first case, the construction of about 34 miles of navigable feeder, with nearly 40 feet of lockage would be necessary; in the second case a steam engine of sufficient capacity to raise 6000 cubic feet of water eight feet high per minute would be required. The cost of the feeder, land damages, water rights, repairs and superintendence, and interest upon the original outlay being presented on one hand, while on the other was to be embraced the cost of two engines, each capable of pumping the water required, buildings, expense of running one engine four months, repairs, and

interest upon the outlay of the engines, pumps and buildings. It is to be stated, however, that an abundance of coal is found in the lower districts through which the canal passes, and on the Illinois river, so near, in short, that it can be delivered at the engines at a cost of two cents per bushel, or less.

The general results proved that while the annual expenses, including interest on the original outlay in both cases, would for the feeder amount to about 28,000 dollars; the expenses for the engines would not exceed 13,000 dollars per annum.

Pumping engines have, accordingly, been contracted for, two being considered necessary, although but one will be required to be at work ordinarily. One of the engines is intended to work 4 cylinder lifting pumps, of 54 inches diameter, and to the other, it is designed to apply a wheel of 24 feet diameter, working in a pit of masonry nearly water tight, the water being raised by the float boards in a manner similar to the wheels used in draining the fens in Lincolnshire, England, the lift in both cases being about the same.

In the Civil Engineer and Architect's Journal, volume 1, will be found a report by Joseph Glynn, C. E., upon the performance of several of these wheels. At Pote hole, from 1830 to 1835, inclusive, a wheel working about 4 months in each year, the quantity of water raised 7½ feet amounted to 4638 cubic feet per minute, and this was for a period of 868 days, (of 12 hours each) or the whole time that the engine was at work. The engine was of 80 horse power, and consumed about 10 lbs. Newcastle coal per horse power for each hour it was in operation.

The work upon the canal has been advancing steadily since the contracts were entered into, say August, 1845. And although the unusually sickly seasons of both 1845 and 1846, in Illinois, have interfered seriously with the prosecution of the work, still it is confidently expected and intended that the canal will be completed within two years and a half from the time at which operations were resumed, say in all the next year, (1847.)

It will be perceived by the preceding statement that the plan of the canal, and the feeders is substantially that upon which the state proposed to the bondholders to construct it. The trustees have added pumping engines for an increased supply of water. Should the state, at any future day, desire to carry out the original project of the "thorough cut," the steam engines can readily be converted into flour mills, and be disposed of to individuals without sensible loss.

Oct. 22, 1846.

VERMONT.

Revenues and Expenditures of the State of Vermont, for the year ending September 1st, 1846; from the official report of the auditor of the state.

Expenditures.

Debenture of general assembly of 1845,	\$13,858 50
Judges of supreme court, one year's salary,	6,623 11
Governor Slade, one year's salary as governor and commissioner,	800 00
John Spaulding, salary as treasurer, and commissioner,	500 00
J. McM. Shafter, secretary of state, one year's salary,	275 00
F. F. Merrill, clerk, one year's salary,	400 00
D. W. C. Clarke, one year's salary,	250 00
E. Davis, assistant secretary of senate, engrossing clerk,	137 50
G. H. Beaman, secretary of civil and military affairs,	200 00
F. W. Hopkins, adjutant and inspector general,	150 00

G. H. Loomis, librarian, one year's salary	\$100 00
S. H. Hodges, auditor one year's salary,	150 00
F. Billings, assistant secretary of senate, one half year's salary,	62 50
W. T. Burnham, sergeant-at-arms, one half of past, and one half of present year's salary,	150 00
Horace Eaton, superintendent of schools, half year's salary,	100 00
P. T. Washburn, reporter of decisions of supreme court,	337 00
Supreme and county court orders,	11,468 10
Auditor's orders,	10,620 58
Committee of claims, do.	500 00
Two deaf, dumb, and blind asylums,	1,896 59
Insane hospital,	5,000 00
Drafts of quarter-master general,	1,052 55
Special acts of legislature,	41 00
Cash loaned on account of surplus fund,	3,424 94
Paid town of Lemington, its proportion of surplus fund deposit,	283 34
Paid six agricultural societies, viz.	793 88
Clerks of court, for expenses of county and sup. court,	14,368 82
Cash paid state prison appropriation,	10,000 00
Fox certificates,	6 13
Bear and cub do.,	155 00
Wolf do.,	20 00
Cocoon and silk premiums,	451 85
Interest paid safety fund banks,	1,873 97
“ paid sundry towns on surplus money,	958 01
Sundry banks for advance to clerks of court, interest,	108 20
Balance in the treasury, September 1, 1846,	20,480 05

\$107,597 74

Revenues.

Balance in the treasury, September 1, 1845,	18,417 97
Received for taxes—principal,	68,365 53
Interest on arrearage of taxes,	\$593 84
“ on safety and surplus fund notes,	624 88
	<hr/> 1,218 72
State's attorneys,	4,025 47
Returned by clerks of court for last year's advances,	1,962 85
Safety fund bank contributions,	1,875 00
Collections on safety fund notes,	961 46
“ on school fund notes,	3,585 97
Interest collected on same, and on Vermont state bank notes,	1,203 52
Cash collected on Vermont state bank notes,	150 00
Pedler's licenses,	1,484 67
Bank taxes on dividends,	3,279 69
Court debentures,—fees received in civil suits,	1,026 99
Cash received of F. F. Merrill, for Vermont Reports,	39 90

\$107,597 74

JOSEPH BERRY, Auditor.

September 10, 1846.

Treasurer's Report on State Finances, September 8, 1846.

Balance in the treasury,	\$20,480 05
Balance of Taxes not collected,	25,975 83

Notes and interest due the state on account of the late school fund and state bank,		8,190 20
		<hr/> 54,646 08
The state is in debt to the safety fund banks,	\$31,506 10	
Balance of interest on same,	1,901 67	
Salaries falling due Oct. 1,	1,707 08	35,114 85

Apparent surplus, \$19,531 23

The state owes several towns for the U. S. surplus fund deposited and left on interest, 14,528,94, which is all loaned out, agreeably to law on good securities, therefore I do not carry it to the debit of the state.

Treasurer's Report of the Bank Fund.

My report of the bank fund to the auditor, on the 13th September, 1845, was,	34,155 07	
Since that date there has been paid in,	1,875 00	
		<hr/> 36,030 07
Of this fund there is loaned to various individuals, To the state of Vermont,	4,523,97 31,506,10	
		<hr/> \$36,030 07

JOHN SPAULDING, *Treasurer.*

Treasurer's office, Montpelier, Sept. 13, 1846.

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**BANK STATISTICS.**

**MAINE.**

**AN ACT IN RELATION TO BANKS AND BANKING.**

*Be it enacted by the Senate and House of Representatives in Legislature assembled,* Section 1. The charters of all banks now incorporated or which may hereafter be incorporated within this state, are hereby extended to the first day of October, in the year of our Lord one thousand eight hundred and fifty-seven, subject to the provisions of this act and all existing acts upon the subject of banks and banking.

Section 2. All banks accepting a renewal of charter, subject to the restrictions, limitations and penalties of this act, shall give written notice of such acceptance, to the secretary of state, on or before the first day of May, in the year of our Lord one thousand eight hundred and forty-seven.

Section 3. No bank now incorporated or which may hereafter be incorporated within this state, shall issue and put in circulation as money, bills to the amount of more than fifty per cent. of its capital stock actually paid in, unless said bank shall have in its vault, at the time of such issue, one dollar in specie for every three dollars in bills so issued, over and above fifty per cent. of its capital stock; nor shall the circulation of any bank within this state, at any time, exceed the amount of its capital stock paid in, and the specie in its vault.

Section 4. Weekly balances shall be made by the cashiers of banks, exhibiting the amount of specie on hand and the amount of bills in circulation; and it shall be the duty of the bank commissioners, at their annual examination to note all over issues shown by such balances, and report the same to the governor and council.

**Section 5.** Every bank now incorporated or which may hereafter be incorporated in this state, shall forfeit and pay for the use of the state, ten per cent. upon the amount of bills it shall at any time wilfully and with intent to evade the provisions of this act, put in circulation over and above the amount authorised by the third section of this act; and said forfeiture may be sued for and recovered in the name of the treasurer in an action on the case, in the supreme judicial court.

**Section 6.** Whenever by the annual report of the bank commissioners or otherwise, it shall appear that any bank has put in circulation a larger amount of bills than authorised by this act, it shall be the duty of the secretary of state to notify the attorney general of the fact, who upon the receipt of said notice, shall forthwith commence an action against the president, directors and company of such delinquent institution, to recover the penalty established by the fifth section of this act.

#### BANK COMMITTEE REPORT.

The committee on banks in the senate, ask leave to Report:

That by the existing laws of the state, the charters of all banks expire the first day of October, one thousand eight hundred and forty-seven, and that justice to them as well to the business community, would seem to require, at the present session of the legislature, an indication of the future policy of the state upon this important subject.

The use of paper money has become so associated with the habits and prejudices of the people that a return to the constitutional currency, however desirable, would at this time and under existing circumstances, be utterly impracticable. The several states claim and exercise the right of incorporating banks within their limits, for the purpose of furnishing a paper currency. *Until the constitution shall have been revived and this immense power ceded to the general government, the effort of individual states to correct the evils incident to our banking system, will be unavailing.*

The committee do not question the fact so often demonstrated that a paper currency gives a fictitious value to all the exchangeable products of a nation. That it sooner or later neutralizes the effect of discriminating duties upon domestic manufactures by advancing the price of all the agents of production, and that its inevitable tendency is to turn the balance of the trade against a nation, by enhancing the price of articles of export, thereby enabling others to undersell it in the markets of the world. They are also aware that a paper system is subject to sudden contractions and expansions, which change, to a ruinous degree, the relative conditions of debtor and creditor; but at the same time, they cannot forget the utter inability of a single state to regulate the currency of the Union. The most we can hope to do is, to ensure the redemption of the bills of our own banks, and impose such restrictions as will check local fluctuations.

The committee are of opinion that our present banking laws are comparatively safe, and experience shows that no losses to billholders have occurred the last fifteen years, where a reasonable discretion was exercised by the legislature in granting charters. The revised statutes contain several salutary provisions not embraced in the banking law of eighteen hundred thirty-one, and it is believed, with a due vigilance on the part of bank commissioners, and a rigid enforcement of the proposed law, the redemption of all bills will be effectually secured.

To guard against local fluctuations, the committee have deemed it expedient to introduce a clause providing that all banks shall have always on hand, one dollar in specie, to every three dollars in bills they may issue beyond fifty per cent. of the capital stock. It will be seen by looking over the returns of

banks, a few years past, that fifty per cent. of the capital stock is a very moderate circulation, and up to that point no specific specie balance is required.

In some parts of the state, this provision would, in practice, have very little effect; but in those sections most inclined to inflation, it would operate as a serious check. The average circulation of the banks of Maine, in April last, amounted to about seventy-five per cent. upon their capital stock, and the specie on hand, if equally distributed, would have been very nearly the sum now contemplated. In some sections, however, with a small amount of specie, the circulation was up to, and even beyond the chartered limits, and would have received a salutary check from the operation of the law herewith submitted.

The banks can have no reasonable cause for complaint on account of these new restrictions: and the community, it is believed, when they consider the difficulties attending all sudden changes in the currency, will be satisfied with the law here proposed, establishing as it does, the principle of a specie basis, which may, if necessary, be hereafter enlarged.

All of which is respectfully submitted.

JOHN HODGDON, *Chairman.*

VIRGINIA.

*Bank of Virginia and Branches.*

| Resources.                   | Oct. 1, 1845.   | Oct. 1, 1846.   |
|------------------------------|-----------------|-----------------|
| Outstanding debt.....        | \$ 4,987,730 75 | \$ 4,303,913 60 |
| Sterling bills.....          | 36,697 36       | 43,726 75       |
| Real estate.....             | 347,530 95      | 206,369 78      |
| Stocks.....                  | 646,227 55      | 153,140 00      |
| Specie.....                  | 831,392 17      | 768,223 85      |
| Bank balances and notes..... | 816,646 54      | 344,166 04      |
| Variations in the books..... | 26,579 11       |                 |
| Balances in transitu.....    | 9,930 68        |                 |
|                              | <hr/>           | <hr/>           |
|                              | \$ 7,204,735 06 | \$ 5,819,540 02 |
|                              | <hr/>           | <hr/>           |
| Liabilities.                 |                 |                 |
| Capital stock.....           | \$ 3,644,100 00 | \$ 2,550,870 00 |
| Contingent fund.....         | 72,131 49       | 83,052 27       |
| Profits since 1st June.....  | 58,103 15       | 58,266 06       |
| Circulation.....             | 2,154,605 33    | 2,000,145 33    |
| Due to other banks.....      | 194,135 21      | 183,379 84      |
| Individual deposits.....     | 1,081,659 88    | 940,022 53      |
| Balance in transitu.....     |                 | 3,803 99        |
|                              | <hr/>           | <hr/>           |
|                              | \$ 7,204,735 06 | \$ 5,819,540 02 |
|                              | <hr/>           | <hr/>           |

|                                                                                                                                                                                              |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Amount of exchange furnished by the bank in checks on other states, as far as returns have been received, for the quarter ending Oct. 1st.....                                               | 823,688 59 |
| Amount that has accrued from premiums thereon,...                                                                                                                                            | 1,996 95   |
| Returns have not been received from the Lynchburg, Danville, Buchanan and Charleston offices of the amount of exchange furnished, but the premiums received at those offices amount to ..... | 1,002 09   |
| Of the outstanding debt at bank and branches, there is estimated as bad.....                                                                                                                 | 5,266 89   |
| And as doubtful.....                                                                                                                                                                         | 37,586 31  |

*Bank Statistics.*

375

*Bank of the Valley and Branches.*

| Liabilities.                   | Jan. 1, 1845.   | Oct. 1, 1846.   |
|--------------------------------|-----------------|-----------------|
| Capital stock.....             | \$1,079,000 00  | \$ 1,079,000 00 |
| Notes in circulation.....      | 973,291 50      | 919,653 50      |
| Due to other banks.....        | 32,736 66       | 21,946 34       |
| Discounts.....                 | 3,655 31        | 28,760 35       |
| Contingent fund.....           | 57,630 63       | 57,618 20       |
| Profit and loss.....           | 41,724 29       | 3,903 77        |
| Individual deposits.....       | 211,694 00      | 256,365 76      |
|                                | <hr/>           | <hr/>           |
| Total liabilities.....         | \$ 2,399,732 39 | \$ 2,367,247 92 |
|                                | <hr/>           | <hr/>           |
| Resources.                     |                 |                 |
| Notes discounted.....          | \$ 1,571,182 39 | \$ 1,606,608 27 |
| Inland bills of exchange.....  | 77,560 80       | 152,482 76      |
| Bond account.....              | 18,865 32       | 18,607 32       |
| Stock (received for debt)..... | 15,000 00       | 15,000 00       |
| Real estate.....               | 49,010 09       | 50,366 62       |
| Due from other banks.....      | 219,641 72      | 164,425 92      |
| Notes of Virginia banks.....   | 107,573 00      |                 |
| Notes of other banks.....      | 35,212 50       | 99,909 46       |
| Specie in the vaults.....      | 297,024 67      | 259,897 57      |
| In transitu.....               | 8,661 90        |                 |
|                                | <hr/>           | <hr/>           |
| Total resources.....           | \$ 2,399,732 39 | \$ 2,367,247 92 |

*Exchange Bank of Virginia and Branches, 1845 and 1846.*

| Resources.                                                                                  | Oct. 1, 1845.   | Oct. 1, 1846.   |
|---------------------------------------------------------------------------------------------|-----------------|-----------------|
| Loans to individuals, &c.....                                                               | \$2,426,203 90  | \$ 2,340,738 09 |
| Foreign bills of exchange.....                                                              | 3,426 27        | 31,760 33       |
| Virginia state stock.....                                                                   | 243,045 00      | 240,745 00      |
| Stock of Exchange Bank of Va.—cost.                                                         | 19,435 50       | 6,450 00        |
| Due from other banks—in account....                                                         | 125,709 41      | 51,780 41       |
| In notes of Virginia Banks.....                                                             | 89,866 00       | 49,683 00       |
| In notes of other banks.....                                                                | 49,586 00       | 45,357 00       |
| Banking houses and lots.....                                                                | 82,796 30       | 82,907 37       |
| Real estate acquired for debts.....                                                         | 9,202 53        | 8,251 18        |
| Specie on hand.....                                                                         | 274,136 71      | 331,141 26      |
| Resulting balance of transactions yet<br>in transitu among Parent Bank and<br>branches..... | 34,237 15       | 23,038 11       |
|                                                                                             | <hr/>           | <hr/>           |
|                                                                                             | \$ 3,357,694 77 | \$ 3,211,851 75 |
|                                                                                             | <hr/>           | <hr/>           |
| Liabilities.                                                                                | Oct. 1, 1845.   | Oct. 1, 1846.   |
| Capital stock.....                                                                          | \$ 1,726,300 00 | \$ 1,726,300 00 |
| Circulation.....                                                                            | 711,352 00      | 572,726 00      |
| Due to other banks, in account.....                                                         | 50,994 92       | 116,071 68      |
| Individual deposits.....                                                                    | 732,545 29      | 661,006 01      |
| Excess of assets.....                                                                       | 136,502 56      | 135,748 06      |
|                                                                                             | <hr/>           | <hr/>           |
|                                                                                             | \$ 3,357,694 77 | \$ 3,211,851 75 |

\$ 3,357,694 77    \$ 3,211,851 75  
 WILLIAM W. SHARP, *President.*  
 WRIGHT SOUTHGATE, *Cashier.*

*Norfolk, Virginia, October 1, 1846.*

☞ The capital of the Exchange Bank, is divided as follows: Norfolk, \$526,300, Richmond Branch, \$500,000, Petersburg, \$ 500,000, Clarksville, \$ 500,000.

*North-Western Bank of Virginia, including Branches at Wellsburg and Parkersburg.*

| Resources.                         | Oct. 1, 1845.          | Oct. 1, 1846.          |
|------------------------------------|------------------------|------------------------|
| Bills discounted.....              | \$ 1,104,913 32        | \$ 998,918 98          |
| Stocks N. W. Bank of Virginia..... | 34,500 00              | 34,500 00              |
| “ Virginia 6 per cent.....         | 582 00                 | 582 00                 |
| “ Fire and Marine Insurance....    | 1,243 50               | 1,728 50               |
| Scrip—State Bank Illinois.....     | 1,885 28               | 1,885 28               |
| Real estate.....                   | 72,994 47              | 81,479 47              |
| Banking houses.....                | 31,611 84              | 31,782 22              |
| Due by other banks.....            | 123,190 09             | 78,939 46              |
| Specie—silver and gold.....        | 230,343 89             | 241,140 76             |
| Bank notes of this state.....      | 24,860 00              | 14,827 00              |
| Bank notes of other states.....    | 38,583 67              | 33,231 57              |
| Expense account.....               | 1,979 22               | 2,026 17               |
|                                    | <b>\$ 1,666,687 28</b> | <b>\$ 1,521,041 41</b> |

| Liabilities.               | Oct. 1, 1845.          | Oct. 1, 1846.          |
|----------------------------|------------------------|------------------------|
| Capital stock.....         | \$ 740,600 00          | \$ 740,600 00          |
| Bills in circulation.....  | 662,458 00             | 515,817 00             |
| Profit and loss.....       | 17,568 88              | 23,648 11              |
| Discount received.....     | 16,421 88              | 11,461 69              |
| Premium and exchange.....  | 2,017 14               | 1,580 24               |
| Rent account.....          | 625 97                 |                        |
| Due to other banks.....    | 28,613 66              | 25,288 16              |
| Unpaid dividends... ..     | 195 18                 | 381 38                 |
| Individual depositors..... | 197,871 67             | 197,184 83             |
| In transitu.....           | 314 90                 | 80 00                  |
|                            | <b>\$ 1,666,687 28</b> | <b>\$ 1,521,041 41</b> |

*Farmers Bank of Virginia and Branches.*

| Resources.                           | Oct. 1, 1845.          | Oct. 1, 1846.          |
|--------------------------------------|------------------------|------------------------|
| Debt outstanding.....                | \$ 4,838,565 03        | 4,891,331 82           |
| Sterling bills.....                  | 14,045 87              | 50,251 86              |
| Stocks.....                          | 141,574 01             | 146,877 76             |
| Specie.....                          | 680,170 18             | 743,787 15             |
| Notes and checks of other banks..... | 193,144 59             | 126,939 71             |
| Real estate.....                     | 220,791 02             | 222,347 87             |
|                                      | <b>\$ 6,088,290 70</b> | <b>\$ 6,171,536 17</b> |

| Liabilities.                                       | Oct. 1, 1845.          | Oct. 1, 1846.          |
|----------------------------------------------------|------------------------|------------------------|
| Capital stock.....                                 | \$ 2,675,600, 00       | \$ 2,676,900 00        |
| Notes in circulation.....                          | 2,062,230, 50          | 2,210,170 50           |
| Individual deposits.....                           | 992,579, 64            | 922,139 48             |
| Surplus or reserved fund.....                      | 219,058, 76            | 238,353 49             |
| Profits of the institution for last half year..... | 70,299, 55             | 76,489 97              |
| In transitu between Parent Bank and branches.....  | 49,178, 64             | 10,108 72              |
| Balance due to other banks.....                    | 19,343, 61             | 37,374 01              |
|                                                    | <b>\$ 6,088,290 70</b> | <b>\$ 6,171,536 17</b> |

For list of the Presidents and Cashiers of the several Banks of Virginia, see the next page.

*Banks of Virginia, October, 1846.*

| Location.                              | President.             | Cashier.             | Capital. |
|----------------------------------------|------------------------|----------------------|----------|
| <b>BANK OF VIRGINIA.</b>               |                        |                      |          |
| <i>Richmond,</i>                       | James Caskie,          | Samuel Marx,         | 810,870  |
| Charleston,                            | James C. McFarland,    | Samuel Hannah,       | 150,000  |
| Danville,                              | Thomas P. Atkinson,    | *C. B. Taliaferro,   | 70,000   |
| Fredericksburg,                        | Hugh Mercer,           | William J. Roberts,  | 290,000  |
| Lynchburg,                             | C. Dabney,             | *John M. Otey,       | 800,000  |
| Norfolk,                               | James F. Hunter,       | Thomas Williamson,   | 200,000  |
| Petersburg,                            | Joseph Bragg,          | George W. Steinback, | 400,000  |
| Buchanan,                              | James L. Woodville,    | *J. Anthony,         | 105,000  |
| Portsmouth,                            | John A. Chandler,      | *William H. Wilson,  | 225,000  |
| <b>BANK OF THE VALLEY.</b>             |                        |                      |          |
| <i>Winchester,</i>                     | Thomas Allen Tidball,  | *Henry M. Brent,     | 469,000  |
| Charlestown,                           | Thomas Griggs,         | Cato Moore,          | 200,000  |
| Leesburg,                              | John Janney,           | *William A. Powell,  | 200,000  |
| Romney,                                | David Gibson,          | *John McDowell,      | 210,000  |
| <b>EXCHANGE BANK OF VIRGINIA.</b>      |                        |                      |          |
| <i>Norfolk,</i>                        | William W. Sharp,      | Wright Southgate,    | 526,800  |
| Richmond,                              | John C. Hobson,        | William P. Strother, | 500,000  |
| Petersburg,                            | George W. Bolling,     | Patrick Durkin,      | 500,000  |
| Clarksville,                           | Francis W. Venable,    | *Augustus C. Finley, | 200,000  |
| <b>FARMERS' BANK OF VIRGINIA.</b>      |                        |                      |          |
| <i>Richmond,</i>                       | William H. Macfarland, | *John G. Blair,      | 804,500  |
| Charlottesville,                       | John R. Jones,         | *William A. Bibb,    | 102,400  |
| Danville,                              | Nathaniel T. Green,    | *George W. Johnson,  | 120,000  |
| Farmville,                             | William C. Flournoy,   | *Archibald Vaughan,  | 150,000  |
| Fredericksburg,                        | John H. Wallace,       | Arthur Goodwin,      | 260,000  |
| Lynchburg,                             | William Radford,       | *Alexander Tompkins, | 300,000  |
| Norfolk,                               | N. C. Whitehead,       | Rd. H. Chamberlain,  | 290,000  |
| Petersburg,                            | William Robertson,     | Pleasant C. Osborne, | 270,000  |
| Winchester,                            | James M. Mason,        | *Joseph H. Sherrard, | 250,000  |
| Wytheville,                            | Stephen McGavock,      | *Thomas J. Morrison, | 180,000  |
| <b>MERCHANTS AND MECHANICS' BANK.</b>  |                        |                      |          |
| <i>Wheeling,</i>                       | Joseph Caldwell,       | *Sobeiski Brady,     | 465,000  |
| Morgantown,                            | Matthew Gay,           | *William Wagner,     | 75,000   |
| <b>NORTH WESTERN BANK OF VIRGINIA.</b> |                        |                      |          |
| <i>Wheeling,</i>                       | Thomas Johnston,       | *John List,          | 522,600  |
| Parkersburg,                           | William S. Gardner,    | *Beverly Smith,      | 100,000  |
| Wellburg,                              | John C. Campbell,      | *Samuel Jacob.       | 118,000  |

Six Banks and twenty-six Branches, capital, **\$ 9,818,870**

(\*) Those in *italic* are parent banks—the others are branches.

Circulation of Bank of Virginia and branches, on the 1st of October, 1846 :

|                                                    |                        |
|----------------------------------------------------|------------------------|
| Denominations—1's and 2's .....                    | \$ 24,197 00           |
| 5's .....                                          | 281,257 50             |
| 10's .....                                         | 429,040 00             |
| 15's .....                                         | 25,415 00              |
| 20's .....                                         | 580,140 00             |
| 50's .....                                         | 282,350 00             |
| 100's .....                                        | 479,150 00             |
| Post notes. ....                                   | 4,649 83               |
| Portsmouth office.....                             | 38,870 00              |
|                                                    | <b>\$ 2,142,869 83</b> |
| Deduct cut notes, and notes on hand at offices.... | 142,724 00             |

**Total..... \$ 2,000,145 83**

\*Subscribers to the Bankers' Magazine.

## BANKS OF VIRGINIA.—Condensed View.—October 1, 1846.

|                                                   | Capital.     | Deposits. | Circulation. | Specie.   |
|---------------------------------------------------|--------------|-----------|--------------|-----------|
| Bank of Virginia, .....                           | \$2,550,870* | 940,000   | 2,000,000    | 766,000   |
| Farmers' Bank,.....                               | 2,676,900    | 922,000   | 2,210,000    | 743,000   |
| Exchange Bank,.....                               | 1,726,300    | 661,000   | 572,000      | 331,000   |
| Bank of the Valley,.....                          | 1,079,000    | 256,000   | 919,000      | 260,000   |
| North Western Bank,.....                          | 740,600      | 197,000   | 515,000      | 241,000   |
| M. & M. B. Wheeling,.....                         | 540,000      | 118,000   | 750,000      | 143,000   |
| Aggregate,.....                                   | \$9,313,670  | 3,094,000 | 6,966,000    | 2,486,000 |
| Ratio of specie to circulation,.....              |              |           | \$1 00 to    | \$2 80    |
| Ratio of specie to circulation and deposits,..... |              |           | 1 00 to      | 4 00      |

We are now preparing a corrected list of banks in the several states, with their location, names of president and cashier of each, and amount of capital. We will thank our friends to communicate any changes that have taken place since our former list, published in May, 1846.

*Merchants and Mechanics' Bank of Wheeling, including Branch at Morgantown, October 1, 1846.*

| Liabilities.                             |              |                       |
|------------------------------------------|--------------|-----------------------|
| Capital stock.....                       |              | \$540,000 00          |
| Individual deposits.....                 |              | 118,074 64            |
| Notes in circulation, (large).....       | \$736,610 00 |                       |
| Do. (small).....                         | 13,698 00    | 750,308 00            |
| Due to other banks.....                  |              | 15,645 87             |
| Dividends unclaimed.....                 | 1,611 83     |                       |
| Interest account.....                    | 6,724 98     |                       |
| Contingent fund.....                     | 7,457 05     | 15,793 86             |
|                                          |              | <u>\$1,439,822 37</u> |
| Resources.                               |              |                       |
| Domestic bills.....                      | 491,909 49   |                       |
| Foreign bills.....                       | 399,821 50   | \$891,730 99          |
| Stock owned by the bank.....             |              | 25,753 00             |
| Real estate.....                         | 182,632 17   |                       |
| Banking houses and lots.....             | 30,000       | 212,632 17            |
| Bonds and mortgages.....                 |              | 28,469 33             |
| Bank furniture.....                      |              | 2,498 66              |
| Expense account.....                     | 1,578 55     |                       |
| Protest account.....                     | 516 71       |                       |
| Law expenses.....                        | 2,188 94     | 4,284 20              |
| Bonus for unexpired term of charter..... |              | 16,650 00             |
| Balances due by other banks.....         |              | 91,666 14             |
| Cash. Notes of other banks.....          | 22,333 94    |                       |
| Silver and gold in vaults.....           | 143,403 94   | 165,737 88            |
|                                          |              | <u>\$1,439,822 37</u> |

Since the above report was made of the Merchants and Mechanics' Bank at Wheeling, there has been a larger accumulation of specie in its vaults, and the institution may be considered as in a more favorable position. The above comparative view of the six banks of Virginia, shows them to be not only safe, but doing a profitable business, if we may judge by their circulation and loans in the aggregate. The western banks, more especially, are deriving a large profit from their circulation alone.

\* The capital of the Bank of Virginia consists of 36,441 shares, the par value of which was originally one hundred dollars. The par value has been reduced, since January 1846, to seventy dollars per share, making \$2,550,870, the present amount of stock as above stated.

BANKS OF NEW ORLEANS—Oct. 31, 1846.

*Movement of the Banks.*

| Specie Paying.           | Cash Liabilities.    | Assets.           | Circulation.     | Specie.          |
|--------------------------|----------------------|-------------------|------------------|------------------|
| Bank of Louisiana.....\$ | 2,865,909            | 3,945,174         | 941,037          | 1,961,684        |
| Canal Bank.....          | 2,861,907            | 3,213,197         | 732,225          | 1,283,294        |
| City Bank.....           | 1,596,856            | 2,282,298         | 412,845          | 681,991          |
| Louisiana State Bank...  | 1,356,360            | 2,026,052         | 369,229          | 929,254          |
| Mechanics and Traders'.  | 2,482,864            | 3,100,774         | 675,260          | 1,631,679        |
| Union Bank.....          | 54,875               | 953,603           | 26,475           | 89,006           |
| Non-Specie Paying.       |                      |                   |                  |                  |
| Citizens' Bank.....      | 1,095,388            | 96,135            | 905,085          | 455,567          |
| Consolidated Bank.....   | 785,029              | 4,572             | 778,355          | 4,572            |
| <b>Total.....</b>        | <b>\$ 12,599,188</b> | <b>15,611,804</b> | <b>4,840,511</b> | <b>6,627,027</b> |

Total Movement and Dead Weight.

| Specie Paying.                   | Liabilities.<br>Exclusive of Capital. | Assets.              |
|----------------------------------|---------------------------------------|----------------------|
| Bank of Louisiana.....\$         | 3,466,908 93                          | 8,588,638 42         |
| Canal and Banking Company.....   | 2,447,459 49                          | 6,596,955 29         |
| City Bank.....                   | 1,879,741 10                          | 4,044,590 69         |
| Louisiana State Bank.....        | 1,356,860 11                          | 3,136,686 73         |
| Mechanics and Traders' Bank..... | 2,482,868 73                          | 4,300,452 10         |
| Union Bank.....                  | 441,046 24                            | 7,957,762 13         |
| Non-Specie Paying.               |                                       |                      |
| Citizens' Bank of Louisiana..... | 7,597,684 17                          | 8,177,220 16         |
| Consolidated Association.....    | 1,897,913 44                          | 1,968,223 43         |
| <b>Total.....</b>                | <b>\$ 21,568,577 21</b>               | <b>44,767,628 95</b> |

MISCELLANEOUS.

COMMERCIAL REVIEW.—We refer our readers to the advertisement, on our cover, by the publisher of "the Commercial Review of the South and West," a new periodical, published at New Orleans. Those of our readers who wish to inform themselves more thoroughly of the business, resources and prospects of the southern and western states, will find this work a valuable aid. In several of the numbers for the current year, are highly interesting communications, by the Hon. Joel R. Poinsett, upon the subject of "Mexico," which are entitled to consideration, from the personal knowledge possessed by the writer, of the resources and condition of that country.

The editor of the Commercial Review now offers four premiums, of fifty dollars each, for the best written essays on the following subjects:

- I. The agriculture of the south and west, and the best way of improving it.
- II. The commercial prospects of the south and west.
- III. The introduction of manufactures in the south and west.
- IV. The internal improvements at the south and west; and the best means of increasing the facilities of communication, mail carriage, and the improvement of the waste lands of the Mississippi and tributaries.

The essays to be furnished in January, 1847; not more than one by the same writer; from twenty-five to fifty pages each; and not to be of a political bias.

Such contributions will enhance the value of the Review to its subscribers, and be very acceptable to its numerous readers.

**RAIL ROAD TRACKS.**—The workmen of the Eastern Rail Road Company are now laying the rails for the second track between the Lynn and Chelsea switch. They are laid on *kyanised* sleepers, faced *lengthwise* of the road bed, and not across, as on the present track. This gives a much easier and firmer motion to the cars, and is considered safer. The jar and rattling of the rails, where cross-sleepers are used, are almost entirely done away with, the track being nearly the same as solid. The trains now pass on the new track only between the two station houses in Lynn. The new track will probably be completed to Chelsea in the course of this month; the grading is finished the entire distance, and the rails are down more than half way. These rails were manufactured at the works of Horace Gray & Co., Boston, and are said to be of superior make. We believe Messrs. Gray & Co. have a contract for one half of the iron to be used for the new tracks, the remainder is to be of English make. A considerable portion of the English iron has already arrived, and has been warehoused for the benefit of the reduced duty under the new tariff, by which a saving of \$ 10 or more per ton will be effected. It was the intention of the company to lay both tracks to Boston with the new sleepers and iron at once; but they will probably delay this for two or three months, in consequence of a part of the iron being warehoused.—*Salem Register.*

**CHESS.**—The lovers of chess will rejoice to find that there is now in course of publication a periodical devoted to this beautiful game; to illustrate its principles, and to demonstrate some of the most intricate moves of able players. "The Chess Player's Magazine" is published monthly, at three dollars per annum, by R. Martin, 29 John-st., New York.

This work is edited by Charles H. Stanley, and promises to be well conducted. No. 1 contains eight games, by noted players at New York, Frankfort, Ky., Philadelphia, New Orleans, Liverpool, &c., together with various chess problems. Should any of our subscribers desire the Chess Player's Magazine, subscriptions remitted to us will be duly forwarded.

Statistics of the Woolen Manufactories in the United States, containing the number of manufactories in operation; their location; names of the owner, firm or company; the number of condensing cards run by each, and the kind and quality of goods manufactured. 12mo, pp. 190. Price fifty cents. New York: William H. Graham.

**CAUSES OF FAILURE IN BUSINESS.**—An excellent writer in Hunt's Magazine enumerates the following causes of failure among business men:

1. The leading cause is an ambition to be rich—by grasping too much it defeats itself.
2. Another cause is aversion to labor.
3. The third cause is an impatient desire to enjoy the luxuries of life before the right to them has been acquired in any way.
4. Another cause arises from the want of some deeper principle for distinguishing between right and wrong, than a reference merely to what is established as honorable in the society in which one happens to live.

**LIABILITIES OF SUB-TREASURERS.**—The felonious taking and carrying away the public monies in the custody of a receiver of public monies, without any fault, or negligence on his part, does not discharge him and his sureties, and cannot be set up as a defence to an action on his official bond.

## BANK ITEMS.

**BANK OF TENNESSEE.**—Daniel Graham, Esq. was, on the sixth of November, elected cashier of the Bank of Tennessee, Nashville, in place of Joseph W. Horton, deceased.

**MERCHANTS' BANK, PROVIDENCE.**—W. B. Burdick has been elected cashier of the Merchants' Bank at Providence, in place of Henry P. Knight, resigned on account of ill health.

**TRADESMEN'S BANK NEW YORK.**—Richard Berry, recently paying teller, has been elected cashier of the Tradesmen's Bank, New York, in place of William H. Falls recently elected President.

**WORCESTER BANK.**—Mr. L. Lincoln Newton was elected cashier of the Worcester Bank, at Worcester, Massachusetts, on the 15th October, in place of Mr. Samuel Jennison, resigned. Mr. J. had held the post of cashier for the long period of thirty years.

**CITY BANK, PROVIDENCE.**—This bank having withdrawn from the Suffolk bank arrangement, now redeems its notes at its own counter.

**DIVIDEND.**—The Charleston (S. C.) Savings Institution has declared a dividend of  $2\frac{1}{2}$  per cent. on deposits which have been held six months; and  $1\frac{1}{2}$  per cent. on funds held three months.

**OAKLAND COUNTY BANK, PONTIAC, MICHIGAN.**—This bank having failed, has made an assignment of its effects for the benefit of its creditors. Its liabilities are, for circulation \$ 38,728 and to depositors only \$ 304.

**NORTH WESTERN BANK OF VIRGINIA.**—Thos. Johnston has been elected President of the North Western Bank of Virginia, at Wheeling, in place of Archibald Woods, deceased.

**HAVRE DE GRACE BANK.**—Havre de Grace, Maryland. The Stockholders of this new bank went into an election of officers on the 5th of November. Doctor William Sappington, of Harford county, was elected president, and W. P. C. Whitaker, Dr. Thomas C. Hopkins, James T. Sullivan, Charles F. A. Cole, Otho Scott, M. M. Noah, Wm. Applegate, Charles Wood, Wm. Cullunden and Wm. N. Ely, directors.

Alfred J. Austin, was appointed cashier.

The institution will go into operation on or about the 18th November. The required amount of cash, according to the charter, (1st instalment,) has been promptly paid by the stockholders.—*Harford Madisonian*.

**INSURANCE ON CARGO IN BULK.**—At a meeting of the New York Board of underwriters on the 16th November, the following resolution was adopted.

*Resolved*, that each company will refuse to insure vessel, freight or cargo, in all cases where a vessel bound to a foreign port (excepting only double deck vessels under 250 tons,) shall carry more than one half her registered tonnage in grain in bulk.

**NEW BANKS.**—Application will be made to the legislature of New Jersey, at its next session, for an act to incorporate a bank with a capital of five hundred thousand dollars, to be located at Newark, and to be called the "City Bank."—An application will also be made for a charter for a savings bank to be located in the same city. Application will also be made for an act to authorise the construction of a rail road from Morristown to Elizabethtown, New Jersey.

**SUB-TREASURY.**—Yesterday we had two sub-treasurers in this city; before, we could not get one. We understand that Col. Robert Campbell, of this city, by yesterday morning's mail, received the commission of Assistant Receiver General, better known by the name of sub-treasurer. About the same hour, Dr. George Penn, who had returned from Santa Fe on the previous evening, received at the post office a commission for the same office which was sent to him last August, and which has been waiting his arrival since that time.—*St. Louis Republican, November 18.*

## SEMI-ANNUAL DIVIDENDS.

OCTOBER AND NOVEMBER, 1846.

|                      |                             |               | per cent. |
|----------------------|-----------------------------|---------------|-----------|
| <b>NEW YORK,</b>     | Ontario Bank,               | Utica,        | 3½        |
| "                    | Westchester County Bank,    | Peekskill     | 3½        |
| "                    | Bank of Commerce,           | New York,     | 3½        |
| "                    | Bank of State New York,     | do.           | 3         |
| "                    | City Bank,                  | do.           | 4         |
| <b>PENNSYLVANIA,</b> | Farmers and Mechanics'      | Philadelphia, | 6         |
| "                    | Bank of Northern Liberties, | do.           | 5         |
| "                    | Bank of Penn Township,      | do.           | 6         |
| "                    | Mechanics' Bank,            | do.           | 5         |
| "                    | Kensington Bank,            | do.           | 5         |
| "                    | Southwark Bank,             | do.           | 5         |
| "                    | Western Bank,               | do.           | 4½        |
| "                    | Philadelphia Bank,          | do.           | 4         |
| "                    | Manufac. and Mechanics',    | do.           | 4         |
| "                    | Commercial Bank of Penn.    | do.           | 3½        |
| "                    | Bank of Commerce,           | do.           | 1         |
| "                    | Exchange Bank,              | Pittsburg,    | 3         |
| "                    | Bank of Pittsburg,          | do.           | 3½        |
| "                    | Mechanics and Manufac.,     | do.           | 3½        |
| "                    | York Bank,                  | York,         | 4         |
| "                    | Miners' Bank,               | Pottsville,   | 3½        |
| "                    | Farmers' Bank of Reading,   | Reading,      | 3         |
| "                    | Columbia Bk. & Bridge Co.,  | Columbia,     | 3         |
| <b>MARYLAND,</b>     | Hagerstown Bank,            | Hagerstown,   | 3         |
| <b>GEORGIA,</b>      | Bank of State of Georgia,   | Savannah,     | 3         |
| "                    | Bank of Augusta,            | Augusta,      | 3         |

## EXCHANGE.

NEW YORK, November 25, 1846.

|                  |          |       |       |
|------------------|----------|-------|-------|
| Bills on London, | 60 days, | 1 06  | 1 06½ |
| " Paris,         | 60 "     | 5 42½ |       |
| " Amsterdam,     | 60 "     | 38½   | 38½   |
| " Hamburg,       | 60 "     | 34½   | 34½   |
| " Bremen,        | 60 "     | 77½   | 78    |

NEW ORLEANS, November 17.

|                  |          |       |              |
|------------------|----------|-------|--------------|
| Bills on London, | 60 days, | 1 05½ | 1 06         |
| " Paris,         | 60 "     | 5 50  | 5 45         |
| " New York,      | 60 "     | 1½    | 2½ discount. |
| " New York,      | sight.   |       | ½ discount.  |

**NEW YORK CANAL TOLLS.**—Amount received for toll on each of the canals of this state, for the fiscal year ending on the 30th of September, 1845 and 1846, and also the amount received for toll from the rail road companies during the same period:

|                                          | 1846.          | 1845.          |
|------------------------------------------|----------------|----------------|
| Erie Canal, . . . . .                    | \$2,461,975 71 | \$2,067,061 59 |
| Champlain Canal, . . . . .               | 110,698 05     | 114,199 08     |
| Oswego do. . . . .                       | 56,837 60      | 50,716 83      |
| Cayuga and Seneca Canal, . . . . .       | 27,827 73      | 27,384 82      |
| Chemung do. . . . .                      | 14,407 99      | 19,042 20      |
| Crooked Lake, do. . . . .                | 970 64         | 805 56         |
| Chenango, do. . . . .                    | 24,246 76      | 22,829 35      |
| Genesee Valley, do. . . . .              | 22,718 60      | 19,103 17      |
| Oneida Lake, do. . . . .                 | 354 31         | 428 66         |
| Seneca River Towing Path, . . . . .      | 379 27         | 406 24         |
|                                          | <hr/>          | <hr/>          |
| Total, . . . . .                         | \$2,720,416 66 | \$2,321,977 50 |
| Rail Road Companies, . . . . .           | 23,201 89      | 10,458 44      |
|                                          | <hr/>          | <hr/>          |
| Total Canals and R. Road Co's, . . . . . | \$2,743,618 55 | \$2,332,435 94 |

## DEATHS.

At Nashville, on the 1st of November, **JOSEPH W. HORTON**, cashier of the Bank of Tennessee, at Nashville.

At Wheeling, on the first of November, **COL. ARCHIBALD WOODS**, president of the North Western Bank of Virginia in the eighty-second year of his age.

Col. Woods was born on the 14th November, 1764 in Albemarle county, Virginia. In the year 1781, when only seventeen years of age, he entered the service of the U. S. as a sergeant, in a volunteer company of Virginia riflemen: and served in the campaign of that year in North Carolina, while General Green was commander in chief. He was soon after transferred to the division of the army in Virginia, under General Wayne, and took part in the action with the troops of Cornwallis at Jamestown.

After the close of the revolution, Col. Woods removed to the western part of Virginia, where he took an active part in the wars with the Indians, serving in every grade from a sergeant to a field officer. A few years afterwards he purchased a farm, within two or three miles of the city of Wheeling, upon which he resided until his death, a period of fifty years.

In 1788 he was chosen a delegate from Ohio county to the Virginia convention, for the formation of the state constitution; and subsequently at various intervals served as a member of the legislature. By the gradual advance of property, he became finally possessed of a large estate; and a few years after the incorporation of the North Western Bank of Virginia he was chosen the president of the institution, a post which he held for upwards of twenty years until his death.

In his private character, in all his transactions with his fellow men, and in all his public trusts, Col. Woods maintained an unblemished reputation for strict integrity.

Of a cheerful and communicative disposition, he was courteous and affable in private and official intercourse. He was remarkably regular and temperate in his habits, and for more than sixty years, the morning sun rarely found him in his bed. The unobtrusive virtues of his private life will be long felt and remembered by the many who were intimately associated with him.

THE  
BANKERS' MAGAZINE

AND

State Financial Register.

DECEMBER, 1846.

CONTENTS.

| ARTICLE.                                                                                                        | PAGE. |
|-----------------------------------------------------------------------------------------------------------------|-------|
| I.—NATIONAL FINANCES: New Treasury Loan, 1846, .                                                                | 321   |
| II.—FRAUDS UPON BANKS, . . . . .                                                                                | 323   |
| III.—STATE FINANCES: New Financial System of the State of<br>New York, . . . . .                                | 324   |
| IV.—GOVERNMENT DEPOSITS: Comparative view of Public De-<br>posits June 1, 1846, and October 26, 1846, . . . . . | 328   |
| V.—STATE FINANCES: Policy and Debt of Pennsylvania, .                                                           | 330   |
| VI.—PUBLIC DEBT OF MARYLAND: Suggestions for its liquidation, .                                                 | 332   |
| VII.—MECHANICS' BANK OF BALTIMORE: Apprehension of late<br>book-keeper, . . . . .                               | 335   |
| VIII.—APPROPRIATIONS BY CONGRESS, for 1846, . . . . .                                                           | 336   |
| IX.—THE ORIGIN OF REPUDIATION, with the History of the Union<br>Bank of Mississippi, . . . . .                  | 337   |
| X.—NEW YORK LIFE INSURANCE AND TRUST COMPANY, 1846, .                                                           | 349   |
| XI.—LEGAL MISCELLANY:                                                                                           |       |
| 1. Injunction: Bank of Illinois v. Delafield.                                                                   |       |
| 2. Usury: (Supreme Court United States.)                                                                        |       |
| 3. Special Agreement: (Supreme Court United States.)                                                            |       |
| 4. Bills of Exchange and Promissory Notes.                                                                      |       |
| 5. Foreign Law: Corporations: Bank Checks, . . . . .                                                            | 351   |
| XII.—STATE FINANCES AND STATISTICS:                                                                             |       |
| 1. Tennessee: Revenues and Expenditures, 1846.                                                                  |       |
| 2. Illinois: State Bonds: Illinois and Michigan Canal.                                                          |       |
| 3. Vermont: Expenditures and Revenues 1846, . . . . .                                                           | 364   |
| XIII.—BANK STATISTICS: 1. Maine. 2. Virginia. . . . .                                                           | 372   |
| XIV.—MISCELLANEOUS: Commercial Review: Chess: Rail Road<br>Tracks: Sub-Treasury, . . . . .                      | 379   |
| XV.—BANK ITEMS: Semi-annual Dividends: New Banks: Ap-<br>pointments: Deaths, . . . . .                          | 381   |

THE  
**BANKERS' MAGAZINE**  
 AND  
**State Financial Register.**

VOL. I.

JANUARY, 1847.

NO. VII.

**FINANCES OF MASSACHUSETTS.**

Under this head it is proposed to furnish, first, a statement of the financial condition of the state as near the commencement of the present century as can be done, viz. about the last of May in the year 1802, and following that, a table showing the amount actually received and expended since July 1, 1800 to January 1, 1846, under three different heads, with such explanations as may appear to be necessary. Also a statement of the condition of the commonwealth as it appears in the annual statement of the treasurer on the first day of January, 1846; all of which have been prepared with much care, (under direction of that officer,) and may be depended upon as authentic.

Resources, May, 1802.

|                                                                         |                |
|-------------------------------------------------------------------------|----------------|
| Balance due on state taxes for different years, . . . . .               | \$ 283,547 49  |
| Due on bonds and notes for sale of eastern and western lands, . . . . . | 202,261 98     |
| Due from U. States government, principal and interest, . . . . .        | 1,484,908 25   |
| Stock in the Union Bank, . . . . .                                      | 400,000 00     |
| Cash in hands of commissioners to purchase public debt, . . . . .       | 17,388 18      |
| Cash in treasury office, . . . . .                                      | 212,038 03     |
| Total . . . . .                                                         | \$2,600,143 93 |

Liabilities, May, 1802.

|                                                               |              |
|---------------------------------------------------------------|--------------|
| Due adjutant and quarter-master general department, . . . . . | \$ 8,000 00  |
| “ on warrants, rolls, &c., . . . . .                          | 10,693 36    |
| Amount unpaid on old due bills, (estimated,) . . . . .        | 6,578 82     |
| “ “ military rolls, jurors' fees, &c. . . . .                 | 22,059 28    |
| Public debt unpaid, . . . . .                                 | 1,334,713 43 |
| Interest on do. . . . .                                       | 163,000 00   |
| Due commissioners for purchasing do. . . . .                  | 97,825 98    |
| “ on consolidated and army notes, . . . . .                   | 116,388 15   |
| Estimated expenses of government one year, . . . . .          | 116,929 34   |
| Balance of assets, . . . . .                                  | \$723,955 57 |

A condensed statement of the receipts and expenditures of the common-

wealth of Massachusetts, from July 1, 1800, to January 1, 1846, being 45½ years. The fraction occurs in 1831 when the commencement of the fiscal year was changed from the last Wednesday in May to the first Wednesday in January. Previous to that time the statements are generally from July to July; but in some cases, as for instance when a new treasurer was appointed, they are from July to June, or only about eleven months. The next one following, however, being thirteen months, thus not affecting the general average:

|           | Receipts.  |            | Expenditures. |            |
|-----------|------------|------------|---------------|------------|
| 1800.     | \$ 117,562 | \$ 184,604 | \$ 90,693     | \$ 143,448 |
| 1801.     | 149,600    | 196,546    | 104,632       | 112,139    |
| 1802.     | 155,600    | 241,243    | 320,328       | 187,645    |
| 1803.     | \$55,000   | 199,937    | \$5,000       | 327,752    |
| 1804.     | 20,000     | 186,600    | 30,000        | 114,550    |
| 1805.     |            | 186,600    | 40,000        | 104,686    |
| 1806.     |            | 186,600    |               | 103,935    |
| 1807.     |            | 165,600    |               | 106,963    |
| 1808.     | 131,000    | 207,600    | 55,000        | 268,354    |
| 1809.     | 56,025     | 248,334    | 58,025        | 96,803     |
| 10 years, | 262,025    | 1,804,037  | 188,026       | 1,638,701  |
| 1810.     | 58,000     | 187,396    | 58,000        | 225,200    |
| 1811.     | 106,000    | 184,396    | 90,000        | 96,276     |
| 1812.     | 122,000    | 157,396    | 81,000        | 90,208     |
| 1813.     | 64,000     | 152,396    | 143,000       | 85,462     |
| 1814.     | 116,025    | 906,606    | 108,026       | 902,322    |
| 1815.     | 96,000     | 46,000     | 80,000        | 77,436     |
| 1816.     | 44,750     | 449,114    | 128,750       | 376,927    |
| 1817.     | 30,000     | 312,833    | 40,000        | 236,967    |
| 1818.     |            | 71,143     |               | 39,938     |
| 1819.     | 85,000     | 48,417     | 85,000        | 120,552    |
| 10 years, | 721,776    | 2,515,752  | 753,776       | 2,253,283  |
| 1820.     | 102,500    | 49,274     | 77,500        | 29,434     |
| 1821.     | 69,500     | 436,566    | 50,000        | 500,469    |
| 1822.     | 90,000     |            | 65,000        | 3,066      |
| 1823.     | 70,000     |            | 90,000        | 746        |
| 1824.     | 30,000     |            | 79,500        | 261        |
| 1825.     |            |            |               | 2,936      |
| 1826.     | 40,000     |            | 40,000        | 284        |
| 1827.     | 282,000    |            | 145,000       | 130        |
| 1828.     | 197,800    |            | 153,000       | 263        |
| 1829.     | 167,900    |            | 192,300       | 177        |
| 10 yrs.   | 1,049,700  | 485,841    | 882,300       | 537,770    |
| 1830.     | 246,000    | 419,748    | 194,400       | 413,450    |
| 1831.*    | 60,000     |            | 113,000       | 1,500      |
| 1832.     | 174,900    |            | 193,700       | 130        |
| 1833.     | 124,350    |            | 191,550       |            |
| 1834.     | 166,400    | 10,268     | 180,500       | 200        |
| 1835.     | 134,000    | 122,063    | 98,900        | 1,000      |
| 1836.     | 299,000    | 45,610     | 194,000       | 116,178    |
| 1837.     | 302,384    | 1,634,900  | 302,000       | 1,411,762  |
| 1838.     | 142,000    | 129,307    | 68,500        | 191,256    |
| 1839.     | 157,000    | 490,638    | 426,958       | 270,670    |
| 1840.     | 185,000    | 193,385    | 192,906       | 191,223    |
| 10½ yrs.  | 1,991,014  | 3,045,921  | 2,151,414     | 2,597,309  |

\*Seven months—May to December, 1831.

|          | Receipts.                      |              |              | Expenditures.                      |             |              |
|----------|--------------------------------|--------------|--------------|------------------------------------|-------------|--------------|
| 1841.    | \$212,400                      | \$258,678    | \$404,313    | \$212,400                          | \$313,250   | \$369,448    |
| 1842.    | 100,000                        | 846,065      | 400,561      | 100,000                            | 877,517     | 850,300      |
| 1843.    | 150,000                        | 316,349      | 375,989      | 150,000                            | 195,222     | 370,364      |
| 1844.    | 295,000                        | 801,873      | 374,580      | 210,000                            | 879,977     | 413,560      |
| 1845.    | 206,800                        | 269,007      | 504,586      | 255,000                            | 391,326     | 416,443      |
| 5 years, | 964,200                        | 2,491,974    | 2,060,041    | 927,400                            | 2,757,295   | 1,940,115    |
| 45 yrs.  | \$4,968,715                    | \$10,343,527 | \$13,248,726 | \$4,912,915                        | \$9,784,859 | \$13,742,883 |
|          | Total Receipts—\$28,580,968 84 |              |              | Total Expenditures—\$28,440,158 60 |             |              |

First column—Year.

Second “ Temporary loans.

Third “ War expenses reimbursed, stocks sold, funds, &c.

Fourth “ State, auction, and bank taxes; sales of land in Maine, &c.

Fifth “ Temporary loans repaid.

Sixth “ Public debt paid, stocks bought, funds, &c.

Seventh “ Pay of legislature, salaries, &c. ordinary expenses.

The first column in the preceding table shows the amount borrowed in anticipation of the revenue, to meet the ordinary expenses of government; and the payment of the same sums is stated in the fourth column with the exception of \$42,000 between the years 1808 and 1818, (which appears to have been cancelled by transfer of stocks,) and also \$36,800 due January 1, 1845, since paid.

The second column shows the amount received on account of the expenses of the revolutionary war, reimbursed by the general government, both principal and interest, together with dividends on bank stock up to 1814 and '15, when the sum is increased by \$846,000, borrowed for defence of the commonwealth during the last war. This amount was subsequently funded and finally paid off in 1821, at which time sale was made of large amount of stocks for that purpose.

In 1831 the state received of the general government about \$420,000 on account of the expenses of the last war, and has now an allowed claim for nearly \$300,000 more, not yet paid, on the same account.

In 1834, the Massachusetts school fund was established, and one half the proceeds of sales of land in the state of Maine appropriated for its increase until it should amount to \$1,000,000. \$281,000 of the sum received from the United States in 1831 was also added, exclusive of which there has already been received nearly \$450,000; a part of which has been paid out for educational purposes (say about \$30,000) and the balance invested in 5 and 6 per cent. securities.

In 1837 there was \$1,338,173 58 received as the state's proportion of the surplus revenue, which was, during the same year, distributed among all the cities and towns in the commonwealth.

There was also received on account of loans to pay for Western rail road stock, the same year, \$242,200 25, for which scrip was issued due in 20 years from date.

In 1839, \$298,487 was received for 5 per cent. stock due in 1842, sold to pay off an accumulation of floating debt contracted to pay for the lunatic hospital, revision of the statutes, and other extraordinary expenditures of that period.

In 1841 and 1842 there was \$641,000 more received from sale of Western rail road scrip and loans from banks to pay for Western rail road stock, and also \$166,543 08 from sale of new 5 per cent. stock sold to redeem a portion of that issued in 1839, then falling due.

In 1844 there was \$427,071 received from further sale of Western rail road scrip, which was appropriated to pay the loan from sundry banks made in 1842, to pay for stock in the road.

The act authorising the sale of scrip to pay for the stock, also established a sinking fund for its final redemption, to consist of the half of the proceeds of sales of lands in Maine not already taken for the school fund.

The amount from that source with the accruing interest was \$236,647, up to January 1, 1846, most of which is invested in 5 and 6 per cent. stocks and mortgages.

At about the same time (say in 1837 and 1839) the commonwealth loaned to the Western rail road corporation, about \$4,000,000 of scrip in sterling bonds, due in thirty years, and required a sinking fund to be created by the corporation for its redemption at that period. The amount received on account of this fund is \$240,001, not including interest, which is collected and invested by commissioners.

The commonwealth also loaned its scrip, due in 20 years from 1837, to sundry other rail road corporations, amounting to over \$1,000,000; the interest on which is semi-annually received and paid out by the treasurer of the commonwealth.

The following analysis will show more concisely the amount received on each particular account, viz.

|                                                                              |               |
|------------------------------------------------------------------------------|---------------|
| Of the general government for expenses of the revolutionary war, (principal) | \$ 528,312 20 |
| Of do. do. for interest on do. and on stocks,                                | 1,534,672 15  |
| Sale of United States stocks, 1821,                                          | 426,329 46    |
| Sale of bank stocks 1816, 1817, 1818,                                        | 518,317 24    |
| Dividends on bank stocks, 1801 to 1817,                                      | 952,000 00    |
| Loan for defence of commonwealth during last war,                            | 846 000 00    |
| Received on account of do. from United States, 1831,                         | 419,748 26    |
| Massachusetts school fund from 1835 to 1845,                                 | 443,585 42    |
| Interest on do. for distribution among towns,                                | 218,041 81    |
| Western rail road stock, sinking fund, 1837 to 1845,                         | 236,647 88    |
| Western rail road loan (4,000,000) do. 1839,                                 | 240,001 28    |
| Surplus revenue distributed among towns, 1837,                               | 1,338,173 58  |
| Sale of Western rail road scrip, 1837 to 1844,                               | 1,013,633 12  |
| Borrowed of banks in anticipation of do. 1842,                               | 430,548 58    |
| Interest received of rail road corporations, 1837 to 1845,                   | 346,845 85    |
| Sale of 5 per cent. stocks to redeem floating debt,                          | 467,629 08    |
| Received from the United States as per treaty of Washington,                 | 150,000 00    |

Received from do. for sales of public lands, 1842 and 1843, \$28,985 35  
 On account of Charles river and Warren bridges, . . . 122,172 05  
 From other miscellaneous purposes, . . . . . 81,884 12

Total receipts, . . . . . \$10,843,527 43

The following statement shows the amount paid under each of the preceding heads, as per column 5, in the table, viz.

Principal of debt of revolutionary war, 1800 to 1821, . . \$970,602 01  
 Interest on do. do. do. do. do. . . . . 766,517 08  
 Amount to Boston Bank on account of do. 1803 to 1814, . . 660,101 94  
 United States stock, purchased 1818 and 1819, . . . . . 54,773 79  
 Principal and interest of loan and re-loan for defence of the commonwealth in 1814, from 1815 to 1821, . . 1,969,894 35  
 Principal and interest of public debt 1822 to 1830, . . . 7,866 27  
 Amount received on account of expenses of last war, part paid to the state of Maine and \$281,000 to school fund, . . . . . 415,080 00

Total on account of both wars, . . . . . \$4,844,835 44

Being less than the receipts by nearly \$400,000, in consequence of the sale of bank stock which was purchased prior to the year 1800.

Paid for Western rail road stock 10,000 shares, 1836 to 1842, . . . . . 1,000,000 00  
 Surplus revenue distributed to cities and towns, 1837, . . 1,338,173 58  
 Western rail road stock sinking fund (invested) . . . . . 218,611,04  
 Western rail road loan, do. (4,000,000) . . . . . 240,001 28  
 Repayment of loans in anticipation of sale of Western rail road scrip, 1844, . . . . . 424,548 58  
 Five per cent. stock of 1839, paid in 1842 and 1843, . . . 294,137 00  
 Five per cent. stock of 1842 paid 1843, 1844, 1845 . . . 137,052 08  
 Massachusetts school fund 1839 to 1845 (mostly invested) . 405,026 13  
 Interest on do. distributed among cities and towns, 1836 to 1845, . . . . . 224,595 88  
 Semi-annual interest paid out for rail road corporations, . 374,504 01  
 Paid for Charles river & Warren bridges, 1830 to 1845, . . 122,041 85  
 On account of treaty of Washington: half to Massachusetts school fund, and half to Western rail road sinking fund, . . . . . 150,000 00  
 Miscellaneous payments, . . . . . 10,832 69

Total payments, . . . . . \$9,784,359 56

The third column in the table, exhibits the amount received on account of ordinary revenue, from the state, auction and bank taxes, sales of lands, &c.

The principal source of revenue until 1813 was the state tax, which averaged about \$156,000 per annum.

The income from other sources being about \$25,000 per annum. In 1813, a tax of one per cent. per annum was laid upon the capital of the banks in the commonwealth, which, for the first ten or twelve years, paid

about \$140,000 per annum. There was from this sum \$148,000 paid to Harvard College from 1814 to 1823.

In 1825, after the separation from Maine, the tax was \$154,500. In 1837 it reached \$379,175, from which sum it fell off to \$304,720 in 1845. It appears now to be increasing, and this year will amount to over 312,000.

The state tax remained nearly stationary until 1824 or '25 when it ceased until 1830. There were then three taxes of \$75,000 each, and in 1844 and 1845 two more of like amount. There was no tax laid in 1846, and there appears to be no necessity for any at present, as an income is now received from the Western rail road more than equal to the interest on the scrip issued to pay for the stock. The balance of the floating debt will also be paid this year, and thus reduce the expenses considerably below the last four or five years.

In 1823 a tax was laid upon sales at auction, which for the first seven years produced about \$232,000.

In 1836 it amounted to more than \$57,000, and in 1844 to less than \$41,000. In 1846 it will be about \$51,000. These have been the principal sources of income to meet the ordinary expenses of government, since the commencement of the present century, excepting however a period from 1821 to 1837 when a considerable sum was received for sale of eastern lands, equal to \$422,000 from 1828 to 1837.

Prior to 1821 the proceeds of the sales appear to have been applied to the payment of the public debt; and since 1837 to the Massachusetts school fund, and the sinking fund.

The following statement shows the amount received on each account from 1800 to 1846, viz.

|                                                                  |                        |
|------------------------------------------------------------------|------------------------|
| State tax 1800 to 1825, 1829, 1830, and 1831, 1844 and 1845,     | \$ 4,008,172 99        |
| Bank tax 1813 to 1845, not including 148,000 to Harvard College, | 6,916,606 48           |
| Auction tax 1823 to 1845,                                        | 944,653 65             |
| Sales of lands in Maine, 1828 to 1837,                           | 422,613 47             |
| Dividend on Western rail road stock, 1845,                       | 60,000 00              |
| Miscellaneous items (including Maine lands, 1821 to 1828.)       | 896,679 60             |
| <b>Total from 1800 to 1846,</b>                                  | <b>\$13,248,726 19</b> |

#### *Ordinary Expenses of Government.*

In the sixth and last column of the table may be found the amount paid for ordinary expenses of government, viz. council, legislature, salaries, &c., which were the principal items of expense until within the last 20 years, since which time large sums have been paid for charitable and educational purposes, state surveys, &c., not immediately connected with the administration of the government.

Up to the year 1826 it is impossible to present any analysis of the ac-

count, as all charges are made under one head. There is, however, an estimate of the expenses for one year from May, 1802, prepared by treasurer Coffin, which will be subsequently given, together with the actual payment, for the years 1826 and 1845.

Below, we give the amount paid from 1826 to 1845, inclusive, under each of the following heads, viz.

|                                                                  |              |                |
|------------------------------------------------------------------|--------------|----------------|
| Pay of council, . . . . .                                        | \$ 62,093 50 |                |
| Pay of legislature, . . . . .                                    | 1,790,500 70 |                |
| Pay of salary officers, (judges, &c.,) . . . . .                 | 1,366,438 71 |                |
| Fuel, stationery, &c., for state house, . . . . .                | 29,925 00    |                |
| Repairs of state house, . . . . .                                | 90,363 29    |                |
| Library, do. . . . .                                             | 6,901 56     |                |
| Arranging documents in do. 1838 to 1845, . . . . .               | 7,510 33     |                |
| Watchmen for do. 1838 to 1843 (new salaries) . . . . .           | 4,544 00     |                |
| State printing, 1832 to 1845, . . . . .                          | 132,325 44   |                |
| Adjutant and quarter-master general's department, . . . . .      | 75,014 68    |                |
| Bank commissioners, 1831, 1838 to 1843, . . . . .                | 22,011 70    |                |
|                                                                  | <hr/>        | \$3,587,628 91 |
| Expenses of state prison, 1826 to 1833, 1844 and 1845, . . . . . | 111,900 44   |                |
| County treasurer, for costs of criminal prosecution, . . . . .   | 797,061 70   |                |
| Arrest of fugitives from justice, . . . . .                      | 23,815 43    |                |
| Term, reports for distribution, . . . . .                        | 29,392 50    |                |
|                                                                  | <hr/>        | 962,170 07     |
| Interest on temporary loans, . . . . .                           | 122,636 23   |                |
| Interest on 5 per cent. stock, 1839 to 1845, . . . . .           | 63,416 04    |                |
| Interest on Western R. road scrip, 1836 to '45 . . . . .         | 252,252 78   |                |
| Pay of Western rail road directors, 1838 to '45, . . . . .       | 3,574 50     | 441,879 55     |
| State surveys of different kinds, . . . . .                      | 124,181 10   |                |
| Agricultural surveys, 1837 to 1840, . . . . .                    | 6,105 92     |                |
| Agricultural societies, do. . . . .                              | 90,652 96    |                |
| Bounty on wheat, 1839, 1840, and 1841, . . . . .                 | 22,703 14    |                |
| Bounty on silk, 1836 to 1844, . . . . .                          | 9,587 80     |                |
| Bounty on destruction of foxes, &c., . . . . .                   | 6,469 32     |                |
|                                                                  | <hr/>        | 259,700 24     |
| Bounty to volunteer militia, 1835 to 1845, . . . . .             |              | 269,352 75     |
| Lunatic hospital, 1830 to 1844, . . . . .                        | 179,805 08   |                |
| Asylum for blind, do. 1845, . . . . .                            | 116,186 37   |                |
| Asylum for deaf and dumb, . . . . .                              | 88,097 67    |                |
| Eye and ear infirmary, 1837 to '45, . . . . .                    | 21,000 00    |                |
| Pensions, annuities, &c. . . . .                                 | 55,421 91    |                |
| Berkshire medical institution, 1826 to '27 & '28, . . . . .      | 3,000 00     |                |
| Hospital on Rainsford Island and life-boat, . . . . .            | 22,051 18    |                |
|                                                                  | <hr/>        | 485,562 21     |
| School teachers, & normal schools, 1839 to '45, . . . . .        | 20,665 00    |                |
| Board of education, & other scientific purposes, . . . . .       | 7,133 54     |                |
|                                                                  | <hr/>        | 27,798 54      |
| Rolls of accounts, for support of paupers, &c. . . . .           | 1,371,501 97 |                |
| Miscellaneous account, not included above, . . . . .             | 244,315 29   |                |
|                                                                  | <hr/>        |                |
| Total, from 1826 to 1845 inclusive, twenty years, . . . . .      |              | \$7,649,909 53 |

## Comparative Statement of State Expenditures, for the years 1802, 1826, 1845.

|                                                 | 1802.               | 1826.               | 1845.               |
|-------------------------------------------------|---------------------|---------------------|---------------------|
| Legislative council, . . . . .                  | \$ 2,000 00         | \$ 2,208 00         | \$ 3,055 00         |
| Pay of legislature, . . . . .                   | 35,650 00           | 37,917 00           | 58,753 00           |
| Salaries of officers, . . . . .                 | 24,993 57           | 68,142 65           | 64,766 25           |
| Fuel, &c. for state house, . . . . .            | 500 00              | 1,000 00            | 1,800 00            |
| Public library, . . . . .                       |                     | 191 56              | 300 00              |
| Repairs of state house, . . . . .               |                     | 10,631 16           | 6,835 91            |
| State printing, . . . . .                       |                     |                     | 9,127 73            |
| Adjutant & quartermaster gen'l dep. . . . .     | 8,000 00            | 5,000 00            | 3,280 00            |
| State prison, . . . . .                         |                     | 5,000 00            | 4,611 00            |
| County treasurers' account, . . . . .           | 3,000 00            | 28,964 00           | 51,202 87           |
| Arrest of fugitives, . . . . .                  |                     | 451 48              | 1,912 60            |
| Term reports, . . . . .                         |                     | 962 50              | 1,925 00            |
| Interest on temporary loans, . . . . .          |                     |                     | 5,150 08            |
| Interest on 5 per cent. stock, . . . . .        |                     |                     | 4,435 75            |
| Interest on Western rail road scrip, . . . . .  |                     |                     | 49,750 00           |
| Agricultural societies, . . . . .               |                     | 5,130 80            | 5,964 60            |
| Bounty on wolves, foxes, &c. . . . .            | 200 00              |                     |                     |
| Bounty to militia, . . . . .                    |                     |                     | 28,757 00           |
| Asylum for the blind, . . . . .                 |                     |                     | 7,777 55            |
| Asylum for the deaf and dumb, . . . . .         |                     | 5,318 75            | 5,209 22            |
| Berkshire medical institution, . . . . .        |                     | 1,000 00            |                     |
| Eye and ear infirmary, . . . . .                |                     |                     | 2,000 00            |
| Pensions and annuities, . . . . .               | 1,730 22            | 1,651 65            | 3,883 23            |
| School teachers and normal schools, &c. . . . . |                     |                     | 8,181 17            |
| State geological surveys, . . . . .             |                     | 2,298 94            | 141 60              |
| Rolls of account, for paupers, &c. . . . .      | 35,500 00           | 66,165 69           | 76,831 30           |
| Miscellaneous accounts, . . . . .               | 5,355 55            | 7,185 88            | 10,792 26           |
| Interest on public debt, . . . . .              | 20,000 00           |                     |                     |
| <b>Total for years 1802, '26 &amp; '45,</b>     | <b>\$136,929 34</b> | <b>\$249,220 06</b> | <b>\$416,443 02</b> |

## Resources of the Commonwealth, January 1, 1846.

|                                                                                                                            |              |                       |
|----------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------|
| Cash on hand, including \$2,666 48 from sale of W. R. road scrip, . . . . .                                                |              | \$ 7,698 54           |
| Balance of state tax, due February 1, 1846, . . . . .                                                                      |              | 66,606 75             |
| Do. bank tax and interest, . . . . .                                                                                       |              | 1,789 25              |
| Notes for lands in Maine, sold prior to 1837, . . . . .                                                                    |              | 29,666 92             |
| 10,000 shares W. R. road stock, cost, . . . . .                                                                            |              | 1,000,000 00          |
|                                                                                                                            |              | <b>\$1,105,761 46</b> |
| Massachusetts school fund, cash, stocks and notes, the income of which is pledged for support of common schools, . . . . . | \$810,493 60 |                       |
| Western rail road sinking fund, to redeem scrip issued to pay for stock on the road, . . . . .                             | 359,141 25   |                       |
| School fund for Indians, . . . . .                                                                                         | 2,500 00     |                       |
| Charles river and Warren bridge fund, . . . . .                                                                            | 27,939 35    |                       |
|                                                                                                                            |              | <b>\$1,200,074 20</b> |
| Bonds and mortgages of sundry rail road corporations to secure the final payment of scrip loaned them, . . . . .           |              | 5,049,555 56          |
| <b>Total resources, January 1, 1846,</b>                                                                                   |              | <b>\$7,355,391 22</b> |

*Liabilities of the Commonwealth, January 1, 1846.*

|                                                  |              |                |
|--------------------------------------------------|--------------|----------------|
| Total resources,                                 |              | \$7,355,391 22 |
| Old warrants, rolls of account, &c.              | \$2,588 28   |                |
| Warrant of recent date,                          | 4,255 10     |                |
| Interest on 5 per cent. Western rail road scrip, | 685 00       |                |
| Western rail road loans and interest,            | 7,075 00     |                |
| Temporary loans and interest thereon,            | 37,023 33    |                |
| 5 per cent. stock, due in 1846,                  | 37,140 00    |                |
| Western rail road scrip, due in 1857,            | 995,000 00   |                |
|                                                  | <hr/>        | \$1,083,766 71 |
| Massachusetts school fund,                       | \$810,493 60 |                |
| School fund for Indians,                         | 2,500 00     |                |
| Charles river & Warren bridges fund,             | 27,939 35    |                |
| Rail road scrip loaned,                          | 5,049,555 56 |                |
|                                                  | <hr/>        | \$5,890,488 51 |
|                                                  |              | <hr/>          |
|                                                  |              | \$6,974,255 22 |

Excess of resources beyond liabilities, \$381,136 00

This sum does not much exceed the amount of the Western rail road sinking fund, which would be put down as a liability, if it were not for the fact that the stock in the road is worth more than its cost, which makes the fund a clear gain. In addition to the foregoing balance, the commonwealth has remaining unsold, about two and a half millions of acres of land in Maine, which will, as they are sold from year to year, average about one dollar per acre. About two hundred thousand dollars further from the sale of these lands must be added to the school fund, and nearly, or quite thrice as much more to the Western rail road sinking fund for redemption of scrip issued to pay for stock. The dividend from the stock will then be clear income, as also the proceeds of the sale of the lands, unless they are otherwise appropriated.

The quantity of lands disposed of since the year 1785 appears, by the report of the land agent, January 1, 1843, to be as follows, viz.

|                    |                       |                          |
|--------------------|-----------------------|--------------------------|
| From 1785 to 1820, | sold 4,368,970 acres, | donated 1,074,929 acres. |
| From 1820 to 1843, | sold 1,501,723 acres, | donated 507,156 acres.   |

|                  |           |
|------------------|-----------|
| Total, 5,870,693 | 1,582,085 |
|------------------|-----------|

The proceeds of the sales are \$1,884,652 93, less expenses \$106,636 87 net, exclusive of interest \$1,778,016 06.

It should be borne in mind that at the time of separation of Maine from Massachusetts in 1820, the public lands were equally divided between the two states, which makes the sale on account of Massachusetts appear only about half as large as they otherwise would.

Upon the whole, it appears that the financial condition of Massachusetts is every way satisfactory. Her income has been vastly beyond her expenditures for ordinary purposes, and that too without resort to direct taxation, (except the comparatively small amount raised in 1844 and 1845,) since

the year 1831. From 1831 to 1844, while there was no tax, there was more than three millions of dollars expended, or diverted from ordinary revenue, for purposes, not directly connected with the administration of government. According to the very able report of the committee of finance, made in February, 1845, there was paid for the Lunatic hospital, and other charitable purposes, including \$629,713 68 for support of paupers, \$1,048,063 69 State surveys, bounty to militia, &c. . . . . 437,365 78 Board of education, common schools, &c. . . . . 289,262 30 Cost of revising statutes, . . . . . 100,004 00 Interest on Western rail road scrip, . . . . . 223,000 67 Principal of school fund and Western rail road sinking fund, 1,041,217 94

Total thirteen years, . . . . . \$3,138,914 38

The debt of the state has already been noticed, and it is only necessary to add, that so much of it as is on account of scrip loaned to different rail road corporations is amply secured, and though bearing but 5 per cent. interest, sells readily at par.

That portion loaned to the Western rail road in British currency, and payable in London, is generally, one or two per cent. above.

The only remaining debt on the first day of January, 1846, is that for \$995,000 of scrip, due in 1857, which was issued to pay for stock, which is worth at this time two per cent. above par, viz. \$1,020,000, and which would be good security for the debt without any reference to the sinking fund, which has been created to pay it.

All other demands, if presented, will be paid, and a surplus left to commence the new year with; to which will be added, immediately, a dividend of \$30,000 from the Western rail road for less than six months past.

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## THE SINKING FUND OF MARYLAND.

Communicated for the Bankers' Magazine.

The legislature of Maryland, passed in 1843 a resolution directing the treasurer to sell the coupons of the sinking fund, and to invest their proceeds in the stock of the state. It is the object of this article to examine the right, and expediency of the resolution.

The only end sought to be gained by the establishment of a sinking fund, is such an appropriation of the revenue, as may best accomplish the payment of the debt of the state. This debt exists from a twofold contract. The treasury is responsible, in the first instance, by direct agreement, for the payment of the annual interest upon outstanding obligations; and, secondly, it is liable for the amount of these obligations, although, by the terms of the contract, the period of their ultimate payment depends upon the discre-

tion of the legislature. Whether this period has arrived or not, it is evident that the obligation of the state is to devote its revenues, in the first instance, to the payment of the annual interest. This can be done without any violation of the terms of the second branch of the contract: while, on the other hand, any attempt made to redeem the principal of the debt, which may interfere with the payment of the interest, is a violation of the words and spirit of the agreement. Now it is for the very purpose of paying the principal of the debt that the sinking fund is created. A purpose laudable, indeed, when it can be accomplished without interfering with the payment of the interest, but deserving censure only, where it appears an obstacle to the fulfilment of this contract. And this result, certainly, takes place, when, at the present time, the revenue is not equal to both objects: and the fund, which is in the first place liable by strict agreement for the interest, is lessened by the sum which is, without any legal obligation, applied to the discharge of the principal.

Again. The power to increase taxation, is founded upon the existence of a debt, for which the state is responsible. The revenue, therefore, which is raised under the increased impost, is pledged for the payment of the debt. The debt has no existence, except as according to the terms of the contract. This requires in the first place the payment of the annual interest; and leaves the time of final redemption to the discretion of the state. The pledge, therefore, impliedly given by the system of taxation, is that the revenue is to be applied, in the first instance, to the payment of the annual charges, and that, if a surplus exists, it shall be devoted to the discharge of the principal.

Again. The stock of the state, calling it by whatever name you will, is nevertheless the debt of the state, and the rights of its holders arise from their position as creditors. Now, when a portion of this stock is transferred to the state itself, it passes into the hands of the debtor. It, in reality, no more continues to be a liability of the state, than does the debt of a man, after his bond is paid, and surrendered into his possession, remain a charge upon his property. It may for certain purposes, and by being held in the name of an individual, be kept from being extinguished. But, after all, as the contract over this holder of the stock remains in the legislature, in the eye of reason, and of the law, it is to be considered as directly in the possession of the state itself. The relations then, of the public creditor, and of the state, holding its own stock, are certainly not very difficult to be understood. The public creditor holds the unsatisfied bonds of the state: the state is in possession of its redeemed paper. They are disputing in regard to the distribution of the revenue. The creditor may well urge that his claim for interest is superior to the claims of the state, relying upon obligations, admitted, by the fact of their possession, to have been already satisfied out of the revenue. The fund in question is the property of the creditor; and, although it is perfectly immaterial to him what fiction is made use of in the employment of the surplus remaining beyond his claims, it is of vital im-

portance that the true relation, subsisting between the bonds in his possession, and those of the sinking fund, should be clearly ascertained. The public creditor has unquestionably a priority over the sinking fund in the payment of the interest upon the stock. A priority, established by the fact that the one has a real, and the other only a fictitious claim upon the revenue. And whatever legislation tends to place them upon an equality, is founded in an erroneous system of finance; and, if it impairs the value of the claim of the creditor, is a fraud upon his rights.

Let us take a case, which will clearly show the position that we have taken. A man is possessed of property, producing six thousand dollars, a year, and is in debt seventy thousand dollars, for which he pays annually to his creditors forty-two hundred dollars. He has a clear revenue of eighteen hundred dollars. He devotes one thousand dollars of this annually to purchasing his outstanding paper, which he transfers to his credit upon his books—pays interest regularly as before upon it, and uses this interest for the purchase of more of his obligations. In the course of time he is in possession of his own debt to the amount of forty thousand dollars. His liabilities, therefore, are really only thirty thousand dollars. His property, by loss, depreciates to thirty thousand dollars. The interest upon it is just equal to the interest upon his existing debts. Now, imagine the surprise of the creditor, seeking to avail himself of this fund, when he is met by the debtor claiming, on account of *his own paper*, more than one half of the amount, and urging the argument used by the friends of the sinking fund. He is told that this arrangement of keeping bonds in existence was designed to provide for the payment of the principal; that its excellent success is demonstrated by the amount of paper called in; and that, if he will only wait, *and divide the annual income with the debtor*, there is no doubt but the whole claims will be ultimately paid.

Would any man, in his sober senses, urge such arguments in the actual business of life? And are not these the soundest reasonings which have been heard in the defence of this measure? Would he not be told, that as long as there existed a surplus above the interest annually due, it was not the business of the creditor to know of its application? But when the fund becomes too small for any portion to be diverted, without injury to him, he is for the first time called upon to assert his rights. In the case that we have stated, he may well refuse to listen to the debtor, who seeks to divide with him upon the ground, that *he owes himself*. Unfortunately for debtors, the simple relations of common business life do not admit of the conveniences of state finance.

It is believed that the case just stated, is perfectly analogous to the present working of the Maryland sinking fund upon the rights of the public creditor; with the essential difference that in his case the gravity of the power, claiming division of the revenue with him, makes the most unreasonable demand a subject for serious consideration.

We have endeavored to show, that the claim of the public creditor for annual interest should be satisfied out of the treasury, *before* any appropriation is made for the sinking fund, for the following reasons :

Firstly: because the contract with the creditor for the payment of the interest is absolute and unqualified; while the engagement to redeem the principal, upon which the agreement for maintaining the sinking fund is founded, is subordinate and discretionary in the periods of its execution.

Secondly: because there is an implied pledge given to the payer of taxes, that the revenue will be used for the purpose of paying the debts of the state, as they were contracted; for the payment of the interest, in the first place, and, secondly, for the redemption of a portion of the principal with the surplus that might remain.

And, thirdly: because the bonds in the possession of the state, *having been really satisfied, and only kept in existence as a mode of regulating the amount, which shall be annually applied to the redemption of the debt from the surplus revenue,* are not upon an equality with such bonds, as may be in the hands of the public creditor.

Such being the preference in reason and in law enjoyed by the bondholder over the sinking fund, let us examine the effect produced by the resolution of the legislature. It will be seen that it is no theoretical evil that is complained of, but a downright practical wrong.

If the revenue of the state is just sufficient to pay the coupons of the individual bondholders, and the state assigns those held for its benefit, the fund which should have been devoted to the bondholders is lessened by admitting to a share in its proceeds, claims, which should have been paid after theirs were satisfied. There is not enough to pay all, and the state might actually suspend its payments of interest under such a system, when there were ample funds for the satisfaction of the interest, due upon its actual debt. And even if there were not enough revenue to pay the interest annually due to the bondholder, and his coupons were thus at a discount in the market, their value of course would depend, in a great degree, upon the amount of the assets in the treasury. This value is lessened, and their market price impaired, when other and inferior claims are assigned, and placed upon an equality with them.

The state, in fact, to the extent of the sale of its coupons, lives upon "the interest of its debts:" because, what it gains for the sinking fund, it in reality takes, so long as there is not enough for all, in whole or in part, from the bondholders.

All this is done for the purpose, as we are told in the preamble of the resolution, of keeping the sinking fund in activity and progression.

We might pause here and argue that a scheme devised only for the end of paying the debt of the state could hardly be regarded as conscientiously or legally executed, when the contract with the creditor was first broken, and the depreciation of his property, produced by the breach of agreement, was the source from which the fund for his payment was to be derived.

The supporters of the scheme seem to have the power of separating the existence of the sinking fund from the object of its existence. They seem, to regard it as a fund entitled to its interest as a *natural increase*; which is, in turn, to be consolidated with its principal, by new purchase, until, by repeating the process, the whole stock is absorbed. The relation of this fund to other stock they do not care to consider. The proper application of the revenue is a subordinate question. They are as delicate about encroaching upon the shadowy rights of a financial project, as they are careless of their true liabilities to the public creditor.

We are struck with the more surprise at the effects of this resolution, because it in fact does *not* develop the proper theory of a sinking fund. This theory is the investment of the interest of the stock in the fund. Now, when the treasurer disposes of the coupons of the state, the resolution may call it a sale, but it certainly is not. The state is liable for the amount to the assignee, and is in truth the only party who is.

The money obtained by the treasurer is a loan. The price paid by the purchaser is so far below the amount on the face of the paper, that it cannot be considered as obtained at legal interest, neither can the difference be regarded as a commission; neither as a premium on the risk taken, for the responsibility still continues in the state: and in this case the law will not allow of such a presumption. The price obtained then for the states' coupons is money borrowed at usurious rates of interest. Whether the result, arising from the depreciation of the *stock*, protects the state from loss or not, is another branch of the speculation of the treasury: but its truth will not protect the character of the transaction that we have described.

Such are some of the objections that exist to the resolution of 1843; we hope that the coming legislature will end, by its repeal, the scandal of its existence.

SEGUIX.

## REVENUE OF THE UNITED STATES.

With a view to show the comparative results of the business of the general government during the war of 1812, as compared with recent years, we subjoin the following official tables of revenue.

| Years.    | Customs.     | Internal and direct taxes. | Lands.      | Aggregate.   |
|-----------|--------------|----------------------------|-------------|--------------|
| 1811..... | \$13,313,223 | \$9,962                    | \$1,040,238 | \$14,363,423 |
| 1812..... | 8,958,778    | 5,762                      | 710,428     | 9,674,968    |
| 1813..... | 13,224,623   | 8,561                      | 835,655     | 14,068,839   |
| 1814..... | 5,998,772    | 3,882,482                  | 1,135,971   | 11,017,225   |
| 1815..... | 7,232,942    | 6,340,733                  | 1,287,959   | 15,411,634   |
| 1816..... | 36,306,875   | 9,378,344                  | 1,717,985   | 47,403,204   |
| 1817..... | 26,283,348   | 4,512,288                  | 1,991,226   | 32,786,862   |

Population in 1810..... 7,200,000

Receipts and Expenditures.

| Receipts.                         | To July 1, 1844. | July 1, 1845. | July 1, 1846. |
|-----------------------------------|------------------|---------------|---------------|
| From customs.....                 | 26,183,570       | 27,528,113    | 26,712,668    |
| From public lands.....            | 2,059,940        | 2,077,022     | 2,694,452     |
| Miscellaneous sources.....        | 261,008          | 163,998       | 92,127        |
|                                   | \$28,504,518     | \$29,769,133  | \$29,499,247  |
| Balance on hand 1st July previous |                  | 7,857,380     | 7,658,306     |
|                                   | 28,504,518       | 37,626,513    | 37,157,553    |
| Total ordinary sources.....       |                  |               |               |
| From public loan, .....           | 1,877,182        |               |               |
| Total from all sources.....       | \$30,381,700     |               |               |

| Expenditures.                   |              |              |              |
|---------------------------------|--------------|--------------|--------------|
| Civil list.....                 | 2,451,892    | 2,387,423    |              |
| Foreign intercourse.....        | 295,289      | 399,668      |              |
| Miscellaneous.....              | 2,484,566    | 2,831,116    |              |
| Naval establishment.....        | 6,496,990    | 6,228,640    |              |
| Army, pensions and Indians..... | 8,231,317    | 9,533,203    |              |
|                                 | 10,960,054   | 21,380,050   |              |
| Total ordinary expenditures...  |              |              |              |
| Public debt.....                | 12,998,773   | 8,588,156    |              |
| Total.....                      | \$32,958,827 | \$29,968,206 | \$28,031,114 |

IMPORTS.

|                                             | June 30, 1845. | June 30, '46. |
|---------------------------------------------|----------------|---------------|
| Specie and bullion.....                     | \$ 4,070,242   | 3,777,782     |
| Foreign goods free of duty.....             | 18,077,598     | 20,990,007    |
| Do. paying duties (ad valorem).....         | 60,191,862     | 60,660,458    |
| Foreign goods paying duties (specific)..... | 34,914,862     | 36,263,784    |
| Total imports.....                          | 117,254,564    | 121,691,976   |

EXPORTS.

|                                               |             |             |
|-----------------------------------------------|-------------|-------------|
| Foreign specie and bullion.....               | \$7,762,049 | 3,431,417   |
| Foreign goods free of duty.....               | 2,413,050   | 2,343,629   |
| Foreign goods paying duties (ad valorem)..... | 2,107,292   | 2,702,251   |
| Foreign goods paying duties (specific).....   | 3,064,439   | 2,820,326   |
| Total re-exported.....                        | 15,346,830  | 11,346,623  |
| Domestic produce exported.....                | 98,455,830  | 101,718,043 |
| Do. gold and silver coin do.....              | 844,446     | 423,851     |
| Total exports.....                            | 114,646,606 | 113,488,516 |
| Total of imports and exports.....             | 231,901,170 | 235,180,492 |
| Specie and bullion during the year were—      |             |             |
| Imports.....                                  | \$4,070,242 | 3,777,732   |
| Exports.....                                  | 8,606,495   | 3,905,268   |

Excess of exports..... 4,536,253 127,536

The amount of the above imports and exports which were carried in American and foreign vessels respectively, is as follows:—

|                                                    |               |             |
|----------------------------------------------------|---------------|-------------|
| Foreign goods, imported in American vessels.....   | \$102,488,431 | 106,900,891 |
| Foreign do. re-exported in American vessels.....   | 11,459,819    | 7,015,765   |
| Domestic produce exported in American vessels..... | 75,483,123    | 78,634,410  |
| Total in American vessels.....                     | 189,380,923   | 192,551,066 |

|                                                |              |              |
|------------------------------------------------|--------------|--------------|
| Foreign goods imported in foreign vessels..... | 14,816,083   | 15,683,624   |
| Do. re-exported in do.....                     | 3,887,511    | 3,408,858    |
| Domestic produce exported in do.....           | 23,816,653   | 23,507,483   |
| Total in foreign vessels, 1845 and 1846.....   | \$42,520,247 | \$42,621,965 |

## IMPORTS INTO AND EXPORTS FROM THE U. S.

|        | Goods imported. | Specie imported. | Goods exported. | Specie exported. |
|--------|-----------------|------------------|-----------------|------------------|
| 1843   | \$42,676,498    | \$22,077,301     | \$82,826,139    | \$1,520,241      |
| 1844   | 102,896,450     | 5,538,585        | 105,745,832     | 5,454,214        |
| 1845   | 113,182,322     | 4,072,242        | 106,040,111     | 8,606,495        |
| 1846   | 117,914,244     | 3,777,732        | 109,583,248     | 8,965,268        |
| 4 yrs. | 376,669,514     | 25,465,860       | 404,195,330     | 19,486,318       |
| Specie | 26,465,860      |                  | 19,486,318      |                  |
|        | \$402,135,374   |                  | \$423,681,648   |                  |

## BALANCE OF TRADE.

|      | Imports.     | Exports.     | Balance.                           |
|------|--------------|--------------|------------------------------------|
| 1843 | \$42,676,498 | \$82,826,139 | \$40,149,641 in favor of the U. S. |
| 1844 | 102,896,450  | 105,745,832  | 2,849,382 in favor of the U. S.    |
| 1845 | 113,182,322  | 106,040,111  | 7,860,967 against the U. S.        |
| 1846 | 117,914,244  | 109,583,248  | 8,330,996 against the U. S.        |

In making an estimate of the balance of trade for or against the nation, we take into view the imports and exports of property only, viz. produce and merchandise, to the exclusion of specie, which is merely the *dead weight* in the scale. We consider specie, like bills of exchange, as a medium for the adjustment of balances, and not to be taken into view in estimating the trade of the country. It is otherwise in Mexico, where it forms one of the articles of production, or manufacture, which is not the case with us. Thus the exhibits of the treasury for 1843, would indicate a nominal balance of trade in our favor, of \$19,592,681, when, in fact, the *actual balance* in favor of the United States was \$40,149,641, while the balance actually against the United States, for the year ending, 30th of June, 1846, was \$8,330,996, if we may rely upon custom house valuations.

There is a large accumulation of wealth, annually, in the United States, arising from importations of specie among emigrants, which sums do not appear in custom house entries. The large sums of foreign coin, which are found in circulation in the western states, are from these sources, and no fair estimate can be made of the amount annually received. There is also a large accumulation of wealth in the shape of goods, bills of exchange, &c., to be used as capital by emigrants who arrive, and who become citizens. Although it would appear, by the treasury report, that there was a foreign debt created by this country to the amount of \$117,914,244, during the last fiscal year, yet we have no doubt, several millions of this now constitute a part of the active capital of the union, and that the apparent balance against us in the trade of the year is nearly, if not fully, cancelled thereby.

## LEGAL MISCELLANY.

## Decisions of the Supreme Court of the U. S.

## BILLS OF EXCHANGE AND PROMISSORY NOTES.

This court adheres to the rule laid down in *Walton v. Shelly*, 1. T. R. 296, sustained as it has been by the decisions of this court in the *Bank of the United States v. Dunn*, 6 Peters, 57; the *Bank of the Metropolis v. Jones*, 8 Peters, 12; and *Scott v. Lloyd*, viz. that a party to a negotiable paper, having given it value and currency by the sanction of his name, shall not afterwards invalidate it by showing, upon his own testimony, that the consideration on which it was executed was illegal.—*Henderson v. Anderson*, 73. Vol. 3. Howard's S. C. Reports.

When a creditor, residing in Louisiana, drew bills of exchange upon his debtor, residing in South Carolina, which bills were negotiated to a third person, and accepted by the drawer, the creditor had no right to lay an attachment upon the property of the debtor, until the bills had become due. were dishonored, and taken up by the drawer.—*Black v. Zacharie*, *Ibid.* 483.

By the drawing of the bills a new credit was extended to the debtor for the time to which they ran.—*Ibid.*

The laws of Louisiana, allowing attachments for debts not yet due, relate only to absconding debtors, and do not embrace a case like the above.—*Ibid.*

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 TRANSFERS OF STOCK.

The legal title to stock held in corporations situated in Louisiana, does not pass under a general assignment of property until the transfer is completed, in the mode pointed out by the laws of Louisiana regulating those corporations.—*Ibid.*

But the equitable title will pass, if the assignment be sufficient to transfer it by the laws of the state, in which the assignor resides, and if the laws of the state, where the corporations exist, do not prohibit the assignment of equitable interests in stock, such an assignment will bind all persons who have notice of it.—*Ibid.*

The laws of Louisiana do not prohibit the assignment of equitable interests in the state by residents of other states.—*Ibid.*

Personal property has no locality. The law of the owner's domicile is to determine the validity of the transfer, or alienation thereof, unless there is some positive or customary law of the country, where it is found to the contrary.—*Ibid.*

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 AGENCY.

Whenever, by express agreement of the parties, a sub-agent is to be employed by an agent to receive money for the principal; or, where an authority to do so, may fairly be implied from the usual course of trade, the nature of the transaction; the principal may treat the sub-agent as his agent, and when he has received the money, may recover it in an action for money had and received.—*Wilson & Co. v. Smith*, *Ibid.* 763.

If, in such case, the sub-agent has made no advances, and given no new credits to the agent on account of the remittance of the bill, the sub-agent cannot protect himself against such an action, by passing the amount of the bill to the general credit of the agent, although the agent may be his debtor.—*Ibid.*

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#### BILLS OF EXCHANGE AND PROMISSORY NOTES.

Under the statutes of Mississippi, providing for the admission of the evidence of a notary public, with regard to a protested note, directing the form of proceeding which the notary shall pursue, and providing further, that justices of the peace, may, in certain cases, perform the duties of notaries public, it was proper to read in evidence the original paper of the acting notary, although the record was made out at a time subsequent to that when the protest was actually made.—*Branson v. Loftus*, 4 Howard's Supreme Court Reports, p. 127.—(Appeal from Circuit Court, U. S., for Southern District of Mississippi.)

By the law merchant, when a demand of payment is made upon the drawer of a foreign bill of exchange, the bill itself must be exhibited.—*Musson v. Lake*, *Ibid.* 262.—(Appeal from Circuit Court, U. S., for the Southern District of Mississippi.)

Neither the statutes of Louisiana, nor the decisions of the courts of that state, have changed the law in this respect.—*Ibid.*

If, therefore, the notarial protest does not set forth the fact, that the bill was presented to the drawer, it cannot be read in evidence to the jury.—*Ibid.*

Even if the laws of Louisiana, where the drawer resided, had made this change in the law merchant, it would not affect the contract in the present case, which is a suit against the endorser, residing in Mississippi, where the contract between him, and all subsequent endorsers was made, and where the law merchant has not been changed.—*Ibid.*

In an action brought by the endorsee against the endorser of a promissory note, which had been deposited in a bank for collection, the notary public, who made the protest, is a competent witness, although he has given bond to the bank, for the faithful performance of his duty.—*Cookendorfer v. Preston*, *Ibid.* 317.—(Appeal from Circuit Court, U. S., for the D. of Columbia.)

He is also competent to testify as to his usual practice.—*Ibid.*

The cases reported in 9 Wheaton, 582, 11 Wheaton, 430, and 1 Peters, 25, reviewed.—*Ibid.*

At the time, when these decisions were made, it was the usage of the city of Washington, to allow four days of grace upon notes discounted by banks, and also upon notes merely deposited for collection.—*Ibid.*

But since then the usage has been changed as to notes deposited for collection, and been made to conform to the general law merchant, which allows only three days of grace.—*Ibid.*

Although evidence is not admissible to show that usage was in fact different from that which it was established to be, by judicial decisions, yet it may be shown that it was subsequently changed.—*Ibid.*

In the case of a protested note, it is not necessary for the holder himself to give notice to the endorser, but a notary, or any other agent, may do it.—*Harris v. Robinson*, *Ibid.* 336.—(Appeal from the District Court, U. S., for the Northern District of Alabama.)

The object of the rule, which requires the notice to come from the holder,

is to enable him, as the only proper party, either to fix, or waive the liability of endorsers.—*Ibid.*

Where a note was handed to a notary for protest by a bank, and it did not appear, whether the bank, or the last endorser was the real holder of the note, and the notary made inquiries from the cashier, and others, not unlike to know, respecting the residence of the prior endorsers, and then sent notices according to the information thus received, it was sufficient to bind such prior endorsers.—*Ibid.*

If the last endorser was the holder, the cashier of the bank was his agent for collecting the note, and the evidence showed that in fact the last endorser knew nothing more than the cashier.—*Ibid.*

The facts being found by a jury, the question, whether, or not, due diligence was used, is one of law for the court.—*Ibid.*

If due diligence is used, in sending the notice to the endorser, it is immaterial, whether it is received, or not.—*Ibid.*

The statutes of Alabama require the negotiability, and character of bills of exchange, foreign, and inland, and promissory notes, payable in bank, to be governed by the general commercial law.—*Smyth v. Strader, et al. Ibid.* 404.

If a partner draws notes in the name of the firm, payable to himself, and then endorses them to a third party, for a personal, and not a partnership consideration, the first endorser cannot maintain an action upon them against the firm, if he knew that the notes were anti-dated.—*Ibid.*

But if a first endorsee passes them away to a second endorsee, before the maturity of the notes, in the due course of business, and the second endorsee has no knowledge of the circumstances of their execution and first endorsement *he may be entitled to recover against the firm*, although the partner, who drew the notes, committed a fraud by anti-dating them.—*Ibid.*

But if the second endorsee received the notes, *after their maturity*, or out of the ordinary course of business, or under circumstances which authorize an inference, that he had knowledge of the fraud in their execution or first endorsement, he cannot recover.—*Ibid.*

These things are matters of evidence for the jury.—*Ibid.*

Evidence is admissible to show that in an account-current, between the first and second endorsee, no credit was given in it for the notes, when they were passed from the first to the second endorsee.—*Ibid.*

So, evidence of drawing and re-drawing, between the first and second endorsee, alluded to in the account current, is admissible.—*Ibid.*

The testimony, of one of the partners, offered for the purpose of proving the fraud committed by the drawer of the notes, is not admissible. This court again recognizes the rule upon this subject established in the case of *Henderson v. Anderson*, 3 Howard, 73. *Ibid.*

The partner offered as a witness, was a party upon the record, and thus, also, disqualified.—*Ibid.*

#### INSURANCE.

A policy of insurance contained a stipulation, that, if the insured then had, or thereafter should have, any other insurance upon the same property, notice thereof should be given to the company, and the same endorsed upon the policy, or otherwise acknowledged, by the company in writing, in default of which the policy should cease.—*Carpenter v. Providence Washington Insurance Company*, 4 Howard, 185.—(Appeal from Circuit Court, U. S., for District of Rhode Island.)

A bill was filed in equity by the insured, alleging that notice was given to the insurance company, and praying that the company might be compelled to endorse the notice upon the policy, or otherwise acknowledge the same in writing.—*Ibid.*

When the answer of the company, sworn to by the then president, denies the reception of the notice, to the best of his knowledge and belief, the question becomes one of fact, and of law; of fact, whether the evidence offered by the complainant, is sufficient to sustain the allegation; and of law, whether, if so, this court can compel the company to acknowledge it.—*Ibid.*

The answer being responsive to the bill, and denying the allegation, under oath, the general rule is, that the allegation must be proved, not only by the testimony of one witness, but by some additional evidence.—*Ibid.*

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#### PUBLIC MONIES.

Money in the hands of a purser, although it may be due to seamen, is not liable to an attachment, by the creditors of those seamen.—Purser *Buchanan v. Alexander*, 4 Howard's Supreme Court Rep., p. 20.

A purser cannot be distinguished from any other disbursing agent of the government; and the rule is general, that, so long as money remains in the hands of a disbursing officer, it is as much the money of the United States, as if it had not been drawn from the treasury.—*Ibid.*

A decision of a state court, sanctioning such an attachment, may be reversed by this court, under the twenty-fifth section of the judiciary act.—*Ibid.*—(Appeal from the Circuit Superior Court of Virginia, at Norfolk.)

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#### TAX UPON BANKS, &c.

The charter of a bank is a franchise, which is not taxable, as such, if a price has been paid for it, which the legislature accepted.—*Gordon v. Appeal Tax Court*, 3 Howard's S. C. Reports, 133.

But the corporate property of a bank, is separable from the franchise, and may be taxed, unless there is a special agreement to the contrary.—*Ibid.*

The legislature of Maryland, in 1821, continued the charters of several banks to 1845, upon condition, that they would make a road, and pay a school tax. This would have exempted their franchise, but not their property from taxation.—*Ibid.*

But another clause in the law provided, that upon any of the aforesaid banks, accepting of, and complying with the terms, and conditions of the act, the faith of the state was pledged not to impose any further tax, or burden upon them during the continuance of their charters under the act.—*Ibid.*

This was a contract relating to something beyond the franchise, and exempted the stockholders from a tax levied upon them as individuals, according to the amount of their stock.—*Ibid.*

The state of Maryland, in 1836, passed a law, directing a subscription of \$3,000,000 to be made to the capital stock of the Baltimore and Ohio Rail Road Company, with the following proviso: "that if the said company shall not locate the said road in the manner provided for in this act, then, and in that case, they shall forfeit \$1,000,000 to the state of Maryland for the use of Washington county.

In March, 1841, the state passed another act, repeating so much of the prior act as made it the duty of the company to construct the road by the route therein described, remitting and releasing the penalty, and directing the discontinuance of any suit brought to recover the same.

The proviso was a measure of state policy, which it had a right to change, if the policy was afterwards discovered to be erroneous, and neither the commissioners, nor the county, nor any one of its citizens acquired any separate or private interest under it, which could be maintained in a court of justice.—*State of Maryland v. Baltimore and Ohio Rail Road Company*, 534.

#### LIABILITIES OF SUB-TREASURERS.

*The United States, plaintiffs in error, v. Eli S. Prescott, et al, defendants.*

—The felonious taking, and carrying away the public monies, in the custody of a receiver of public monies, without any fault, or negligence on his part, does not discharge him, and his sureties, and cannot be set up, as a defence to an action on his official bond.—3 Howard's Supreme Court Reports, 111.

—This case came up, on a certificate of division in opinion, between the judges of the Circuit Court of the U. S. for the District of Illinois—in a suit brought by the U. S. upon the bond of Prescott, as receiver of public monies at Chicago.—The defendant filed several pleas, one of which was "that, whilst the said Eli S. Prescott had said money in his possession, and before the commencement of this suit, some person, or persons, to said defendants unknown, feloniously did steal, take, and carry away from the possession of the said Prescott the sum of \$11,688, part, and parcel of money received by him, as receiver of public monies."

Judge M'Lean, in giving the opinion of the court, said:

Public policy requires that every depository of public money should be held to a strict accountability, not only that he should exercise the highest degree of vigilance, but that "he should keep safely" the monies which came to his hands. Any relaxation of this condition would open a door to frauds, which might be practiced with impunity. A depository would have nothing more to do than to lay his plans, and arrange his proofs, so as to establish his loss, without laches on his part. Let such a principle be applied to postmasters, collectors of the customs, receivers of public money, and what losses might not be anticipated by the public. No such principle has been *admitted or recognized* as a legal defence.

As every depository receives "the office" with a full knowledge of its responsibility, he cannot, in case of loss, complain of hardship. He must stand by his bond, and meet the hazard, which he voluntarily incurs.

Prescott, and his sureties are not discharged from the bond, by a felonious stealing of the money, without any fault, or negligence, on the part of the depository; and, consequently no such defence to the bond can be made.

#### MUNICIPALITY LOAN.

*Important Decision.*—A judgment was rendered, in November, by Judge Buchanan in the Fifth District Court of Louisiana, for the sum of \$157,000, and interest, in favor of Robb and Hoge, bankers of New Orleans, against the second municipality of that city.

This claim arises from a loan made by the plaintiffs in March, 1845, pay-

able in the notes of the municipality at twelve months, which notes, when they fell due, were renewed for a short period, but not being then paid, suit was instituted upon them.

We were not a little surprised at the very frivolous defence set up by Mr. Durant, the counsel of the municipality. The first was, that the notes were drawn in favor of George Doane, *Esquire*, whereas, the petition of the plaintiffs alleged, that they were drawn in favor of George Doane—the second point was, that they were drawn in favor of *George Doane*, but that the actual signature of the endorsement, was G. Doane. Both these points were made as cause for non-suit, but both were promptly, and successively overruled by the court. The next point of defence was on the merits, and was, that all of the original series for \$50,000 were issued in fifty separate notes of \$1,000 each, besides interest, and that when renewed, *one* note was taken for the whole amount, and that though there was an ordinance of the council authorizing the treasurer to renew all notes, yet as these were not renewed *separately*, and in *similar* amounts, it was not a compliance with the ordinance, and, therefore, the plaintiffs must lose the whole amount!! This, like the other points raised by Mr. Durant, had no weight with the court, and judgment was given for the full amount claimed, with interest, and cost.

We really regret, in common with all whom we have heard speak on the subject, that any portion of the city of New Orleans, and particularly the second municipality, should endeavor to get rid of a just debt on such grounds, and though the credit of the municipality has recently suffered very greatly, such a proceeding is calculated to depress it much more than mere inability to meet their payments at the present moment, and we hope, the democratic majority now ruling in the council, will not be found willing to sanction future proceedings of the kind, as they must be aware that any thing approaching to repudiation will never receive countenance, or sanction from their constituents.

Mr. Lockett counsel for the plaintiffs.

[*Commercial Times, N. O.*]

☐ The city of New Orleans is divided into three separate departments, or municipalities, each of which is under the jurisdiction of a separate municipal body; and each issuing, hitherto, a separate circulating medium.

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## BIOGRAPHICAL SKETCHES.

From the *Encyclopedia Americana*, Vol. xiv.

ALEXANDER BARING.

Alexander Baring was created a peer, by the title of Lord Ashburton, on his retiring from business as a banker, in 1835. Since the passage of the Reform Bill in 1832, to which measure he was decidedly opposed, his apprehensions of the consequences likely to ensue from the progress of *radicalism* have thrown him into the ranks of the tories; and he was appointed, in 1842, by the tory ministry of Sir Robert Peel, to proceed to the United States as ambassador extraordinary from Great Britain, for the purpose of putting an end, by a treaty, to the controversy relating to the boundary line between the former country and the N. American possessions of the latter.

This mission it is well known, resulted in an arrangement as satisfactory to both the parties concerned, as could well have been expected under the circumstances of the case.

#### WILLIAM LOWNDES.

William Lowndes was born at Charleston, South Carolina, about the year 1781. He was educated at the college in his native town, and then studied the law. He was admitted to the bar, but never practised his profession. Inheriting an ample fortune from his father he was enabled to gratify his tastes, and to devote himself to philosophical and literary pursuits. The stores of information which he accumulated were not only very extensive, but were, at the same time, exact and practical in their bearing. Notwithstanding his extreme diffidence, amounting almost to what the French term *mauvaise-honte*, he was soon elected a member of the legislature; and, in the autumn of 1810, he was chosen a representative to congress. He occupied, for a series of years, a prominent and influential position in that body. Although his voice was feeble, and his external appearances in every respect unprepossessing, he never failed, when he addressed the house, to engage the respectful attention of all who heard him; the members not unfrequently gathering around him in groups to catch the words which fell from his lips. His speech in the session of 1818-19, on Mr. Spencer's resolutions to issue a *scire facias* against the Bank of the United States for an alleged violation of its charter, and that in the session of 1819-20 on the tariff, were characterised by an extraordinary power of thought and great purity of diction: and his reports on the coinage, and on weights and measures, made in 1818-19, are models of that species of composition.

Mr. Lowndes visited Europe in the summer of 1820. The next summer he spent at a seat owned by him in the low country of South Carolina, where he laid the foundation of the disease of which he died. By the advice of Dr. Physick, whom he had consulted, he embarked on a second voyage across the Atlantic, but died before he reached his port of destination, on the 22d of November 1822.—It may be added here concerning Mr. Lowndes, that very few of our public men have been equally fortunate with him in commanding the respect of his political opponents, without in any degree lessening that of the men with whom he generally acted. No one, indeed, was less the slave of party than he was. A remarkable instance, in illustration of this, occurred in December, 1811, when an election was about to be held for speaker of the house of representatives. Being solicited to attend a previous "caucus," for the purpose of uniting the vote of the democratic party, he replied to the member who addressed him, "No sir, I will attend to the election of speaker of the house of representatives in the house of representatives."

#### WILLIAM HARRIS CRAWFORD.

William Harris Crawford was born in Nelson County, Virginia, on the 24th of February, 1772. His parents removed, in the year 1779, to the state of South Carolina, not far from Augusta, and thence again, in 1783, to a settlement on Kiokee creek, in Columbia county, in Georgia. Having received as good an education as could be obtained in the ordinary schools of the country, he commenced teaching school himself, in 1788, when he was only 16 years old. In the same year, his father died, in reduced circumstances; and he contributed, by teaching, during several years, to the support of his mother and her numerous family. In 1794, he was not deterred,

by his comparatively advanced age, from entering the academy of the Rev. Dr. Waddel, in Columbia, that he might enjoy the benefit of classical instruction. The progress which he made in his studies was rapid; and, after being a pupil in the academy for about a year, he was promoted to be an usher, receiving, as a compensation for his services as such, a third part of the tuition money. In April, 1796, he went to Augusta. On his arrival there, "he obtained a situation in the Richmond Academy, where he remained, in the double character of student and instructor, until the year 1798, when he was appointed rector of that institution." While residing at Augusta, he studied law, and was admitted to the bar in the course of the year just mentioned. He commenced the practice of his profession in the spring of 1799, in Oglethorpe county, Georgia, and soon rose to eminence. Already, in 1802, we are told that he stood at the head of the bar in the part of the state in which he practised.—Mr. Crawford's political career began as a member of the Georgia legislature. He so distinguished himself during a service of four years in this body, as to be elected in 1807, to the senate of the United States, to supply the vacancy caused by the death of Mr. Baldwin. He was re-elected in 1811, but resigned his seat in 1813, when, after declining the office of secretary of war, he was appointed by Mr. Madison minister of the United States to France. As a senator, Mr. Crawford took an active and leading part in the discussion of the principal questions of the period, and gave in general an able and efficient support to the then existing administration. Respecting the embargo and re-charter of the Bank of the United States, he fearlessly and independently took his ground in opposition to the great majority of his party (the democratic,) earnestly resisting the former, and with equal earnestness urging the adoption of the latter measure. After representing his country abroad with ability and dignity during two years, he took charge for a few months of the department of war, and then became secretary of the treasury. Such was the respect and popularity which he had now attained, that, in the course of the winter of 1816, he was solicited by a number of his friends to allow his name to be put in nomination as a candidate for the presidency. Although he promptly refused his assent to this proposal, and urged his friends to unite in support of Mr. Monroe, he obtained, notwithstanding, in the "caucus" of the democratic members of congress, nearly as many votes for the nomination as did the latter gentleman. On Mr. Monroe's becoming the president, Mr. Crawford was re-appointed to the office of secretary of the treasury; and he continued to hold it until the retirement of Mr. Monroe in 1825. He declined a re-appointment under Mr. Adams, who was desirous of securing the benefit of his experience and ability as a member of the cabinet. At the period of the election of Mr. Adams to the presidency, Mr. Crawford was an unsuccessful candidate; partly perhaps, as many of his friends believe, on account of the impaired state of his health, which would for a time at least, have disqualified him from the adequate performance of the arduous duties of the first magistrate of the American Union.—In 1827, Mr. Crawford was without any solicitation on his part, appointed judge of the Northern Circuit of Georgia, by the governor of that state; and in the following year, and again in 1831, he was elected to the same office by the legislature. He was on his way to hold a court in one of the counties of his circuit, when he was taken sick at the house of a friend, and died there on the 15th of September, 1834.—Mr. Crawford is described to have been distinguished as a public speaker, "not so much for fluency or elegance of style, as clearness of illustration and cogency of argument." He is stated, also, to have been dignified, yet unostentatious and affable, in his deportment; animated and lively in his conversation; and an excellent son, husband, and father.

**NICHOLAS BIDDLE.**

Nicholas Biddle was born at Philadelphia, on the 8th of January, 1786. His ancestors came to America with William Penn. Charles Biddle, the father of Nicholas, was distinguished, during the war of the revolution, for his devotion to the cause of American independence, and, subsequently to it, when Franklin was its president, held the office of vice-president of the commonwealth of Pennsylvania. Nicholas Biddle was a pupil in the academy, and then in the collegiate department of the "University of Pennsylvania." At 13 years of age, he was transferred from this institution to the college at Princeton, New Jersey; where he remained for upwards of two years, and was graduated in September, 1801. He quitted college with a character for talent and scholarship unsurpassed by any member of his class, and commenced the study of the law in his native city. In 1804, when his term of legal study was nearly completed, General Armstrong, who had been appointed the American minister to France, and who had been an intimate friend of Biddle's father, offered to take him to Europe as his secretary, an offer which was promptly accepted. After spending some time in Paris, he visited Switzerland, Italy, Greece, Germany, Holland, and England. In the latter country, he acted for a short time as secretary to Mr. Monroe, who then represented the United States at the court of St. James. In 1807, Mr. Biddle returned to his own country, and commenced the practice of his profession in the city of Philadelphia. He also, in conjunction with Dennie, edited the 'Port Folio' down to the period of the latter's death, after which he conducted it alone until another editor could be procured. And in addition to the contributions furnished by him to this periodical, he about the same time found leisure to prepare for publication, from the original documents put into his hands, a history of Lewis and Clark's expedition across the continent of America to the Pacific ocean.—In the autumn of the year 1810, Mr. Biddle was elected a member of the house of representatives in the legislature of Pennsylvania. He acted a conspicuous and a leading part in the proceedings of that body, and distinguished himself especially by an elaborate and able report on a bill, which he had introduced, relating to a system of public schools, and which was founded on the principle of a very cheap, but not gratuitous instruction,—a bill, however, that failed of receiving the requisite support to become a law. He also attracted, in no slight degree, the attention of the public by a speech in opposition to a resolution for instructing the members of congress from Pennsylvania to vote against the recharter of the then existing Bank of the U. S. At the close of the session (1811,) he declined becoming a candidate for re-election; but during the war with Great Britain in 1814, he consented to serve in the senate of the state. He distinguished himself in that body by his spirited efforts to induce the legislature, in the absence of aid from the general government, to adopt vigorous measures for the defence of the state, and particularly of the city of Philadelphia, against any probable attempts which might be made by the enemy. The report which Mr. Biddle drew up, during his present term of legislative service, on the proposition of the "Hartford Convention," added also considerably to his reputation as a statesman. Having vacated his seat in the senate, 1817, he was, in the following year, nominated by the party to which he belonged (the democratic) as their candidate for congress; but being at the time a minority in Philadelphia, they failed to elect him. And he was again nominated for congress in 1820, with the same result. Mr. Biddle's connection with the Bank of the United States began in 1819, by his appointment by the government to be one of its directors. This was at the period when through the mismanagement of its affairs,

its credit had become exceedingly impaired, and when it was even threatened with a speedy destruction. Mr. Langdon Cheves then became president of the institution, which speedily regained its character. On the resignation of his office by that gentleman, Mr. Biddle was selected, in accordance with the wishes of the stockholders, and with the public opinion generally, to succeed him. His administration of the bank began with the year 1823, and continued down to the period when the institution having failed to obtain a renewal of its charter from the government of the Union, was chartered anew by the legislature of Pennsylvania, and from that time again until the 29th of March 1839, when he resigned his office, to pass the remainder of his life in retirement, at his seat of Andalusia on the banks of the Delaware, above the city of Philadelphia. Mr. Biddle died on the 27th of February, 1844. It is conceded, even by his detractors, that Mr. Biddle was distinguished among his fellow-citizens, during his whole career, for great public spirit, and for his desire to promote the intellectual, as well as material interests, of the community. Not to speak of his readiness to co-operate in every promising scheme of "internal improvement," or of his efforts for the introduction of a system of public schools, already stated, it may be mentioned, in illustration of our general remark, that he was an active member of a great number of associations for beneficent or useful purposes; that he contributed, not only in his capacity of president of the agricultural and of the horticultural societies of Philadelphia, and by his own example likewise, to promote the agricultural and horticultural interest of his state; and that the city of Philadelphia owes to him the two finest specimens of architecture within the limits of our country, to wit, the Girard College, and the late banking-house of the Bank of the United States. We ought not omit to mention that besides the essays, legislative reports, speeches, &c., of Mr. Biddle, already specified, he prepared, at the request of Mr. Monroe, the volume published by the authority of congress, entitled "Commercial Digest," being an account of the regulations of foreign countries concerning trade and matters connected with it.

#### SIR MARK ISAMBERT BRUNEL.

Sir Mark Isambert Brunel, the constructor of the famous Thames tunnel, was born in 1769, at Hacqueville, in the French department of the Eure, and was educated first at the college of Gisors, and then being destined by his father for the pulpit, at the seminary of Nicaise. Exhibiting, however a total disinclination to theological studies, his father at length consented to his entering the navy in 1786, although he himself would have preferred the profession of a civil engineer. Then came the revolution; and Brunel emigrated from France in consequence, like many others of his countrymen. He arrived at New York in 1793, where he applied himself with zeal to his favorite subject of mechanics, and to those branches of science and art which are connected with it. He soon obtained employment as a superintendent of a cannon foundry, and he was also, as it is said, employed in fortifying the harbor. But, in 1799, he went to England, and has remained there ever since. In 1806, he completed the construction, at Portsmouth, of an ingenious machine for the fabricating of pulleys for the use of the British navy,—a machine the importance of which was estimated so highly by the admiralty, that the sum of £20,000 sterling was granted as a compensation for the services rendered by him. His reputation as a machinist and engineer was now fully established, and henceforth he found abundant occupation in various public works. The most remarkable of these is, without doubt, the Thames tunnel, the plan for which was furnished by him as

early as the year 1819, but which was begun in 1824, finished in 1842, and first opened to the public on the 25th of March, 1843. Brunel is vice-president of the Royal Society of London, and was created a baronet in 1841.

#### LORD BROUGHAM.

In addition to the subjects previously enumerated, on which the powers of this eminent individual have been chiefly exercised, may be mentioned the repeal of the corporation and test acts, and the emancipation of the Catholics. On the accession of the whigs to power, at the close of the year 1830, he was created a peer, by the title of baron Brougham and Vaux, and appointed Lord High Chancellor of Great Britain. While presiding in this capacity in the house of lords, various opportunities were offered him of further distinguishing himself, which he did especially by his speech, in 1831, on the reform bill. In the exercise of the legal functions of his office, he at the same period exhibited the most untiring activity; correcting many abuses that had grown up in the court of chancery, as well as despatching, in the course of a single year, all the causes still pending in this court for adjudication. It was chiefly through his instrumentality that the procedure, in relation to bankrupts, was essentially improved. In pressing this measure to a conclusion, with regard, too, to the decided opposition of the lawyers, he evinced a remarkable disinterestedness, since the effect of it was to subtract as much as £7000 sterling from his own income. The whigs, having gone out of office in 1834, were restored to it once more in 1835, but Lord Brougham, having in the mean time given dissatisfaction to William IV. and the leaders of the whig party generally, was not invited to a seat in the new cabinet. Being thus in great measure separated from party connexions, he has not merely acted an independent part, but occasionally a very eccentric one, which has affected materially the respect for his judgment, before, very generally entertained in Great Britain, and has left him with scarcely any influence upon the public mind. In 1838, he published a collection of his most important speeches in 4 volumes, and in 1839, "Sketches of Statesmen in the time of George III."

#### WILLIAM GASTON

Was born at Newbern, in North Carolina, on the 19th day of September, 1778. His paternal ancestors were Huguenots, who, at the period of the revocation of the edict of Nantes, sought refuge in Ireland; where his father was born, and where he had an uncle, who was an eminent Presbyterian clergyman. Dr. Alexander Gaston, the father, received his professional education in the medical school at Edinburgh, and was subsequently appointed a surgeon in the British navy; but, early in life, he came to this country, and settled at Newbern. He was distinguished among the patriots of the revolution; was a member of the committee of safety for the district in which he resided; and served in the army,—at times in his professional capacity, and once in the command of a body of volunteers, which led to his early and tragical death, being shot by a party of tories in the presence of his wife and family. The mother of Mr. William Gaston was of the Roman Catholic faith, and was distinguished for her prudence, intelligence and accomplishments. Only three years old at his father's death, it was to her exclusively that he owed those early impressions which determined his future character and principles. A disposition, in childhood "volatile and irritable," was so trained as to become a pattern of patience and perseverance. While, too, he very naturally embraced the faith of his mother, he

was at the same time imbued by her with the most liberal sentiments of toleration and kindness towards those who differed from her in their religious belief. In the autumn of 1791, when 13 years of age, he was sent to the college at Georgetown, in the district of Columbia, where his attention was assiduously directed to the study of the ancient classics. At the end of 18 months, however, he was recalled home, on account of the impaired state of his health. This having been restored, he was, after receiving some farther preparatory instruction, entered as a member of the junior class of Princeton college, in New Jersey, in 1794. There he graduated in 1796, with the highest honors of the institution. He then studied law in his native town with Francis Xavier Martin, who was afterwards a judge of the Supreme Court of the state of Louisiana. In 1798, Mr. Gaston was admitted to the practice; in the summer of 1800, before he had completed his 22d year, he was elected a member of the senate of North Carolina; and he very soon became conspicuous for his talents, influence, and usefulness. In 1808, he was one of the electors of president and vice president, and in 1813 a representative in Congress, in which body he continued till 1817. He took an active part in its deliberations, and was a prominent leader of the party adverse to the then existing administration of the general government. One of his greatest efforts on the floor of Congress was his speech, in the early part of the year 1815, in opposition to the bill authorizing the president to contract a loan of \$25,000,000, for the purpose of carrying on the war with effect against Great Britain. He resisted its passage on the ground of its being intended to provide the means of an invasion of Canada, instead of being limited, as he judged that it should be, to the defence merely of our own territory from the aggressions of the enemy. His next most remarkable speech was, perhaps, that upon the motion of one of his colleagues from North Carolina to expunge the "previous question" from the rules of the house, and in which the learning and eloquence displayed by him excited the surprise, as well as admiration, of his auditors. After the year 1817, his sphere of usefulness was confined to his own state, where he continued to be unremittingly occupied at the bar, in the legislature, in the convention to amend the constitution, and lastly, as a judge of the Supreme Court. He died at Raleigh, on the 23d of January, 1844, in the 66th year of his age, beloved and lamented by all who knew him. To intellectual powers of an uncommon order, and an untiring industry, he added the virtues of a christian, and the manners of an accomplished gentleman. The provision of the former constitution of North Carolina, excluding from judicial stations all but Protestants, was in his case regarded, from the universal respect in which he was held, as a dead letter. Yet the propriety of his acceptance of a seat upon the bench of the Supreme Court, in the face of it, has been much called in question; and some even of his most ardent friends disapproved of the step. He contributed effectually, at a subsequent period, to the abrogation of the constitutional provision referred to,—an achievement that may be regarded, from the peculiar position which he occupied in relation to it, as the most interesting event of his life.

#### ABBE DE PRADT.

This fertile but superficial writer was, in November, 1827, elected a member of the Chamber of Deputies from Clermont. He sat on the *cote gauche* until April, 1828, when, dissatisfied with the little respect shown to his opinions, and despairing to make a prominent figure as a practical politician, he resigned his seat, and once more endeavored to make himself conspicuous by his pen. He died of an attack of apoplexy, March 18, 1837.

## CITIES OF EUROPE.

From the *Encyclopedia Americana*, Vol. xiv.

## EDINBURGH.

At the period of the Union in 1707, the population of this city was estimated at only 35,000. Since then, it increased with great rapidity, until 1831, when it amounted to 136,301. In the following ten years, however, it was very nearly stationary; the census of 1841 making it to amount to 138,182.—In addition to the conspicuous edifices already noticed, the building of the Royal Institution may be mentioned. It is constructed in a pure classical style, with ranges of Doric pillars on the front and sides. The institution itself was chartered in 1827, for the purpose of encouraging the fine arts in Scotland. Its leading object is the annual exhibition of pictures of living artists, as also occasionally to offer exhibitions of pictures by the old masters. In 1826, a separate establishment was founded by a body of artists, with similar objects in view, entitled the Scottish Academy of Painting, Sculpture, and Architecture, which has since obtained a charter, and had regular annual exhibitions, and which is provided with apartments under the roof of the Royal Institution. A secession from this body, it may be stated, took place in 1838, under the title of the Society of Scottish Artists, which has had two annual exhibitions. The Royal Society of Edinburgh, the Society of Antiquaries of Scotland, the Society of Arts, and the Board of Trustees for encouragement of trade and manufacturers in Scotland, which last was founded so long ago as 1727, have also apartments in the above-mentioned building. The Board of Trustees, besides the primary object for which it was established, pays £500 a year to the Royal Institution for the encouragement of the fine arts. The present number of professors in the university is 32. The magistrates of Edinburgh are its general patrons, and have power to institute new professorships, and to alter or modify the college discipline. Out of 32 appointments, they possess the exclusive right of presentation to the offices of principal, and of 14 professors; they unite with other parties in the right of election to 7 other chairs; the crown enjoys the patronage of 8; while the principal and professors are invested with the patronage of one, namely, music, instituted in 1839. The students reside wherever they choose; and no discipline is exercised over them, except when within the walls of the college. There is but one session annually, from the 1st of November till the end of April. There are, however, a few summer classes, for three months, on the different branches of natural history, especially botany. In the session of 1822–23, the number of students, in the four faculties of philosophy, law, medicine, and divinity, was 2344. A rapid diminution of attendance has since taken place; and in the session of 1839–40, there were only 1232 students, of which number, as many as 574 were students of medicine. This decline has been attributed to the recent institution of several colleges in England, as well as to the country generally having become more commercial, and supplying more advantageous channels of employment than those afforded by the learned professions. Though the proportion of medical students is great, the decline in this faculty is nearly as considerable, as in the other departments; but it is a singular fact that, in spite of this decline, the number of medical graduates has been more than maintained. The average number for the last twenty-five years is considerably above 100. The graduates in arts are, on the other hand, very few indeed—about six annually. Very little value

is, in fact, attached to the degree of A. M. The university, too, is very sparing of the honorary degrees of D.D. and LL.D., the former of these, annually conferred, averaging only two, and the latter only one in number. The present university buildings, which are on a very magnificent scale, were begun in 1789, the expense being defrayed partly by public subscriptions, but chiefly by repeated grants from the government. The structure is quadrangular, 358 feet by 255, enclosing a court. A handsome portico, supported by massive Doric columns, forms the chief entrance. This is to be surmounted by a dome, the only thing that is now wanted to complete the building. The university library consists of nearly one hundred thousand volumes. The High School, which has, for a long period, enjoyed a great celebrity, now consists of a rector, and four other Greek and Latin masters, each of whom begins an elementary class yearly, and at the end of four years hands it over to the rector, under whom, generally, during two additional years, the *curriculum* of study is completed. The school also embraces teachers of writing, arithmetic, mathematics, and French. The present building situated on the S. slope of the Calton hill, is one of the greatest ornaments of the city; it was opened in 1829. In 1830, the number of scholars was 968; but for some years past it has been rather under 400, which is to be ascribed chiefly to the institution, in 1824, of a more aristocratical establishment of the same kind, called the Edinburgh Academy. Edinburgh possesses also a Naval and Military Academy, founded in 1825, which embraces all the classes necessary for the two professions from which its title is derived, as well as all the branches implied in a liberal education; another institution, called the Southern Academy, in which, besides classical literature, all the branches requisite in a commercial or general education are taught; a School of Arts, or Mechanics' Institute; with many other schools of various descriptions. Valuable as is the library of the university already mentioned, it is surpassed by that of the faculty of advocates. This collection at present exceeds 150,000 volumes, and is by far the most extensive and valuable in Scotland. The library of the writers to the signet is also large and very valuable. Edinburgh can scarcely be regarded as a manufacturing town; and the printing business employs, perhaps, a greater number of hands than any other. It ranks in the United Kingdom, as a literary mart, next to London. The charitable institutions of different kinds are exceedingly numerous. Pauperism has, nevertheless, for some time been on the increase, and the condition of the laboring poor in general has been becoming more and more depressed. Owing to the inadequate supply and bad quality of their food, and the crowded and intolerably filthy state of their lodgings, the lanes, and closes of the Old Town are hardly ever free from malignant fever; and the mortality is in consequence, unusually great, reaching as high, in the year ending, in May, 1838, a year of ordinary general health, as 1 in 21, or 1 in 22. This deterioration of the condition of the people may be attributed, in no inconsiderable degree, to the great influx of Irish laborers, who found employment on the Union canal, extending westward from the neighborhood of Edinburgh. When that work was completed, they settled in the city, and having since received large accessions from Ireland, now form a colony of several thousands, injuring the Scottish laborers by their competition, and far more by the pernicious example of their low estimate of what is necessary for comfortable subsistence.

#### LIVERPOOL

Contained in 1841, 286,487 inhabitants.—The port of Liverpool has continued to be improved by artificial means; as, for example, in 1839, by the

opening (by dredging) of the Victoria channel. Since then, vessels of the largest size cross the bar of the Mersey at first quarter flood; and 14,000 vessels passed this channel in 12 months from its opening. The aggregate annual value of the imports and exports does not fall much short of the extraordinary sum of £40,000,000, if they do not rather exceed that amount. Four-fifths of the trade between the United Kingdom of Great Britain and Ireland centres at present in Liverpool. The number of British ships which entered the port of Liverpool, in 1841, was 2187, of the burden of 537,359 tons; of foreign ships, the number was 1305, of the burden of 468,873 tons. There belonged to Liverpool, on the 1st of January, 1840, 1133 ships, of the registered burden of 269,176 tons, manned by 13,958 seamen. Liverpool has, by means of canals and improved river navigation, a complete water communication, directly or indirectly, not only with the great manufacturing towns of Lancashire, Cheshire, and Yorkshire, from which it derives its cheap articles of export, but likewise with the S. counties, and, in fact, with nearly every part of England. The facility of transit, however, both for passengers and goods, has been vastly increased since the opening of the railways, by which Liverpool is brought within an hour's distance of Manchester, and both are brought within four hours of Birmingham, and nine hours of the metropolis.

## LONDON.

The population of London, in 1831, amounted to 1,508,469, and in 1841, it had increased to 1,710,426. A great increase has also taken place in its trade in late years. There were 3166 British ships, of the aggregate burden of 566,041 tons, and 2355 foreign ships, of 355,463 tons burden, which entered the board of London with cargoes from foreign countries in the year 1839. Of these ships, 15 British of the burden of 7272 tons, and 86, mostly or all American, of the burden of 32,508 tons, were from the United States. In the same year, the number and tonnage of coasting vessels that entered the port were, vessels 21,112, tonnage 2,828,701; and the number and tonnage of ships that entered the port, in that period, with cargoes from the colonies and dependencies of Great Britain, were ships 1683, and tonnage 417,139. There belonged to the port of London, in 1840, 2950 ships of the total burden of 581,000 tons, manned by 32,000 seamen. This, which is by far the greatest amount of shipping that ever belonged to any single port, will appear the more extraordinary, when it is considered that the colliers almost all belong to Newcastle, Sunderland, and other ports in the North. During the last 30 years (to use the language of the article *London* in M'Culloch's Geographical Dictionary) London has made greater advances than could reasonably have been expected in an entire century. Within that period, four bridges have been built, extensive docks have been excavated, gas been introduced into every street and alley; steam, both on the river and on railways, has given it an almost unlimited power of intercourse with every part of the kingdom, and of the world; new and handsome markets have been erected, arcades lined with elegant shops have been formed, and wide lines of communication have been opened through close and densely-crowded neighborhoods. A new park, larger and handsomer than any of the other three, has been laid out, and surrounded with houses more resembling palaces, than private residences; an improved police has given additional security both to person and property; abundant supplies of water have been furnished to every separate dwelling: the paving and sewerage have been greatly improved, especially in districts inhabited by the poor; and the formation of spacious cemeteries in the suburbs is gradually

leading to the disuse of interments within the town. At the same time, the establishment of colleges and proprietary schools has materially increased the facilities for procuring good education; while the institution of a National Gallery and School of Design is contributing to improve the national taste, and to add to the innocent pleasures of the people. London, unlike most other European capitals, had no university empowered to grant degrees till 1836, when one was established by the royal charter, for "the advancement of religion and morality, and the promotion of useful knowledge," without distinction of rank, sect, or party. This institution differs from all other universities in its having nothing to do with the business of education, being constituted for the sole purpose of ascertaining the proficiency of candidates for academical distinctions. It is in fact a Board of Examiners, empowered to grant degrees in science and literature to such candidates as are found, on examination, to have attained the required proficiency. The senate, or board, consists of a chancellor, vice-chancellor, and 33 other members. The faculties are those of Arts, Law, and Medicine, in each of which are several examiners, amounting in the whole to twenty-two, of whom ten are members of the senate. The examinations are half-yearly; and the greatest number of candidates for degrees has hitherto been furnished by University and King's Colleges. The former of these, opened in 1828, is governed by a counsel and senate of professors; the course of education embraces classics, pure and mixed science, history, jurisprudence, and medicine; religion being wholly excluded. There are altogether 32 professors, 12 of whom belong to the faculty of Medicine. The success of the medical school, which has for some years been the largest in London, has led to the erection of a good hospital close to the College. The general classes have not been so well attended as the sanguine friends of the establishment at first expected; but the attendance is like to be increased from the addition to it of an excellent junior school, the instruction in which forms a good preparation for higher studies. King's College is an institution of a similar kind to University College, and is similarly conducted except that religion is taught, in accordance with the principles of the Church of England.

#### LYONS.

In 1841, it contained 159,390 inhabitants; but this, probably, was exclusive of the suburbs of la Guillotiere, de Vaise, and des Brotteaux. Lyons (in the words of the article Lyons in M'Culloch's Geographical Dictionary) is in France what Manchester is in England. And notwithstanding the active competition of Zurich, Basle, Crefeld, and other places on the continent, and of Coventry, &c., in England, it still maintains its rank as the first silk manufacturing city of Europe. Its position is peculiarly favorable: it is situated at the point of junction of two large navigable rivers, and has a ready communication with the Mediterranean, on the one hand, at the same time that it is the *entrepot* of a vast extent of inland country. The districts of France which produce the largest quantities of silk are immediately adjacent; while Lyons is the natural depot and place of transit for the silk of Italy, in its way to the great manufacturing countries. Added to which, the manufacture has here had, for centuries, its principal seat: the population have been thoroughly trained and habituated to it; so that though frequently disturbed by political events, and once or twice nearly annihilated, it has never failed, on tranquillity being restored, to return to its former locality. The silks, manufactured here, are distinguished by the equality and perfection of the fabric; the brilliancy, though perhaps not the durability, of their dyes; and by the unrivalled superiority of their patterns, and the taste dis-

played in the designs. This superiority has been ascribed to the School of Arts (*Institutions de la Martiniere*,) and the liberal encouragement of this branch of science by the city authorities, and the government. About 180 students are gratuitously instructed in the various branches of drawing and modelling, and there is a professor who teaches the "*mise en carte*," that is, the adaptation of designs to the loom. The trade of Lyons, like that of all manufacturing towns, is subject to frequent crisis, and periods of distress; a very serious one occurred in 1836-37, which led to formidable riots. But though many workmen, implicated in the insurrections, have settled in the rival towns of Switzerland, &c., there never, perhaps, were so many looms at work as since their departure, nor was the manufacture ever more flourishing. The gross produce of the Lyonnese looms, in 1838, was estimated at 135,000,000 of francs, being considerably more than half the estimated value of the silk goods manufactured in France. According to M. Villerme, there were, in 1833, in Lyons and its neighborhood, 40,000 silk looms. But Dr. Bowring was furnished with an estimate in 1834, which made the number of looms in the city 16,000, of which 4000 were for figured stuffs; in the suburbs 9000, half for figured silks; and in the country for twelve and fifteen leagues around 7000, almost wholly for plain silks: making in all 32,000 looms. Hugo says that, altogether, 80,000 persons in and about Lyons are supported, directly or indirectly, by the silk manufacture.

## ST. PETERSBURG,

In 1844, had 475,000 inhabitants, of whom as many as 30,000 are stated to have been Germans, and 70,000 more to have been foreigners of other nations, European and Asiatic. Of the population, also, 110,000 were serfs, and 70,000 of the military profession. And the two sexes were divided in the very unequal proportion of 315,000 males to 160,000 females. There are a great variety of institutions for the promotion of education and literature. The *University*, founded so lately as the year 1819, has, including 11 professors of the languages of Asia, 64 instructors and other functionaries, and 300 students. The *Medico-chirurgical Academy*, founded by Peter the Great, and recognized by the emperor Alexander, for the instruction of medical men, is also deserving of particular mention: two hospitals on a large scale are attached to it; the instruction is gratuitous; and the number of pupils amounts to five hundred and twenty. A sum of 386,000 roubles a year is appropriated to the support of this establishment. The imperial library contains no less than 425,000 printed volumes, and 7000 manuscripts. The Academy of Sciences, which owes its origin to Peter the Great in 1724, has long occupied a distinguished place among such bodies: it is furnished with an observatory, whence the Russian geographers reckon their longitude. The Imperial Russian Academy, the Academy of the Fine Arts, &c., are widely celebrated. St. Petersburg has the most extensive foreign trade of any city in the N. of Europe. This arises mainly from its being the only great maritime inlet on the Gulf of Finland, and from its vast and various communications with the interior. By means partly of canals, but principally of rivers, St. Petersburg is connected with the Caspian Sea, goods being conveyed from the latter to the capital, a distance of 1434 miles, without once landing them. The iron and furs of Siberia, and the teas of China, are received at St. Petersburg in the same way; but owing to the great distance of these countries, and the short period during which the rivers and canals are navigable, they take three years in their transit by water. Immense quantities of the less bulky and more valuable species of goods are also brought to the city during the winter upon the ice

in sledges. The principal article of export is tallow; and next to it, are hemp and flax, iron, copper, grain, particularly wheat, timber, potashes, canvass, and coarse linen, &c. The principal imports are sugar and other colonial products; cotton yarn, raw cotton, and cotton stuffs; dye stuffs, wines, silks, woollens, &c. In 1839, the total value of the exports was £6,050,000, and of the imports £9,075,000; embracing together about two-thirds of the external commerce of the empire. This great trade is principally conducted by foreigners, especially the English. Cronstadt, twenty miles lower down the Gulf, is properly the port of St. Petersburg. All ships drawing more than eight or nine feet of water stop at the former, their cargoes being conveyed to and from the city by means of lighters. The amount of shipping despatched from Cronstadt, in 1838, was 1314 vessels, in burden 261,582 tons; of which 765 vessels, in burden 173,292 tons, were to Great Britain, and the remainder chiefly to the Hanse towns, the Netherlands, Sweden, and Prussia. The great drawback on St. Petersburg consists in its little elevation above the level of the sea and the river Neva, and its consequent exposure to the most dreadful inundations. These are generally occasioned by a W. or S. W. wind, accumulating the water of the Gulf at the mouth of the river, and preventing the free exit of the latter. The years 1726, 1752, 1777, and 1824, have been particularly distinguished by these inundations. The last of these visitations was the most appalling and the most destructive. The whole city was laid under water; above 8000 individuals perished, and property to a large amount was destroyed.

## STATE FINANCES.

### MISSOURI.

Extracts from the annual message of Governor John C. Edwards, to the Legislature of Missouri, under date November 16, 1846.

Of the seventy-five thousand dollar loan, authorised by an act of the last legislature, to meet an estimated deficiency in the revenue for the last two years, thirty thousand dollars were procured—twenty from the branch of the bank at Jackson, and fifteen from the branch at Palmyra—the mother bank and other branches refusing to loan any sum—being forty thousand dollars less than the act authorised the executive to borrow. The bonds for these sums have been renewed, and other renewals will be necessary, unless means are provided to pay them off.

The revenue from taxes for the last two years, amounted to \$330,753 60. The ordinary expenses of the state government for the same period, including the expense of holding the state convention, about \$15,000, amounted to \$247,274 78. This shows an ordinary revenue above ordinary expenses, of \$83,478 82. The bonus and dividends from the bank for the same period, were \$29,817 27; and the interest upon the state bonds outstanding, not including \$35,000 due the Jackson and Palmyra branches, amounted to \$142,000, for the same period. This makes an excess of interest on state bonds over the income from the bank to the state of \$113,182 73. The ordinary receipts and expenditures for the next two years, and the income from the bank, and the interest upon the state bonds for the same period, may not vary far from the statements for the last two years. If not, the excess of ordinary revenue, added to the income from the bank, will fail to meet the interest upon the state bonds, for the next

two years, by \$28,703 '91. To meet this sum, it will be necessary to provide for a permanent increase of the revenue. In addition to this sum, the bank claims from the state \$95,000, the most of which is interest paid upon the bonds sold to raise capital for the bank; and the branches at Jackson and Palmyra hold the bonds of the state for \$35,000, as above stated—making, in all, a debt of \$130,000, for the payment of which provision should be made.

Only three bonds of one thousand dollars each, were sold under the act of the last legislature, authorising a sale of bonds bearing a rate of interest not exceeding eight per cent. for the redemption of the ten per cent. bonds, redeemable in 1846 and after. With the proceeds of these bonds, six five hundred dollar ten per cent. bonds were redeemed. No other bonds were sold, because no offers were made to take them, which were then deemed reasonable; and because it was believed at that time that the new constitution would be adopted, and that it would be advisable to invest a portion of the school fund created under that instrument, in the redemption of these state bonds. The act authorising the sale of the bonds was also deemed defective in not providing a place for the redemption as well as the payment of the bonds. Since the rejection of the new constitution, however, the whole amount of the bonds issued under the act of the last legislature, has been offered for sale as eight per cent. at par; and judging from the correspondence with the bondholders, the probability is, that the tens now redeemable, will be exchanged for eights, except a small amount which should be at once redeemed.

#### MANUFACTURES.

The establishment of manufactories is attended with its difficulties. To carry them on very successfully, large investments and a superior population are required. We are not without capital, but the high rate of interest, and the many supposed profitable investments for money which have heretofore existed, have prevented the appropriation of funds to the erection of manufacturing establishments. If the rate of interest were lower, capital would be probably invested in manufactories to a considerable extent. The tariff also retards the establishment of manufactories in our state, whether it be a tariff for protection or a tariff for revenue; for all tariffs are protections to a greater or less extent; but a high tariff tends more to prevent the establishment of manufactories in our state, than a low one—being a greater protection to the eastern manufacturer. The eastern manufacturer contends that he cannot succeed without protection against his foreign competitor. Our interior position, and our remoteness from the principal ports of entry, gives the manufacturer in this country a protection which no tariff can materially affect. If, then, the eastern manufacturer was but lightly protected, or not protected at all, he would find it profitable to remove his capital and to invest it in manufactories in the west, where nature would always protect him against the foreign competitor. No country can manufacture cheaper than our state. We have all the necessary ingredients at the lowest prices. We have the real estate, the water power, the ore to make the iron to make the machinery, the manual labor, the provisions to support the hands, the raw material—the flax, hemp and wool of our own production, and the cotton in exchange for our wheat, corn and tobacco, hogs, horses, cattle and mules—and these ingredients we have, taken together, cheaper than any other country on earth. Even our manual labor is at the lowest price. But, as before observed, to manufacture very successfully, a superior population is required. This we can soon have by fostering the common school, and developing the genius and mechanical ingenuity of the youth of our country.

**NOTE.**—Governor Edwards does not enter fully into the consideration of the finances of the state and condition of the bank. As soon as we receive a copy of the treasurer's report, we will republish it. Missouri is almost free from public debt. The bank capital held by the state is fully equal to its present indebtedness.

|                                                                         |           |
|-------------------------------------------------------------------------|-----------|
| The receipts at the treasury for two years to October, 1842, were       | \$393,356 |
| Cash on hand October, 1842,                                             | 41,963    |
|                                                                         | 435,309   |
| Expenditures.                                                           |           |
| For two years ending October, 1844,                                     | \$376,987 |
| Bounty for wolf scalps,                                                 | 9,628     |
|                                                                         | \$386,615 |
| Surplus receipts,                                                       | \$ 48,964 |
| Public debt, October, 1844,                                             | 997,000   |
| Annual interest on same                                                 | 75,500    |
| Amount of stock held by the state in the bank of the State of Missouri, | 964,905   |

## GOVERNMENT.

|                                                                                             |                            | Term ends. | Salary. |
|---------------------------------------------------------------------------------------------|----------------------------|------------|---------|
| John C. Edwards,                                                                            | Governor,                  | Nov. 1848. | \$2,000 |
| James Young,                                                                                | Lieutenant-Governor,       | do.        |         |
| Falkland H. Martin, of Jefferson, Secretary of State, and Superintendent of Common Schools, |                            | Nov. 1849. | 1,300   |
| James H. McDearman, of City of Jefferson, Auditor of Accounts,                              |                            | 1849,      | 1,600   |
| Peter G. Glover,                                                                            | do. Treasurer,             | 1847,      | 1,350   |
| Benjamin F. Stringfellow,                                                                   | do. Attorney General,      | 1849,      | 750     |
| George W. Huston,                                                                           | do. Reg'r of Lands,        | 1849,      | 1,250   |
| Gustavus A. Parsons,                                                                        | do. Adjutant General,      |            | 100     |
| George W. Miller,                                                                           | do. Quartermaster General, |            | 100     |
| Frederick Conway, of St. Louis,                                                             | Surveyor General,          |            | 1,500   |
| Henry Shurlds,                                                                              | do. Cashier                | do.        | 2,000   |

The Lieutenant-Governor is, *ex officio*, President of the Senate, and receives \$4 50 a day while presiding over the Senate; and the pay of the Speaker of the House of Representatives is the same. The Senators are chosen every fourth year, and the Representatives every second year. Their pay is \$3 a day. The legislature meets at the city of Jefferson biennially, on the 4th Monday in November,

## JUDICIARY.—Supreme Court.

|                                                               |                      | Salary. |
|---------------------------------------------------------------|----------------------|---------|
| William B. Napton, of the city of Jefferson, Presiding Judge, |                      | \$1,100 |
| Priestly H. McBride,                                          | do. Associate Judge, | 1,100   |
| William Scott,                                                | do. do.              | 1,100   |

The Supreme Court is held at the city of Jefferson. This Court exercises appellate jurisdiction from the Circuit Court, and has original jurisdiction in cases of habeas corpus, mandamus, &c.

## Courts of St. Louis.

|                    |                                 | Salary.         |
|--------------------|---------------------------------|-----------------|
| Montgomery Blair,  | Judge of Court of Common Pleas, | \$200 and fees. |
| Alonzo W. Manning, | Judge of Criminal Court,        | \$1,000         |

## Circuit Courts.

| Judges.                       | Salary. | Attorneys.          | Salary.         |
|-------------------------------|---------|---------------------|-----------------|
| James W. Morrow, 1st Circuit, | \$1,000 | B. F. Stringfellow, | \$750 and fees. |
| John D. Leland, 2d do.        | 1,000   | James Gordon,       | 250 do.         |
| Ezra Hunt, 3d do.             | 1,000   | Alfred W. Lamb,     | 250 do.         |
| Addison Reese, 4th do.        | 1,000   | James C. Abernathy, | 250 do.         |
| John F. Ryland, 5th do.       | 1,000   | Robert Smart,       | 250 do.         |
| A. A. King, 6th do.           | 1,000   | George W. Dunn,     | 250 do.         |
| F. P. Wright, 7th do.         | 1,000   | Thomas Ruffin,      | 250 do.         |
| John M. Krum, 8th do.         | 1,000   | Nathaniel Holmes,   | 250 do.         |
| John H. Stone, 9th do.        | 1,000   | John S. Brickey,    | 250 do.         |
| John D. Cook, 10th do.        | 1,000   | Albert Jackson,     | 250 do.         |
| James A. Clark, 11th do.      | 1,000   | W. Halliburton,     | 250 do.         |
| Sol. H. Leonard, 12th do.     | 1,000   | Isaac N. Jones,     | 250 do.         |
| Ch's S. Yancey, 13th do.      | 1,000   | John T. Coffee,     | 250 do.         |
| Ch's H. Allen, 14th do.       | 1,000   | P. O. Minor,        | 250 do.         |

A Circuit Court for each county is held twice in each year. The jurisdiction of the Circuit Court extends to all matters of tort and contracts over ninety dollars, where the demand is liquidated, and over fifty dollars, where the agreement is parol. It has exclusive criminal jurisdiction, and superintending control over the County Courts and Justices of the Peace, subject to the correction of the Supreme Court. The Circuit Court is held in each county. The judges of the Supreme and Circuit Courts are nominated by the Governor, and confirmed by the Senate; and they hold their office during good behavior, though not beyond sixty-five years of age.

*Court of Common Pleas for the City of Hannibal.*

Thomas Van Swearingen, Judge, \$200 and fees.

These are local tribunals, established for exercising jurisdiction only in the county. An appeal lies to the Supreme Court. The judge is appointed by the concurrent vote of the two Houses of the General Assembly; and he holds his office during good behavior.

## County Courts.

The jurisdiction of the County Courts is limited to matters of probate and local county affairs, as roads, &c. A County Court sits in each county, and is composed of three justices, who are elected by the people, and hold their offices for four years. An appeal lies to the Circuit Court.

## VIRGINIA.

Extracts from the annual message of Governor William Smith to the Legislature of Virginia, under date December 10th, 1846.

It affords me great pleasure to inform you that the finances of our state are in a highly satisfactory condition. On the first day of October, 1845, the balance in treasury was \$ 106,386 06. On the first day of Oct. of the present year it was \$ 137,433. By certain laws of your last session, appropriations were made from the treasury, chargeable upon the then accruing

revenue, portions of which, estimated to amount to \$ 97,000, were undrawn at the close of the last fiscal year. Regarding this sum as a charge upon the treasury and drawn therefrom, there would have been still left at the period aforesaid a balance of \$ 40,433; and this after promptly meeting every demand upon the treasury, and paying off \$ 45,676 67 of the public debt, which debt was only payable at the pleasure of the legislature. But many of the charges upon the treasury are entirely contingent in their character. Of such charges many cannot, and none may again recur. And I have the satisfaction to inform you, that, under a rate of taxation annually decreasing for the last three years, after defraying all the charges of government, and other permanent appropriations, you will have at your command during the present fiscal year an estimated surplus of upwards of \$ 150,000.

This prosperous state of our finances would seem to call for a further reduction of our taxes. But instead of such a policy, I earnestly recommend a small increase of them, upon licenses, pianos, clocks, and watches, dividends and upon interest, except that payable upon our state bonds.

I also recommend a restoration of the tax on money. Money may be regarded as the most efficient form of property. Not content with ordinary profits, the owners of money generally hold it for the purposes of usury or speculation—and I therefore think I may safely assume, that there is no portion of the property of the commonwealth that can with so much propriety be called upon to contribute to the support of the state.

The literary fund exhibits the same general features as were presented by the last annual report. Although the permanent funds have received substantially the usual increase from fines, forfeitures and penalties, from sales of runaway slaves, from escheats and derelict estates, from delinquent and forfeited lands, and from the Bristoe estate, yet the report will show the material reduction of \$ 63,630—a loss to the funds resulting from the depreciation of the stock of the Bank of Virginia, and now developed under a law of your last session. This fund also sustained heretofore a loss of \$ 18,050, on U. States Bank stock. This fund, since its creation, has at different periods lost heavily on dividends, It still owns 3767 shares of bank stock, now worth, it is supposed, \$ 313,170. It does seem to me that this valuable fund, dedicated by your enlightened and patriotic predecessors to the intellectual improvement of our fellow-citizens, should not be identified with our monetary system, liable to all its losses, and without any corresponding equivalent. I therefore recommend, that the state take this stock on her own account and pay to the literary fund a perpetual annuity of \$ 18,790, that sum being an interest of six per cent upon the estimated value of the stock aforesaid; or, that the president and directors of the literary fund be required to exchange it, as they can, at par, for any safe six per cent. investment.

The literary fund also holds state bonds to the amount of \$ 1,000,500 50, upon which the state pays an annual interest of \$ 61,328 39. Why should this relation of creditor and debtor between the state and literary fund be maintained? Wherein consists its utility? The old idea, that the state might refuse to make such an appropriation, is entitled to but little consideration, and certainly less respect. The day is past, if it ever existed, when Virginia, unmindful of her honor and her duty, would refuse to pay a specified and acknowledged debt, destined too to the education of her own children. I therefore recommend that the bonds in question be surrendered to the state, to be cancelled, and that the legislature pay to the literary fund, for and in consideration thereof, a perpetual annuity of \$ 61,328 39. The two suggestions which I have made in connexion with this subject, if adopted, will put an end to frequent recurring and sometimes inconvenient in-

quiries—will to some extent diminish the expenses of managing the fund, and assuredly contract and simplify its accounts.

It is known to you, gentlemen, that a person holding a bond, single bill, note of hand or other evidence of debt, can sue thereon and hold the obligor to bail, as of right. It may be that not a dollar is due—that the apparent debtor is on the highway in search of a western home. It matters not that ruin may be the consequence of his detention. It is so nominated in the bond; and he must remain in prison, discharge the unjust demand, or give the bail required. Is this state of the law in harmony with the enlightened spirit of the age?—I think not, and therefore I earnestly recommend that a law be enacted, providing that bail shall not be demandable in such cases, except upon the oath of the creditor or some person for him, as to the sum *bona fide* due, and, that the obligor is about to depart this commonwealth, so that process of execution cannot be served upon him.

The quarterly reports of our banks are herewith communicated. I have not been able to give to these institutions that examination their importance requires. Although their general condition is sound and healthy and their administration is in charge of officers of high character and intelligence, I feel it to be my duty to call your attention to those located in this city. One of the great objects in the creation of banks is to provide a mixed currency of paper and specie, equal in value and convertible at pleasure. On no other terms could any bank have been chartered by your predecessors, yet in this city, in which three of them are located, their practice defeats this important policy. It is true they pay specie for their own issues respectively; but the obligation to do so does not extend to branches of the same institution, located elsewhere. By paying out therefore in this city the notes of distant branches, as is their daily practice, they supply this community with an irredeemable and therefore depreciated currency—deprive specie of its legitimate character and make it an article of merchandise—compel our manufactures to purchase it for the adjustment of their weekly balances with their operatives, or to use the pestilent small note circulation of other states. This policy of the banks is most assuredly in conflict with the true intent and meaning of their respective charters, and with the solid and substantial interest of the state. As part of the same system, as I am informed and believe, these banks refuse to collect for banks in other states, otherwise than in current funds, so that all checks and drafts for collections are payable in the depreciated currency to which I have alluded. This policy is annoying and inconvenient to men of business—in disregard of sound and healthy banking,—injurious to the character of our state, and in all respects indefensible. We are not in debt, and this policy has not even the insufficient excuse of necessity. True, it enables the banks to increase their profits on their exchange dealings, and furnishes an argument in favor of their being allowed to issue small notes. But, I should regret to believe that such considerations induce the policy in question. But, be the reasons what they may, the facts are incontestible, that the prevailing currency of this city is irredeemable therein,—that specie is at a premium,—that to such extent exchange is enhanced,—and that the banks pay out this depreciated paper at par. I regard it as a duty of our banks to put out and maintain a cash currency, and not to pay out as cash the notes of distant branches. The legality of such a practice may moreover be questioned, and it may be advisable for you to interfere, and to protect the state against the danger of future loss.

For the correction of this abuse, I recommend the passage of a law requiring each bank to pay out its own notes, except when other funds are required. Such a law would make our banks cautious and healthy, each

bank sending home the notes of the others for payment, all would be kept within safe and prudent limits,—specie would cease to be at a premium,—exchange would decline, and the small notes of other states would instantly disappear.

#### INTERNAL IMPROVEMENTS.

Our internal improvement fund has been diminished in the past year \$ 557,598 59. To this may be added our stock in the Winchester and Potomac rail road company and about one-third of our loan to it, making in the aggregate \$ 170,000. The policy which seems to have governed the last legislature in relation to this company, will I presume be extended to other embarrassed corporations, and the consequences will be a heavy reduction of the nominal amount of our internal improvement fund. I am satisfied, however, that this act was hurried through the legislature, amid the confusion of its closing scenes, and thus escaped that vigilance which it would otherwise have received. That act gives up \$ 270,000 for an annuity of \$ 5,000 without any assurance of the payment of that small sum, and cannot be accounted for, otherwise than as I have stated. It plainly demonstrates the importance of adopting some precaution against the recurrence of similar legislation. Notwithstanding the serious reduction in the amount of this valuable fund I am happy to inform you that its income is improving.

The two great works I have to recommend to you are railroads, the one to commence at Buchanan, the other at Gordonsville. The one first named will proceed through the great southwestern valley, developing the finest mountain country in Virginia, and perhaps in the world, until it reaches the Tennessee line. From this point, I am satisfied, Tennessee will take up the improvement and carry it on to Knoxville, and down the Tennessee river to the Alabama line, and that it will be carried on to the city of New Orleans by the intervening states. This great improvement will intersect the Hiwassee railroad in Tennessee, thus tapping the great work running from Memphis, on the Mississippi, to Georgia and North Carolina. Let us give a pledge that this work shall be commenced without delay and prosecuted to its completion. Let us send a delegation to the states through which this route passes, and invoke a simultaneous movement; and we shall in a few years see this great work completed, exhibiting a railroad of unequalled extent and importance, and which will pour a flood of wealth into Virginia, which will raise her to a position as proud and as lofty as was claimed for her in her palmyest days.

The second great railway that I propose, is to commence at Gordonsville, and is to terminate on the Kanawha or Ohio river. In selecting the location of this route, I propose to press as far North as practicable. My desire is to reach the headwaters of the Greenbrier, the Elk, the Little Kanawha, the Cheat, and the Tygart's Valley rivers. I wish to reach that summit level, if possible, with the main stem, because from that point improvements might move off down the vallies of those rivers, and returning, bring to the parent stem the rich productions of the West. It is believed that this scheme will have to encounter great physical difficulties. That they are great I readily grant; but I do not believe them to be as disastrous as are apprehended. The outlay may be heavy;—greater than on any other routes; but enterprise and perseverance, guided by science, are invincible, and the equivalent will be found in the numerous and important advantages which this route will secure to Virginia. First, it will retain within our state a large amount of produce which now goes to Baltimore. Second, it will carry a great improvement within easy reach of the whole of north-western Virginia, especially that part of it which is now anxious for what

may be termed the *Baltimore right of way*. Third, it will give to a large section of the state, now without an adequate road, the very best known style of improvement. Fourth, it will concentrate within our own state the resources and affections of her population and put an end to the ambitious and selfish scheming of a foreign corporation. Fifth, it will connect us with the Ohio, and enable us successfully to contend with the whole world for the trade of the western vallies. These advantages may be ours, and are indispensable to our real prosperity and independence. \* \*

## GOVERNMENT.

|                     |                 | Term ends.                                                 | Salary.      |
|---------------------|-----------------|------------------------------------------------------------|--------------|
| William Smith,      | Fauquier co.    | Governor, Jan. 1, 1849,                                    | \$3,333      |
| John M. Patton,     | Richmond,       | Councillor of State, Mar. 31, '47,                         | 1,000        |
| Raleigh T. Daniel,  | Richmond,       | Do. Mar. 31, '48,                                          | 1,000        |
| John F. Wiley,      | Amelia co.,     | Do. Mar. 31, '49,                                          | 1,000        |
| Fabius M. Lawson,   | Richmond,       | Treasurer,                                                 | 2,000        |
| James E. Heath,     | Richmond,       | Auditor,                                                   | 2,000        |
| James Brown, jr.    | Richmond,       | 2d Auditor, and Superintendent<br>of the Literary Fund,    | 2,000        |
| Stafford H. Parker, | Richmond,       | Register of the Land Office,                               | 2,000        |
| Sidney S. Baxter,   | Richmond,       | Attorney General,                                          | Fees & 1,000 |
| W. H. Richardson,   | Henrico co.     | Secretary of the Commonwealth,<br>Adj. Gen. and Librarian, | 1,720        |
| Thomas F. Lawson,   | Richmond,       | Clerk of the Council,                                      | 1,000        |
| Charles S. Morgan,  | Richmond,       | Superintendent of Penitentiary,                            | 2,000        |
| Edward P. Scott,    | Greenville,     | Speaker of the Senate,                                     | \$6 a day.   |
| William O. Goode,   | Mecklenberg co. | Speaker of the House,                                      | \$8 a day.   |

The Governor, Treasurer, Auditor, 2d Auditor, and Register of the Land Office are, *ex officio*, members of the Board of Public Works, Literary Fund, and Northwestern Turnpike. They do not receive compensation for this service.

JUDICIARY.—*Court of Appeals.*

|                     |                   |                               | Elected in | Salary. |
|---------------------|-------------------|-------------------------------|------------|---------|
| William H. Cabell,  | Richmond,         | President,                    | 1830,      | \$2,750 |
| Francis T. Brooke,  | Spottsylvania co. | Judge,                        | 1830,      | 2,500   |
| John J. Allen,      | Botetourt co.     | do.                           | 1840,      | 2,500   |
| Briscoe G. Baldwin, | Staunton,         | do.                           | 1842,      | 2,500   |
| One Vacancy.        |                   |                               |            |         |
| Joseph Allen,       | Richmond,         | Clerk of the Eastern Circuit, |            | 1,000   |
| John A. North,      | Lewisburg,        | Clerk of the Western Circuit, |            | 1,000   |

The judges are entitled to receive, in addition to their salaries, twenty-five cents a mile for necessary travel. The Court of Appeals holds two sessions annually; one at Lewisburg, Greenbriar county, for the counties lying west of the Blue Ridge, commencing on the 2d Monday in July, and continuing ninety days, unless the business shall be sooner despatched; the other at Richmond, for the counties lying east of the Blue Ridge, commencing at such times as the court may from time to time appoint.

*General Court.*

The state is divided into ten judicial districts, and each district into two circuits, except the fourth, which comprises three. The third circuit of the fourth district is the twenty-first district of the state, containing but a single

court, called the "Circuit Superior Court of Law and Chancery for the county of Henrico and city of Richmond." In this court, there are two judges; one on the law side, with a salary of \$1,800; the other on the chancery side, with a salary of \$2,000. On the death, resignation, or removal of either of the two judges now attached to this court, his duties are to devolve on the other, without any increase of salary. In all the other circuits, the chancery and common law jurisdictions are blended in the same judges, each of whom has a salary of \$1,500, and \$4 for every twenty miles of necessary travelling.

| Judges.                 | Residence.       | Judges.                   | Residence.     |
|-------------------------|------------------|---------------------------|----------------|
| 1. Rich'd H. Baker,     | Nansemond co.    | 12. L. P. Thompson,       | Staunton.      |
| 2. James H. Gholson,    | Petersburg.      | 13. Isaac R. Douglass,    | Morgan ca.     |
| 3. Geo. B. Scarborough, | Accomac.         | 14. Daniel Smith,         | Rockingham co. |
| 4. J. B. Christian,     | Charles city co. | 15. Benjamin Estill,      | Wythe co.      |
| 5. John T. Lomax,       | Fredericksburg.  | 16. James E. Brown,       | Wythe co.      |
| 6. John Scott,          | Fauquier co.     | 17. Edward Johnston,      | Botetourt co.  |
| 7. John B. Clopton,     | Richmond.        | 18. Edwin S. Duncan,      | Harrison co.   |
| 8. Dan. A. Wilson,      | Cumberland co.   | 19. D. W. McComas,        | Wythe co.      |
| 9. William Leigh,       | Halifax co.      | 20. Joseph L. Fry,        | Wheeling.      |
| 10. N. N. Taliaferro,   | Franklin co.     | 21. } Philip N. Nicholas, | Richmond.      |
| 11. Rich'd H. Field,    | Culpepper co.    | } John Robertson,         | do.            |

A Circuit Superior Court of Law and Chancery is held twice every year in each county and in some corporations. The judges who hold the Circuit Courts are also required to hold, every year, two terms of the General Court in the capitol at Richmond. It is the duty of fifteen of the judges to attend this Court, eleven being necessary to form a quorum. One term begins on the last Monday in June; the other, on the first Monday of December. The judges are required to arrange themselves into four classes, of five judges each, one of which is exempt, in rotation, from attending the court.

The General Court has appellate jurisdiction in the last resort in criminal cases; also, original jurisdiction of probates and administrations, and some claims of the Commonwealth. Its judges, or a portion of them, sit as a special Court of Appeals, in cases in which the judges of the Court of Appeals proper are disqualified by interest or otherwise.

### County Courts.

A Court sits in each county every month, held by four or more justices of the peace. These courts, formed by plain farmers or country gentlemen, are invested with a jurisdiction wider than that of any other court in the state, covering almost the whole field of cognizance, civil, criminal, legal, and equitable. Any one justice can hold a court with jurisdiction over all causes in which the value does not exceed twenty dollars. At the monthly and quarterly sessions, which are held by four or more justices, deeds and wills may be proved, and chancery matters and suits at common law be heard and determined, with a right of appeal to a Superior Court. These courts, exclusively, try slaves for all offences; and they examine free persons charged with felony, previously to their trial in the Circuit Court. Free negroes and Indians are on the same footing with slaves.

### Productive Property of the State.

|                                |                |
|--------------------------------|----------------|
| Bank stocks,                   | \$4,217,700 00 |
| Old James River Company stock, | 243,000 00     |

|                                           |                |
|-------------------------------------------|----------------|
| Stocks in railroad companies,             | \$1,172,100 00 |
| Do. in navigation companies,              | 361,173 03     |
| Do. in turnpike companies,                | 98,202 00      |
| Loans to corporations,                    | 369,128 96     |
| Do. to colleges, &c.                      | 50,500 00      |
| Certificates of debt of city of Richmond, | 13,000 00      |
| Railroad companies for dividends due,     | 71,040 00      |
|                                           | <hr/>          |
|                                           | \$6,595,843 99 |

*Funds and Resources of the Commonwealth, Sept. 30, 1845.*

|                                                                                                                                    |                 |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 1. Productive stocks and funds,                                                                                                    | \$6,595,843 99  |
| 2. Funds unproductive, but available,                                                                                              | 350,000 00      |
| 3. Stocks in improvements not completed, and unproductive,                                                                         | 3,357,568 44    |
| 4. Stocks in improvements completed, but unproductive, and other unproductive funds,—about 5-12ths of these may become productive, | 1,039,758 18    |
|                                                                                                                                    | <hr/>           |
|                                                                                                                                    | \$11,343,170 61 |

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SOUTH CAROLINA.

Extracts from the annual message of Governor William Alken to the Legislature of South Carolina, dated November 24th, 1846.

During the past year the indebtedness of the state has been materially reduced. The bank of the state has paid off the balance of the sum of \$300,000, issued under the act of 1825, and which fell due on the first of January last. The promptness with which the several issues of state stock have been redeemed, as they became payable, cannot fail to reflect most favorably on the credit of the state. The bank has transferred to the sinking fund, from the profits of the fiscal year, ending 1st October, the sum of \$95,000 and has set apart a further amount, which it has been considered prudent to reserve to cover losses. This is an evidence that the institution is in successful operation. That the bank has sustained losses during the year is to be apprehended, but this is incident to every such institution. No exercise of caution can prevent losses from sometimes occurring; and more especially it is difficult to avoid them, when they arise out of circumstances which violate the most sacred obligations due to society. Isolated instances of this nature cannot and ought not to weaken our confidence in the well established character of our public agents; nor is there any thing in the amount of such losses, to awaken anxiety as to the safety of the institution.

The rate of interest, as at present established in this state, it appears to me might with advantage be reduced to a lower standard. Our banks all loan money at six per centum, and the interest on all bonds and judgments, in favor of the United States, is computed at the same rate. Without going elaborately into the subject, I would suggest the propriety of a lower rate, and that it be fixed hereafter at six instead of seven per centum, as at present.

It is in vain that we have access to the ocean,—that we have safe and convenient harbors, and valuable productions for exportations,—our south-

ern cities will never enjoy the full benefit of these advantages, until we improve, increase and extend the means of communication with the interior. The state has heretofore exhibited a wise policy in investing the greater part of the surplus revenue in the South Carolina rail road. So far as the encouragement of a valuable enterprise was in view, the object has been accomplished. The company is now in active and successful operation, and the rail road promises to become a source of wealth,—not only to the stockholders, but to the commercial and agricultural interests of the state.

Your patronage is no longer essential or necessary to its success, and the period has arrived, when the state may safely separate itself from the company, by transferring the funds invested in it to the encouragement of new enterprises of a similar character. A road from Columbia or Aiken, to Greenville, and another, to pass from the South Carolina rail road, through several of the districts east of the Wateree river, to some part of the North Carolina line, have been suggested, and their great importance strongly commend them to your consideration.

I would especially recommend to your attention, the enlargement and improvement of the internal communications of the state, by means of rail roads. There is no object on which your fostering care can be bestowed, that will more amply reward your efforts, or the results of which will be more generally distributed throughout the state. Our rivers—important as they are, as channels of communication,—do not afford the facilities necessary to unfold the mineral and agricultural resources,—to awaken the energy and enterprise of our citizens, and to secure to them the opportunity of competing with other portions of our own country, and with foreign nations, it is necessary that new facilities should be obtained. But rail roads are not only important as means for conveying the productions of the state to market, they are, to us, essential, as the basis of a foreign trade.

GOVERNMENT.

			Salary.
David Johnson, Governor, (term expires December, 1848,)			\$3,500
William M. Cain,	Darlington,	Lieutenant-Governor	
Robert Q. Pinkney,	Charleston,	Secretary of State,	Fees.
William C. Black,	Columbia,	Comptroller General,	2,000
Jeremiah D. Yates,	Charleston,	Treasurer, Lower Division,	2,000
Francis Burt,	Pendleton,	do Upper Division,	1,600
Thomas Frean,	Newberry,	Surveyor General,	fees.
Henry Bailey,	Charleston,	Attorney General,	1,100 and fees.
William W. Ancrum,	Summerville,	Sup't of public works,	1,500
F. H. Elmore,	Charleston,	President of the Bank of the State of South Carolina,	3,000
W. E. Martin,	Grahamville,	Clerk of the Senate,	
Thomas W. Glover,	Orangeburg,	Clerk of the House,	1,000

JUDICIARY.—Chancellors in Equity.

		Appointed.	Salary.
Job Johnston,	Newberry,	1830,	\$3,000
William Harper,	Fairfield,	1835,	3,000
James J. Caldwell,	Columbia,	1846,	3,500
Benj. Faneuil Dunkin,	Charleston,	1837,	3,000

Judges of the General Sessions and Courts of Common Pleas.

		Appointed.	Salary.
D. L. Wardley,	Abbeville,	1841,	\$3,000
John S. Richardson,	Sumter,	1818,	3,500
Josiah J. Evans,	Society Hill,	1829,	3,000
Edward Frost,	Charleston,	1844,	3,000
A. Pickens Butler,	Edgefield,	1835,	3,000
J. B. O'Neill,	Newberry,	1835,	3,000
A. H. Speers, state reporter,	Laurens,	1841,	1,500

Courts of appeals in law and equity for hearing and determining all appeals, and motions in arrest of judgment, and for a new trial, are held in Columbia, on the first Monday in May, and on the fourth Monday in November, in every year. A similar court sits in Charleston, on the first Monday in January, for cases brought up from the courts in the districts of Georgetown, Horry, Beaufort, Colleton, and Charleston.

The courts for the correction of errors, consisting of all the chancellors, and judges of the courts of law, are held at such time during the sitting of the courts of appeal, as the chancellors and judges may appoint.

Alexander Herbemont, Clerk of the Court of Appeals.

FINANCES.

Whole amount of the state debt, in year ending Sep. 30, 1845, \$3,234,502 31

The property of the state is as follows:

Bank of state of South Carolina, for capital,	\$2,466,922 74
Do do for the Sinking Fund,	685,545 83
Debt of railroad and canal companies,	418,786 54
Shares in Louisville C. and C. Railroad Company,	800,000 00
	<hr/>
	\$4,371,255 11

 ARKANSAS.

Extracts from the annual message, of Governor Thomas S. Drew, to the Legislature of Arkansas, November, 1846.

SURPLUS REVENUE.

The almost entire absorption of that fund, at or about the close of the last session of the general assembly, left the state no other means to meet the heavy appropriations then made for the current expenses of government for 1845-6, (and the payments out of which amount to the sum of \$107,221,) than the limited means afforded by a levy of one-eighth of one per cent. on \$20,600,000 worth of taxable property, which produced a sum less than one half the required amount. The attempt at the last session to improve the finances of the state, by the issue of treasury notes, calling them par funds, and requiring the payment of all public dues to be made in gold and silver or par funds, in place of worthless bank paper; without providing the necessary means to meet such requirements, was as futile as it was ill-advised.

ANNUAL REVENUE.

The receipts into the treasury from all sources, for the two fiscal years preceding the first of October, 1846, are as follows, to wit: Amount paid in

for the redemption of forfeited lands, \$2,115 02; by sheriffs and collectors for same period, \$47,393 88, and by non-residents under the act of the 6th of January, 1845, \$2,409 52, making the sum total of \$51,918 42, of which only \$7,381 99 was paid in specie, \$20,392 19 was paid in treasury warrants, and \$24,144 24 in Arkansas bank paper. The latter sum, it will be seen, was paid in under the law operating prior to the 10th of January, 1845, and the discrepancy in the amount received for taxes in treasury warrants, and the amount stated as having been redeemed, proceeds from the fact, that treasury warrants were redeemed with the amount of the specie paid in by collections, \$7,381 99, and the further amount of \$3,780 19 turned over by the land agent in the way of reimbursing the treasury for money obtained therefrom, and expended previously in the location of the 500,000 acre donation, which was provided for by the act of the 10th of January, 1845.

NEW SYSTEM OF REVENUE.

I am constrained to present to your respectful consideration, a scheme of finance, simple, but well suited, I think, both to the immediate necessities of the state and the abilities of the people. I take \$20,000,000 worth of property, made taxable by our present revenue laws, as a maximum for the last eight years, which I find is near the truth by an inspection of the tables for that number of years. One-eighth of one per cent. upon this valuation has produced in the two fiscal years now closing, the sum of \$51,918 42, corresponding to which for the same period, the expenditures although much under those of any other two of the last eight years in the series, amounts to about \$107,221 77, exhibiting a deficit of \$55,303 35 for 1845-'46. There are individual judgments now existing against the state bank, for something like \$30,000, which must be provided for, and paid out of the treasury—and the further sum of at least \$40,000 will be required for rebuilding the penitentiary. If paid in four years, \$35,000, or one-half of the aggregate of these two sums will fall due within 1847-'8, which with the outstanding treasury notes amounting to \$37,779 09, added to only \$100,000 ordinary expenses for the two next years current, will make the enormous sum of \$172,779 09. To meet this it will be necessary to make a levy upon a wider range of articles of property, embracing buildings and other improvements, ornamental as well as useful, in all our towns and cities, as well as in the country—improvements on confirmed land, and embracing likewise incomes and salaries, which it may be found necessary to subject to a fair proportion of taxation. By these means an additional valuation it is believed of \$10,000,000, will be added to the present amount of \$20,000,000, making \$30,000,000, which at a rate of one-fourth of one per cent., will produce the sum of \$75,000 annually, or \$150,000 in two years, a sum much greater than that of 1845-6, and nearly equal to the actual expenditures of the years 1843-4, and which, with a judicious curtailment of expenses of bank officers, and special judges, whose services may be dispensed with in two years to come, will produce a surplus sufficient to pay off and redeem the outstanding treasury warrants.

Should the present legislature take the responsibility upon themselves thus to place the finances of the state upon a sound and firm basis, it might be well, in order to give immediate credit to the treasury, to authorize the treasurer to effect quarterly loans of the state land agent of all sums collected on account of the 500,000 acre donation, to be reimbursed as the means of the treasury may justify, within the next five years: giving the land agent evidences of debt in the form of scrip, bearing six per cent. interest.

The subject of the embarrassment of the state in its ordinary and current

expenses, involving only thousands, although a matter of very justly of deep concernment to every patriot, sinks to insignificance when compared to a responsibility, involving that of millions. And without any disposition to disclaim participation in the early inception of this heavy responsibility upon the state and people, and, while I acknowledge my inability to grapple with a subject of so much importance, I will not shrink from that responsibility which the nature of my position calls upon me to assume.

The history of our legislature, immediately following our admission into the union, informs us of the establishment of two banks, whose operations were based upon the faith and credit of a state then just sprung into existence.

There were issued and sold on account of the Real Estate Bank 1530 bonds of the state, of \$1,000 each, besides 500 others, hypothecated, and \$121,336 59, received thereon. On the 7th September, 1840, interest was regularly paid on the first mentioned bonds up to the 1st of July, 1841, since which time to 30th September, 1846, interest has accumulated to the enormous sum of \$472,815, and as nothing has been paid on 121½ bonds, on which payment was received of those hypothecated, the interest justly due thereon from the date of the hypothecation to the same period is \$44,136 15½, making total amount of interest due on state bonds sold on account of the Real Estate Bank, and unpaid up to 30th September, 1846, the sum of \$516,951, which, after deducting 29 bonds redeemed, leaves outstanding 1622½ bonds, or \$1,622,336 59, principal, or total of principal and interest on account of the Real Estate Bank the sum of \$2,139,287 59, with a running interest at six per cent. on the sum of \$1,222,336 59, equal to \$97,340 19 per annum; to meet which, we find that this bank went into a state of liquidation in April, 1842, with assets of various kinds estimated at \$2,405,966 15 with accruing interest on bills and notes—and stock notes amounting to \$1,923,241 39, from which, if we deduct the expenses of winding up the bank, together with the sum total of circulation then outstanding, and add the interest account due on so much of the last mentioned sum as may have accrued up to the 30th September, 1846, the balance will show, for what amount the state will ultimately stand responsible, and for which the lands of stockholders will be liable at the close of the charter. This calculation should be made, however, after making due allowance for all bad and uncertain debts, which are believed to be considerable.

The total number of acres mortgaged by subscribers for stock is \$187,810 89, the appraised valuation amounted to \$3,380,772 38, which was believed high at the time. The estimated depreciation is \$1,368,212, leaving a responsibility resting on lands under mortgage of something over two millions.

Of the bonds sold on account of the state bank, amounting to 1176, there have been seven returned, and twenty-two redeemed by the bank, leaving outstanding 1147—150 of which are bearing interest at the rate of 5 per cent., and the unpaid coupons due thereon up to the 30th September, 1846, make the sum of \$36,775. The remaining 997 bonds are at 6 per cent., and the interest on these up to the same date is \$294,165—or total interest \$330,940—or principal and interest on bonds sold on account of state bank is 1,477,940 dollars.

The annual accruing interest on the principal of \$1,147,000 is \$67,320. Thus it will be seen at a glance that, apart from the liabilities of the state on account of current, ordinary, and incidental expenditures of government, the state stands responsible, and has assumed in the most solemn manner, (by pledging her faith and credit for the payment of bonds on account of

two banks,) the enormous sum of \$2,769,386 59, with the accumulated amount of interest thereon of \$848,891, making the grand total of \$3,617,227 59—with an annual accruing interest of \$164,660 19.

STATE BANK.

To meet the bonds and interest on account of the state bank, that institution reports bills and notes and supposed interest thereon to the amount of \$1,269,608 86; real estate bank paper and other means \$205,695 36; real estate, and banking houses \$98,064 86, making the sum of \$1,573,369 06, from which may be deducted the sum of \$490,342 50. Of this, \$317,402 21 is on account of uncertain bills and notes, \$5,695 36 is on account of uncurrent money, and \$49,032 43 on account of depreciation, being one-half of the original cost of real estate and banking houses, and \$118,212 50 being the amount of circulation unredeemed, leaving the probable productive sum of \$1,063,026 58. Thus, under the supposition that the judgment against the bank and the salaries of bank officers will continue unpaid by the treasury, there is still a palpable deficiency, to be met by the state, of \$394,913 42 on account of the state bank. This is believed to be a sum larger in amount than we have reason to fear from loss on the part of the real estate bank. This opinion is strengthened by two very important considerations; first, the causes already assigned in withdrawing, for purposes of the state, the surplus revenue, which represented as a basis a corresponding amount of circulation of the state bank, and the more reliable guarantee for the full payment of all liabilities to the real estate bank, based upon the security afforded by mortgages on lands of increasing value.

There has been collected by the receiver of the principal bank, and branches of the state bank, from the 6th of April, 1845, to 30th September, 1846, the sum of \$80,567 29, or about one year's interest on the principal during a period of eighteen months. The expenses of winding up the institution may be about \$8,000 per annum, to say nothing of costs of suits, which are supposed to be considerable.

The growing uncertainty in collections, taken in connection with slight manifestations in some portions of the state to repudiate the payment of these debts, and, as is believed, a growing prejudice against the system of liquidating the claims of this bank, induce me to recommend that the general assembly devise some other plan, more congenial with the wishes of the debtor, and the immediate interests of the state, either by calling in the branches, or by disposing of the assets to the highest bidder for part in prompt payment, and the balance on one, two and three years. The state will, in this latter course, suffer an immediate nominal loss, but in the end save much by the operation. This is an institution in which the people of the state are alone interested; through their representatives they made themselves responsible for its creation, its operations, and for its final settlement, and it is now time, not only to give an expression of opinion upon this subject, but the time for action has arrived.

There is already a heavy deficiency shown to exist, and it behooves this general assembly to close the concern in the most speedy way possible, consistent with the general safety, and to point to the means to discharge the deficit, which the state must feel itself not only responsible for, but fully competent to discharge.

And in looking to means to meet this heavy and pressing responsibility, after having pointed to the proper means of defraying the current expenses, I would further most earnestly recommend, that less we be tempted to use for this purpose the internal improvement fund, as we did the surplus reve-

now, that the proceeds arising from the sales of the 500,000 acre donation after the first of October, 1848, be applied in the most profitable way towards the payment of the bonds sold on account of the state bank, and the interest thereon, to an extent corresponding with the amount of the deficiency exhibited upon the final settlement of that institution.

A continuation of the present tardy policy in winding up this institution may justly subject us to a charge, which may prove too true, on the part of those who already threaten to repudiate the payment of their liabilities to the bank, when the state having for the present little other means than such as I have pointed out, might under the influence of a high state of excitement and an erroneous conception of distinctive rights, lay the foundation of a lasting stigma upon the name of our state and people.

OHIO.

Extracts from the annual message of Governor Mordecai Bartley, to the Legislature of Ohio, under date December 8, 1846.

ANNUAL REVENUE.

The following statement exhibits a general view of the receipts and disbursements of the state government during the last fiscal year :

Received during the year ending 15th Nov. 1846, . . .	\$ 163,631 62
In the treasury on the 15th Nov. 1845, . . .	86,308 98
Total applicable to the support of the state government, benevolent institutions, &c.	249,930 60
Paid out during the year ending 15th Nov. 1846, being bills paid at the treasury,	192,701 59
Balance in the treasury on the 15th Nov. 1846,	57,229 01

Canal Fund for the payment of Interest, &c.

Received for taxes of 1845,	755,406 34
Canal tolls,	595,479 09
Turnpike dividends,	35,291 21
Canal lands sold,	22,163 13
Miscellaneous items,	11,074 39

Amount properly belonging to canal fund,	1,429,414 16
Amount received for school lands,	27,558 89

Amount of canal fund,	1,456,973 05
Paid out of canal fund for repairs and superintendence,	233,232 59
On account of interest on foreign debt, exchange and expenses, and school fund,	1,194,301 64
Interest paid on domestic bonds,	45,687 42
Repairs and superintendence of canals, interest upon foreign and domestic debt, exchange and expenses,	1,473,321,65

School fund for the year 1846:

Common school fund received, being proceeds of taxes,	69,582 39
Auction duties and pedlar's licenses,	5,812 11
Tax on lawyers and physicians,	4,909 21
Banks, insurance and bridge companies,	28,844 15
Surplus revenue interest, five per cent.	91,268 81

Whole amount received during the year,	\$200,516 67
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Balance in the treasury on the 15th of Nov. 1845,	31,775 56
Total,	\$ 232,292 24
Balance of common school fund in treasury, Nov. 1846,	33,292 24
Distributed among the counties of the state,	\$ 200,000 00
Interest paid school fund and other trust funds,	88,430 79
Total for support of schools and religious purposes,	\$ 288,450 78

BANKS AND CURRENCY.

The question of the banks and the currency, which has occasioned much strife and controversy in this state for many years, is now, it is hoped, definitely settled. The new banking system which has been established has, thus far, been successful in accomplishing the beneficial purposes of its creation. The currency of the state has been restored and is now in a more safe and sound condition than at any former period. Want and alarm of confidence are no longer felt among those who are engaged in commercial affairs in this state, and the banks have afforded so far as a prudent regard for public interest would permit, those accommodations which the business of the country required. No action of the general assembly is believed to be necessary on this subject at the present time. The safety and utility of this new system of banking has been tested, and during the two years past, no subject has been made more prominent in the political controversies before the people of the state than this. Twice, already, have the people at the ballot box pronounced in its favor. No longer can public sentiment on the subject be misunderstood. The currency of the state is in the hands of almost every citizen, and is necessarily, intimately connected with the whole business of the country. A political war, therefore, upon it is a war upon the business and interests of the people. A proper respect for the will of the majority, as well as a due regard for the interests of the country, as I humbly conceive, dictate that this question be no longer made a subject of political controversy in Ohio.

There are now twenty-six banks in operation under the new system, of which seventeen are branches of the State Bank, and nine are independent banks. The aggregate amount of capital of the branches of the State Bank is \$ 1,496,717 44; and the amount of the circulation on the 2d of November, 1846, was \$ 2,655,336 00. The aggregate amount of capital of the independent banks is \$376,170 00 and their circulation at the period last mentioned, was \$612,465 00. There are yet eight banks doing business under charters granted under the old banking system in this state, whose aggregate capital at the time of the last reports, on the second day of November, 1846, was \$3,953,750 00; and circulation \$2,406,958 00. The whole amount of banking capital, therefore, employed in the state at this time by the thirty-four banks, amount to \$5,826,677 44, and the whole circulation \$5,674,769 00.

The public improvements undertaken by the state are now fully completed. They constitute and must remain monuments of the early wisdom, enterprise, and public spirit of the people of Ohio. They have contributed to the development of the resources of the country, and to them may be ascribed, to a considerable extent, the unexampled growth of the state in population, wealth and prosperity. These public works constructed by the state, traverse an extent of nearly eight hundred miles, connecting the Ohio river and Lake Erie at two different points; connecting the interior with the extreme points of the state in various directions; and, through the

Wabash and Erie canal, communicating with the interior of Indiana and Illinois.

PUBLIC DEBT.

The public debt of Ohio is intimately blended with considerations of deep interest bearing on its character and welfare, and therefore should command the most careful attention of the legislature. Under all the depressions in business, and commercial revulsions in the country, the state of Ohio has fulfilled her engagements with scrupulous integrity, and paid the interest on her public debt with promptness and regularity. It is a justifiable subject of state pride that the faith of the state has been preserved without a blemish. A character and public credit, such as Ohio has maintained, should be cherished and guarded with the most scrupulous care, not only from a rigid honesty of principle and a high sense of honor, but also from profound considerations of state policy. Nothing can exalt the character of a commercial people more than a high sense of integrity and honor in all their engagements. The example of the government exercises a vast influence in the formation of the characteristics of a people. A violation of solemn engagements, not only tarnishes the national honor, but is used to palliate acts of bad faith in private individuals. Whereas, a government which requires that fidelity to all engagements be held sacred, as an indispensable virtue, will, by its example, establish a high standard of commercial morality, and elevate the character of its people.

The time has arrived when the public debt of Ohio has reached its highest point. No occasion can exist for its further increase. The people of the state can now look forward to the time when the debt shall be discharged and the burden of taxation removed. The ample resources and rapid growth and prosperity of the state, are sufficient to remove all apprehensions of difficulty in regard to the ability of our people to discharge the state liabilities as they fall due. The following statement will exhibit the amount of the state debt, and the interest, &c., paid thereon during the last fiscal year:

Total amount of foreign debt,	\$16,964,292 50
Amount of domestic debt,	765,136 12
School and trust fund,	1,482,682 68

Total amount of state debt, Nov. 1836, \$19,212,111 30

Interest on foreign debt paid in New York,	\$1,027,356 95
Interest on domestic bonds,	45,908 16
Interest on school and trust funds,	88,450 79
Total amount of interest paid in year ending Nov. 15, 1846,	1,161,715 90
Amount paid for exchange, interest on temporary loans, and expenses,	30,252 36

Total amount of interest, exchange, and expenses, during the year ending 15th Nov., 1846, . . . \$1,191,968 26

The domestic debt is redeemable at the pleasure of the state, and the school and trust funds constitute a permanent loan to the canal fund, the interest being annually appropriated for the benefit of those funds. Of the foreign debt the sum of \$5,918,663 76 will fall due in the year 1850; the sum of \$3,365,779 24 in the year 1856; the sum of \$7,012,781 in the year 1860, and the sum of \$667,763 50 in the year 1870.

The time has arrived when decisive and effectual measures should be

adopted to raise the means for the discharge of the debt which will fall due in 1850. I earnestly commend this subject to your especial attention.

TAXATION.

The valuation of property, under this new system has brought a large amount of property on the duplicate, which formerly entirely escaped taxation. But the largest addition to the valuation of property on the grand duplicate, has been made by the valuation of all the improvements and fixtures on real estate. The valuation of property for taxation on the grand duplicate, in the year 1845, was as follows: Lands, \$85,916,166; real estate in cities and towns, \$22,269,575. Chattels, money at interest, &c., \$35,974,725; total valuation, \$144,160,496. The valuation brought upon the duplicate, under the new system, is as follows, viz. lands, \$259,093,635; real estate in cities and towns, \$65,302,373; chattels, money at interest, &c., \$79,177,484; total valuation on the grand duplicate, \$403,673,488. The increase in the total valuation of real estate for the purpose of taxation, is \$216,310,260; and the increase in the total valuation of chattels and money at interest, &c., is \$45,202,759.

The penitentiary of the state has been managed during the past year, with the usual ability and success. The following is a brief statement of its condition:

The products of labor during the year ending 30th	
Nov., 1846, are about	\$44,000 00
The expenditures during the same period were	27,000 00
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Leaving a balance in favor of the institution of	\$17,000 00
Number of convicts incarcerated on the 30th Nov., 1845,	482
Number received during the past year,	151
	<hr/>
	633

GOVERNMENT.

	Salary.
William Bebb, Governor, (term of office expires on the 1st Monday in December, 1848,)	\$1,200
Samuel Galloway, Ross co. Secretary of State, & Sup't of Schools,	900
John Woods, Butler co. Auditor of State,	1,200
Joseph Whitehill, Warren co. Treasurer of State,	1,000
James McBride, Chief Clerk in Depot of public works,	750
Demas Adams, Chief Clerk in the Auditor's Office,	900
L. Dewey, Warden of the State Penitentiary,	800
B. W. Brice, Adjutant General,	100
E. N. Slocum, Quartermaster General,	100
John Greiner, Librarian of the State Library,	500

Commissioners of the Board of Public Works.

Oran Follett, Sandusky city,	\$750
Samuel Forrer, Dayton,	730
Jacob Blickensderffer, Tuscarawas co.	730
E. N. Sill, acting commissioner of the canal fund,	666

The auditor and treasurer of state are advisory commissioners of the canal fund.

Edson B. Olds, Fairfield,	Speaker of the Senate.
William V. Cutler, Washington,	Speaker of the House.

JUDICIARY.—*Supreme Court.*

			Elected.	Salary.
Reuben Wood,	Cleveland,	Chief Judge,	1840,	\$1,300
Math. Burchard,	Warren,	Associate Judge,	1842,	1,500
Nath. C. Reed,	Cincinnati,	do.	1842,	1,500
Peter Hitchcock,	Geauga co.	do.	1845,	1,500
Henry Stanberry,		Attorney General,		
Hiram Griswold,	Canton,	Reporter.		

The judges of the Supreme Court, the president and associate judges of the courts of Common Pleas, and the judge of the Superior Court of Cincinnati, are elected by the legislature, for seven years. Of the judges of the Supreme Court, the oldest in commission is chief judge, if the chief judge is not re-elected. Two of the four judges hold a court in each county once every year.

Superior Court of Cincinnati.

Charles D. Coffin, Cincinnati, Judge, salary, \$1,000

This court has concurrent original civil jurisdiction, with the court of Common Pleas of the county of Hamilton, at common law and in chancery.

Courts of Common Pleas.

					Salary.
George B. Holt,	Dayton,	Judge	1st	Circuit,	\$1,200
Ozias Bowen,	Marion,	do.	2d	do.	1,000
Eben Newton,	Canfield,	do.	3d	do.	1,000
Corrington W. Searle,	Zanesville,	do.	4th	do.	1,200
John Pearce,	Carrollton,	do.	5th	do.	1,000
John H. Keith,	Chillicothe,	do.	6th	do.	1,200
Elijah Vance,	Lebanon,	do.	7th	do.	1,200
John E. Hanna,	M'Connellsville,	do.	8th	do.	1,200
W. B. Caldwell,	Cincinnati,	do.	9th	do.	1,200
Owen L. Fishback,	Batavia,	do.	10th	do.	1,200
Jacob Parker,	Mansfield,	do.	11th	do.	1,200
James L. Torbert,	Springfield,	do.	12th	do.	1,200
Myron H. Tilden,	Toledo,	do.	13th	do.	1,000
Benjamin Bissell,	Painsville,	do.	14th	do.	1,200
William Kennon,	St. Clairsville,	do.	15th	do.	1,200
Patrick G. Goode,	Sydney,	do.	16th	do.	1,000

The several courts of Common Pleas are held, three times a year, by a president judge and three associate judges, in most of the counties; but in the counties very recently organized, only twice a year. Six of the above-mentioned judges receive but \$1,000 per annum, because they were elected after the law of January, 1844, reducing the salaries of public officers, was passed. The associate judges receive \$2 50 a day.

FINANCES.

	Principal.	Annual Interest.
Foreign debt, 1845,	\$16,964,282	\$1,027,357
Domestic debt, 1845,	767,374	46,042
School funds lent to the state,	1,455,124	87,307
Total debt and interest, 1845,	\$19,186,780	\$1,160,706

Amount of taxable property, and of taxes assessed during the year 1845:	
No. of acres of land, 23,456,286	State and canal tax, \$1,006,001 25
Value, including houses, \$85,916,169	County and school tax, 675,001 59
Value of town lots and buildings, \$22,269,575	Road tax, 150,301 20
No. of horses, 387,200	Township and poor tax, 330,527 02
Estimated value, \$15,488,000	Corporation and bridge tax, 109,935 73
No. of cattle, 723,353	Physicians' & lawyers' tax, 6,057 34
Estimated value, \$5,786,824	School-house tax, 18,356 83
Capital & money at int'st, \$13,556,507	Delinquencies, 113,661 11
No. of pleasure carriages, 16,707	
Estimated value, \$1,055,742	
Total amount of taxable property, \$144,072,817	Total taxes, \$2,410,172 07

INTERNAL IMPROVEMENTS.

Names.	Length.	Cost.	Revenue in	
			1845.	Expenditure in 1845.
Ohio Canal,	334	\$4,695,203 69	\$252,199	\$129,184
Miami Canal,	85	1,237,552 16	74,320	36,041
Miami Extension,	139	2,856,635 96	32,007	189,727
Wabash and Erie Canal,	91	3,028,340 05	73,907	51,659
Walbonding Canal,	25	607,268 99	28,461	19,655
Hocking Canal,	56	975,129 57	4,520	6,453
Muskingum Improvement,	91	1,627,318 29	1,184	2,748
Western Res. & Maumee road,	31	256,334 93	6,613	2,664
Total,	852	\$15,283,783 64	\$473,211	\$441,131

More than \$200,000 of this expenditure was for extending or completing the works, the actual revenue of the canals over the cost of ordinary repairs being \$204,282 60. The public improvements which belong to the state are now completed, except the branches of the Walbonding canal. The aggregate cost of all the improvements owned by the state is \$15,577,233 18. The investments of state stocks in canal and turnpike companies, \$2,431,430 88. The amount invested by loans of credit in railroad companies, \$747,132. Total amount of investments in public improvements, \$18,755,796. In the year 1844, the products of this investment amounted to \$544,949 84.

Owing to a partial failure in the wheat crop in some sections of the state the past summer the revenue arising from the canal has been reduced this year about \$30,000 below the annual amount received last year.

The following is an extract from the report of the auditor of state, December 9, 1845:

"Regarding the payment of the interest hereafter as beyond a reasonable doubt, let us look at the means of the state to meet, in part at least, the principal of our debt:

1st. There is in the hands of the fund commissioners of the several counties, with the balance in the treasury, surplus revenue belonging to the state, to the amount of

\$1,822,149 31

This sum is pledged for the redemption of the turnpike bonds, which may all be paid during the year, and for the payment of the million and a half seven per cent. loan, payable 1st January, 1852.

2d. Stocks held by the state in turnpike, railroad, and canal companies, to the amount of \$2,898,126 03; of this

sum, \$448,283 is in the stocks of three rail road companies, which may be regarded as at par,	\$448,283 00
The turnpike stocks owned by the state now yield a revenue equal to five per cent. upon half a million; they may be safely estimated at that sum,	500,000 00
Stock in the Pennsylvania and Ohio canal, Milan canal, and Whitewater canal, \$592,600, worth at least,	182,667 00
Canal lands owned by the state; estimated quantity, 350,000 acres worth \$1 25 per acre,	437,500 00

Amount of the funds, stocks, and lands owned by the state, estimated at their actual cash value,	\$3,390,599 31
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This sum, deducted from the whole debts of the state on the 15th November, 1845, as above stated, leaves the balance of \$15,860,581 04, which may be regarded as the actual indebtedness of the state, foreign and domestic.

In addition to the funds above stated, the state own 730 miles of canals, which are now finished and in full operation, forming two complete lines through the state, from the Ohio river to lake Erie, with their several branches; 91 miles of slackwater steamboat navigation on the Muskingum river, and 31 miles of turnpike road.

The accruing revenues upon these works will hereafter, probably, never be less than \$600,000, which, in the course of a few years, when the repairs now in progress shall have been completed, will yield a net revenue sufficient to pay the interest upon more than half the balance of our whole debt.

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NORTH CAROLINA.

Report from the comptroller's department of North Carolina, to the Legislature of the state, showing the receipts and disbursements at the treasury department, for the fiscal year ending November 1st, 1846.

PUBLIC FUND.

*Receipts from Nov. 1, 1845, to Oct. 31, 1846, inclusive.*

|                                                               |               |
|---------------------------------------------------------------|---------------|
| Bank dividends, Bank Cape Fear, . . . . .                     | \$ 60 00      |
| Bank tax, . . . . .                                           | 2,389 00      |
| Interest on Wilmington and Raleigh rail road bonds, . . . . . | 3,000 00      |
| Raleigh and Gaston R. R. company, . . . . .                   | 2,600 00      |
| Raleigh and Gaston R. R. profits, . . . . .                   | 7,200 00      |
| Public tax received from sheriffs, 1845, . . . . .            | 80,673 48     |
| Additional returns do. 1844-5, . . . . .                      | 289 57        |
| Patrick McGowen, . . . . .                                    | 3 35          |
| James Puttick, . . . . .                                      | 67 84         |
| R. M. Saunders, . . . . .                                     | 201 00        |
| Revised statutes, . . . . .                                   | 861 60        |
| State loan, . . . . .                                         | 9,847 12      |
| Bank tax, Merchants' Bank of Newbern, . . . . .               | 572 50        |
| Joseph Barnard, . . . . .                                     | 54 50         |
|                                                               | \$ 107,806 96 |

*Disbursements from Nov. 1, 1845, to Oct. 31, 1846, inclusive.*

|                                                         |                      |
|---------------------------------------------------------|----------------------|
| Judiciary,                                              | \$ 29,674 04         |
| Pensioners,                                             | 232 50               |
| Governor's house,                                       | 142 20               |
| Post office,                                            | 181 86               |
| Public printing,                                        | 837 12               |
| Interest on Raleigh and Gaston rail road company bonds, | 45,015 00            |
| Principal, do. do. do.                                  | 30,000 00            |
| Executive department,                                   | 2,225 00             |
| Treasury do.                                            | 2,000 00             |
| State do.                                               | 800 00               |
| Comptroller's do.                                       | 1,000 00             |
| Adjutant general's office,                              | 200 00               |
| State librarian,                                        | 300 00               |
| Superintendent public buildings,                        | 260 00               |
| Interest on state loan,                                 | 3,028 68             |
| Public library,                                         | 707 48               |
| Stationery account,                                     | 566 55               |
| State capitol,                                          | 122 75               |
| State loan,                                             | 10,000 00            |
| Insolvent polls,                                        | 139 00               |
| Governor's election,                                    | 1,188 00             |
| Sheriffs, for settling public tax, 1846,                | 1,242 42             |
| Senatorial elections,                                   | 230 43               |
| Contingencies,                                          | 1,890 30             |
| Add deficit 1st Nov. 1845,                              | 97,977 12            |
| <b>Total for the year,</b>                              | <b>\$ 229,960 45</b> |
| <b>Deduct receipts since Nov. 1845,</b>                 | <b>107,800 96</b>    |
| <b>Balance due public treasury, Nov. 1846,</b>          | <b>122,150 49</b>    |

**LITERARY FUND.****Receipts.**

|                                             |                      |
|---------------------------------------------|----------------------|
| Balance on hand 1st Nov. 1845,              | 112,213 43           |
| Entries of vacant land,                     | 5,447 06             |
| Auction tax,                                | 893 72               |
| Principal on loans by literary board,       | 12,291 71            |
| Interest on do.                             | 8,317 99             |
| Interest on internal improvement board,     | 733 42               |
| Bank dividends, Cape Fear,                  | 31,932 00            |
| “ State bank,                               | 36,445 75            |
| Interest on Raleigh and Gaston R. R. bonds, | 9,798 00             |
| Interest on Wilmington Raleigh R. R. bonds, | 4,110 00             |
| Cape Fear navigation company,               | 2,558 81             |
| Roanoke navigation company,                 | 875 00               |
| Tavern tax, received from sheriffs,         | 2,987 52             |
| Orange county, deaf and dumb.               | 41 25                |
| <b>Total receipts,</b>                      | <b>\$ 228,645 36</b> |

**Disbursements.**

|                                 |              |
|---------------------------------|--------------|
| Common schools,                 | \$ 96,712 01 |
| Expenses of the literary board, | 266 95       |

State Finances.

441

|                                            |               |
|--------------------------------------------|---------------|
| Expenses members literary board, . . . . . | 756 00        |
| Deaf and dumb institution, . . . . .       | 3,495 72      |
| Swamp lands, . . . . .                     | 95 06         |
| Balance on hand Nov. 1845, . . . . .       | 127,319 53    |
|                                            | <hr/>         |
|                                            | \$ 228,645 36 |

INTERNAL IMPROVEMENT FUND.

Receipts.

|                                                             |              |
|-------------------------------------------------------------|--------------|
| Cherokee bonds, . . . . .                                   | 12,222 35    |
| Bank dividends, Cape Fear bank, . . . . .                   | 672 09       |
| Principal on loans by internal improvement board, . . . . . | 1,760 58     |
| Add balance in hand 1st Nov. 1845, . . . . .                | 59,853 37    |
|                                                             | <hr/>        |
| Total receipts, . . . . .                                   | \$ 74,508 39 |

Disbursements.

|                                                  |              |
|--------------------------------------------------|--------------|
| Jacob Silver, agent on Cherokee bonds, . . . . . | \$ 204 80    |
| Michael Francis, per resolution, . . . . .       | 75 00        |
| S. Birdsall, clerk, . . . . .                    | 159 00       |
| Members of internal improvement board, . . . . . | 125 25       |
| Balance on hand, November, 1846, . . . . .       | 73,944 84    |
|                                                  | <hr/>        |
|                                                  | \$ 74,508 39 |

Extracts from the annual message of Governor William A. Graham, to the Legislature of North Carolina, under date November 17, 1846.

The revenue and finances of the state, always a subject of moment to the people, and to the legislature, will derive additional importance at your present session from the circumstances which now surround us. The reports of the public treasurer, and comptroller of public accounts, will make you acquainted with the transactions at that department since the last adjournment of the legislature, and the demands which will fall upon it, before the next biennial meeting. Our present political arrangement, comprising biennial sessions of the legislature, and seven judges of the superior courts, besides the judicial and executive establishments formerly existing, has now continued for ten years. During this period, the average expenditure for the ordinary support of the government (exclusive of disbursements for re-building the capitol, and the interest on a loan effected to pay the state's subscription for stock in the present bank of the state, in former years, and of payments on account of suretyships for rail road companies, more recently,) may be stated with sufficient accuracy at about \$ 67,500 per annum : or \$ 90,000 for the odd, and \$ 45,000 for the even year of the series—the difference being obviously occasioned by the session of the legislature in each alternate year. In the same time, the income from ordinary sources of revenue has averaged \$ 83,000, the excess of which, over and above the ordinary expenses, has been devoted to the account of re-building the capitol, interest on the state's debt, as before mentioned, until it was discharged, and of her liabilities for the rail road companies. These extraordinary demands on the treasury, by reason of the rail road liabilities, have so accumulated from the failure of the legislature, at either of the two last sessions, to make timely provision to meet them, as to increase the difficulty of your task. But, it is believed, that this may be readily overcome by proper and energetic action now, without imposing onerous or unjust burthens upon our constituents.

Our income, at present, is derived chiefly from levies on lands and persons. These should not be augmented, until other sources of revenue have been tried; but the rates, now laid, should be faithfully paid, and punctually and fully exacted. And, independently of the pressing wants of the treasury, I should have recommended a new assessment of lands, with a view to greater accuracy in the fixation of value on each tract, and some provision for a more correct enlistment of polls, as a measure of justice to the state and of equalizing effect among her citizens. Our land tax for 25 years past, has been the moderate rate of six cents per annum on the one hundred dollars value. The habitual negligence, which has prevailed in returning lands for taxation, and ascertaining their value, will be manifest from a few facts in the history of the revenue. In the year 1815, the aggregate value of the lands of the state, assessed for taxation under the law of congress was \$53,521,513. But, in the year 1836, the whole quantity of land listed for taxation was valued at only \$39,136,108. To correct this criminal delinquency in enlistment and valuation, the act of 1836 directed a new assessment of land and improvements, by means of which, the same subject of taxation in the next year was raised in value to \$51,021,317, and 6,000 more was added to the revenue. This valuation, however, is obviously defective, since it falls two and a half millions of dollars below that of 1815, although more than a million and a half of acres had been patented in the mean time.

It is submitted to your inquiry, in connection with the revenue, whether the bank of Cape Fear has paid to the state, and the literary fund, the full amounts semi-annually due for dividends—their custom being to pay the tax on the shares of stock owned by individuals, out of the *whole* profits of the bank, instead of the dividends of profits allotted to individuals. This course is supposed by them, to be sanctioned by a decision of the supreme court, on the taxing clause in their old charter; but the renewed charter of 1833 is in different language, and it could hardly have been the design of the legislature to exact a less tax on the stock of individuals in that bank, than on that in similar institutions in the state.

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GOVERNMENT.

		Salary.
William A. Graham, of Hillsborough, Governor, (term of office, from January 1, 1847, to January 1, 1849,) A furnished house &		\$2,000
William Hill, Raleigh, Secretary of State,	fees &	\$600
Charles L. Hinton, Wake co. Treasurer,		\$1,500
Stephen Birdsall, Raleigh, Clerk of the Treasury Dep't.		500
William F. Collins, Chatham co. Comptroller,		1,000

Council of State.

William O. Britton, Bertie co.	James W. Howard, Jones co.
Dr. Willie Perry, Franklin co.	Nathaniel M. Roan, Caswell co.
James Lowry, Buncombe co.	Absalom Myers, Anson co.
Josiah Cowles, Surry co.	

Pay \$3 per diem while in service, and \$3 for every 30 miles travelling.

JUDICIARY.—Supreme Court.

		Salary.
Thomas Ruffin, Orange co.	Chief Justice,	\$2,500
Frederick Nash, Hillsborough,	Associate Justice,	2,500
Joseph J. Daniel, Halifax,	do.	2,500
James Iredell, Raleigh,	Reporter,	300
Edmund B. Freeman,	Clerk.	

The supreme court holds two sessions in each year, in the city of Raleigh; to wit, on the second Monday in June, and the last Monday in December; and continues to sit at each term until all the business on the docket is determined, or continued upon good cause shown. It has power to hear and determine all questions at law, brought before it by appeal from a superior court of law, and to hear and determine all cases in equity, brought before it by appeal from a court of equity, or removed there by the parties thereto. It has original and exclusive jurisdiction in repealing letters patent, and also has power to issue writs of *certiorari*, *scire facias*, *habeas corpus*, *mandamus*, and all other writs which may be proper and necessary for the exercise of its jurisdiction.

The judges of the supreme and the superior courts are elected by joint ballot of both houses of the general assembly, hold their offices during good behavior, and, under a provision in the amendments to the constitution of the state, their salaries cannot be diminished during their continuance in office.

Superior or Circuit Courts.

Judges.	Salary, \$1,950 each.	Solicitors.	
Thomas Settle,	Rockingham.	David Outlaw,	Bertie co.
John M. Dick,	Greensboro'.	John S. Hawks,	Washington.
D. F. Caldwell,	Salisbury.	Robert Strange,	Fayetteville.
R. M. Pearson,	Davie co.	Cadwallader Jones, jr.	Orange co.
John L. Bailey,	Hillsboro.	Hamilton C. Jones,	Rowan co.
M. E. Manly,	Newbern,	Burgess S. Gaither,	Ashville.
Wm. H. Battle,	Chapel Hill.		

Spier Whitaker, of Halifax co.—Attorney General.

Salary of a solicitor—\$20 for each court which he attends, besides fees for conviction. The attorney general receives, in addition, \$100 for each term of the supreme court which he attends.

The superior courts of law and the courts of equity are holden in each and every county of the state, twice in each year, by the judges thereof. For this purpose, the state is divided into seven circuits, each of which comprises about ten counties; and the judges ride these circuits alternately, according to an arrangement agreed upon among themselves, the only restriction imposed upon them in making the arrangements being, that no judge shall ride the same circuit twice in succession. As judges of the superior courts of law, they have jurisdiction of all pleas, real, personal and mixed; of all suits and demands relative to legacies, filial portions, and estates of intestates; and also, of all pleas in the state and criminal matters of what nature, degree, or denomination soever, whether brought before them by original or mesne process, or by *certiorari*, writs of error, appeal from any inferior court, or by any other way or means whatsoever. As judges of the courts of equity, they have all the jurisdiction and powers appertaining to courts of chancery.—*American Almanac*.

VIRGINIA.

AUDITOR'S OFFICE, 7th December, 1846.

In compliance with one of the several laws which prescribed my official duties, I have the honor to submit to the general assembly my annual report on that portion of the public finances placed under my direction.

The balance in the Treasury on the 1st of October, 1845, exclusive of the funds under the management of the second auditor, was,	\$63,158 25
The receipts from that time to the first of October, 1846, arising from the various ordinary sources of taxation and income, amounted to	633,525 24
From dividends on bank stock and interest received from the James river and Kanawha Company, and board of public works,	170,562 86
Interest on Washington monument fund loans, and on guaranteed bonds held for that fund,	2,108 68
From bankers' securities on account of Cincinnati fund,	1,107 55
From sales of real estate in Richmond,	1,503 39

Making the aggregate of	\$871,965 97
Amount of warrants drawn on the treasury in the same period on the following accounts, to wit:	
For ordinary expenses of government,	442,282 28
Interest on public debt,	63,510 63
Interest on debt due board of public works,	4,769 00
Meet interest, and redemption of certain certificates of public debt,	195,676 00
Invested for Washington monument fund,	2,226 00
Invested for Cincinnati fund,	1,107 55
Sundry expenses under special laws,	25,544 81
Warrant issued before the 1st October, 1845,	3 25
	735,119 52
Deduct warrants issued before the 1st of October, 1845, unpaid on that last fiscal day,	79 46
	735,040 06

Balance in the treasury on the 1st of October, 1846, . . . \$136,925 91

The auditor anticipates a balance in the treasury, at the end of the next fiscal year ending on 30th September, 1847, of not less than \$150,000.

MEXICO.

DEBT AND FINANCES OF MEXICO.—Mr. Macgregor's sixteenth part of the "commercial tariffs and regulations, resources and trade of the several states of Europe and America," has just been issued in accordance with a vote of the British parliament. Mr. Macgregor enters into the consideration of the treaties of commerce and navigation, in force between Great Britain and Mexico, and then details the trade, navigation, agriculture, manufactures, and finances of that country. He traces the constitution from the overthrow of Iturbide, and the several governments that have existed. The statistics of Mexico are then developed, and the following shown to be

The national debt and finances of Mexico.

The national debt of Mexico is one of very considerable importance, and may be divided into the two great classes of foreign and internal debt. The internal debt amounts to \$18,550,000; and, in 1841, the customs were mortgaged to pay this sum in the following subdivisions:

Internal debt.				Amount.
17	per cent. of customs devoted to a debt of			\$2,040,000
15	do.	do.	do.	1,410,000
12	do.	do.	do.	2,100,000
10	do.	do.	do.	3,100,000
18	do.	tobacco fund debt,		9,900,000
16½	do.	interest on English debt,		
10	do.	garrison fund,		
<hr/>				
98½				\$18,550,000

1½ balance clear of liens for the government.
—100.

Foreign debt.		Amount.
Internal debt,		\$18,550,000
Debt to English creditors,		60,000,000
United States claims, and interest, say,		2,400,000
Copper to be redeemed,		2,000,000
Claims for Hilazo,		700,000
Bustamente loan,		500,000

Total, \$84,150,000

The prospect of the payment of this debt is then carefully considered, and thus summed up:

"The mint at Guanajuato, or the right to coin at that place, was contracted for, in 1842, by a foreign house in Mexico for seventy-one thousand dollars cash, for the term of fourteen years; at the same time that another offer was before the government, stipulating for the payment of \$400,000 for the same period, payable in annual instalments of \$26,000 each. The \$71,000 in hand were, however, deemed of more value than the prospective \$400,000. This mint leaves a nett annual income of \$60,000. It appears to us quite evident that all the taxes which can be levied, even to an amount equal to confiscation on the produce of labor in Mexico, will be found to be far short of the amount necessary to maintain the army, the civil-expenditure, and the payment of the interest of the national debt, especially while the church and priests absorb so large a share of the produce of industry."

W H E A T.

The following table gives the importations of wheat into great Britain for the years 1841, '42, '43, from the principal wheat countries in the world:

Countries.	1841	1842	1843	Total Bushels
Russia	498,205	1,824,688	260,269	2,592,261
Denmark,	1,915,279	617,656	565,248	3,098,183
Prussia,	7,134,400	5,938,065	5,311,000	18,383,465
Germany,	5,295,674	1,626,172	1,027,224	7,949,070
Holland,	815,934	73,979	6,864	896,507
France,	1,643,932	4,216,100	29,248	5,889,280
Italy and Ireland	901,600	4,878,597	24,840	5,805,037
N. Amer. colonies,	2,333,354	3,729,690	2,790,504	6,853,548
United States,	1,107,840	1,195,873	749,601	3,053,278
All other countries,	866,850	1,816,340	272,407	2,955,606

Total bushels, 57,476,235

NATIONAL LOANS.

A Statement of the sums annually received from loans and treasury notes, from the 4th of March, 1789, to the 31st December, 1843.

Years.	Amount.	Years.	Amount.
From March 4, 1789, to December 31, 1791..	\$5,791,112 56	In 1812	\$12,837,900 00
In 1792.....	5,070,806 46	1813	26,184,435 00
1793.....	1,067,701 14	1814	23,377,911 79
1794.....	4,609,196 78	1815	35,264,320 78
1795.....	3,305,268 20	1816	9,494,436 16
1796.....	362,800 00	1817	734,542 59
1797.....	70,135 41	1818	8,765 62
1798.....	308,574 27	1819	2,291 00
1799.....	5,074,646 53	1820	3,040,824 13
1800.....	1,602,435 04	1821	5,000,324 00
1801.....	10,125 00	1822.....	5,000,000 00
1802.....	5,597 86	1823.....	2,992,989 15
1804.....	9,532 64	1824.....	5,000,000 00
1805.....	128,814 94	1825.....	5,000,000 00
1806.....	48,897 71	1826.....	2,992,989 15
1808.....	1,822 16	1827.....	12,716,820 86
1810.....	2,759,992 25	1828.....	3,857,276 21
1811.....	8,309 05	1829.....	5,589,547 51
		1830.....	13,659,317 38
		1831.....	14,808,735 64
		1832.....	13,401,508 36

Amount received during that period from dividends and sales of stock, and from bonus.....	\$223,207,773 68
Interest on stock remitted to Europe.....	136,400 00
Gain on exchange.....	805,127 39
	<hr/>
	22,511,187 05

Total amount..... \$245,718,960 73

Subdivisions.	From loans.	Treasury notes.	Total.
1812.....	\$10,002,400 00	\$2,835,500 00	\$12,837,900 00
1813.....	20,089,635 00	6,094,800 00	26,184,435 00
1814.....	15,080,546 00	8,297,365 79	23,377,911 79
1815.....	14,357,423 40	20,406,897 38	35,264,320 78
1816.....	1,357,586 91	8,136,849 25	9,494,436 16
1817.....		734,542 59	734,542 59
1818.....		8,765 62	8,765 62
1819.....		2,291 00	2,291 00
1820.....	3,040,000 00	824 13	3,040,824 13
1821.....	5,000,000 00	324 00	5,000,324 00
1822.....		2,992,989 15	2,992,989 15
1823.....		12,716,820 86	12,716,820 86
1824.....		3,857,276 21	3,857,276 21
1825.....		5,589,547 51	5,589,547 51
1826.....	5,665,756 88	7,993,560 50	13,659,317 38
1827.....	11,383,405 77	3,425,329 87	14,808,735 64
1828.....	11,883,358 36	1,518,150 00	13,401,508 36
	<hr/>	<hr/>	<hr/>
	\$98,360,112 32	\$84,611,833 86	\$182,971,946 18

SOUTH CAROLINA.

The table in the following page is a comparative view of the statements of such of the banks of this state, as have accepted the provisions of the act of December 18th, 1840, from their returns made to the comptroller general for the 31st October, 1846.

BANKS OF SOUTH CAROLINA.

	Bank of the state of South Carolina.	Branch Bank at Columbia.	Branch Bank South Western at Camden.	R. R. Bank. Planter's & Mechanic's Bank.	Union Bank of Charleston.	State Bank of South Carolina.	Bank of South Carolina.
Liabilities.							
Capital stock,	\$1,123,357 73		\$869,250 00	1,000,000 00	1,000,000 00	1,000,000 00	1,000,000 00
Bills in circulation,	1,209,468 00		334,680 00	348,660 00	81,665 00	206,207 50	124,382 50
Net profits on hand,	39,667 74	\$1,493 29	31,685 91	60,947 17	25,145 48	15,761 48	31,250 38
Due to banks in this state,	26,412 22	1,266,613 89	554,371 34	11,442 94			
Due to banks in other states,	54,177 73	9,295 58	112,438 89	77,886 99	1,066 88		
All other monies due, at int'st,	78,549 04		27,110 00				
State treasury,	63,646 11	22,581 66					
Do. sinking fund,	515,582 87						
Loan for rebuilding the city,	1,810,253 37						
Cash deposited,	551,651 20	67,906 48	38,887 75	289,041 10	185,540 46	129,089 16	199,099 62
Resources.							
Specie on hand,	94,891 75	4,163 21	5,568 95	51,624 17	148,493 99	68,350 01	26,640 64
Real estate,	115,070 27			25,000 00	20,000 00	40,000 00	47,927 38
Bills of other banks,	93,050 00	67,200 00	41,133 00	44,700 56	17,742 00	51,318 06	65,270 00
Do. in other states,	1,142 00	55 00					
Banks in this state,		753 00		4,391 65	24,043 48	4,913 19	3,635 00
Banks in other states,	2,044 95			51,040 88	7,004 75		
Notes discounted,	1,147,293 01	1,170,110 50	428,392 00	518,238 59	918,145 34	651,131 14	557,231 52
Loans on its own stock,				15,356 66	33,903 00	35,908 00	35,520 00
Loans of other stock,	51,105 04			7,988 39	128,379 00	134,524 00	86,862 00
Domestic exchange,	23,023 06			119,393 71	97,215 19	59,630 73	86,789 37
Foreign exchange,	78,341 39		18,648 35	61,570 11			
Bonds,	458,872 05	70,812 86	43,338 50	284,001 02	60,045 53	57,051 00	97,670 70
Money invested in stock,	473,526 39			210,727 96	164,902 36	84,397 21	316,085 76
Suspended debt,	267,129 25	58,393 00	52,621 58	187,381 29	29,015 93	53,424 82	31,060 77
Branches and agencies,	1,701,687 89						
Charleston bonds,	894,022 07						
Interest of state loan,	52,561 89						
Other investments,	19,025 00			93,603 85	37,975 91		
Total resources,	\$5,472,786 01	\$1,371,432 57	\$569,752 38	1,675,648 84	1,679,861 73	1,247,652 91	1,351,058 14
							1,392,628 94

Abstract of the Condition of the Banks of the city of New York, on the 1st day of November, 1846: compiled for the Bankers' Magazine from the Quarterly Report of the Comptroller of the state of New York.

LIABILITIES.

Names of Banks.	Capital.	Profits.	Circulation.	Deposits.	Due to Banks.	Aggregate.	Dividenda
							1844. 1846.
Bank of Commerce,.....	3,448,160	234,226	282,450	2,203,373	655,810	6,824,019	..... 6
Manhattan Company,.....	2,060,000	79,047	49,680	1,151,363	231,116	3,561,216	..... none
Bank of New York,.....	1,000,000	131,466	456,086	1,673,924	275,010	3,535,496	..... 8
Bank State of New York,.....	2,000,000	101,008	353,423	2,265,136	1,083,640	5,803,205	..... 6
Mechanics' Bank,.....	1,490,000	222,481	353,678	2,360,876	794,451	5,221,486	..... 8
Mechanics' Bank,.....	1,440,000	223,660	608,212	1,532,300	412,394	4,116,566	..... 74
Phenix Bank,.....	1,200,000	158,011	357,060	1,163,607	613,468	3,392,146	..... 6
American Exchange Bank,.....	1,155,400	185,228	166,356	2,155,976	1,051,930	4,714,890	..... 61
Bank of America,.....	2,001,200	233,974	231,415	2,018,835	987,001	5,472,425	..... 6
Union Bank,.....	1,000,000	222,128	428,421	1,252,186	552,676	3,455,411	..... 8
National Bank,.....	760,000	58,090	219,008	647,624	64,353	1,739,075	..... 6
Merchants' Exchange Bank,.....	750,000	89,766	229,045	663,351	390,526	2,122,678	..... 7
City Bank,.....	720,000	99,222	174,270	894,061	41,518	1,929,071	..... 7
North River Bank,.....	655,000	111,695	333,415	855,928	150,512	2,106,550	..... 7
Mechanics' Banking Association,.....	632,000	32,594	310,790	483,664	16,122	1,476,160	..... 7
Fulton Bank,.....	600,000	34,968	230,484	755,955	122,051	1,773,458	..... 10
Leather Manufacturers' Bank,.....	600,000	61,490	228,123	543,570	168,510	1,581,693	..... 7
Seventh Ward Bank,.....	500,000	27,639	231,670	456,676	30,055	1,246,040	..... 5
Butchers and Drivers' Bank,.....	500,000	92,667	259,664	634,780	190,855	1,577,966	..... 74
Tradesmen's Bank,.....	400,000	89,615	201,048	487,118	20,051	1,197,832	..... 10
Chemical Bank,.....	300,000	131,306	257,580	681,848	43,688	1,400,323	..... none
Greenwich Bank,.....	200,000	25,808	123,512	159,881	13,001	521,128	..... none
Mechanics and Traders' Bank,.....	200,000	19,876	149,769	374,800	66,860	740,396	..... 7
New York Dry Dock Company,.....	200,000	2,670	61,924	399,690	36	594,550	..... none
	\$23,791,760	\$2,658,915	\$6,197,092	\$25,570,441	\$7,886,624	\$65,118,739	

RESOURCES

Of the Banks of the city of New York, on the 1st day of November, 1846.

Names of Banks.	Loans.	Real Estate, Bonds, mortgages and stocks.	Specie.	Bank notes Due by other banks.
Bank of Commerce,.....	\$ 3,964,519.	\$ 110,000.	\$ 584,780.	\$ 921,686
Bank of New York,.....	1,728,475.	446,644.	5,032.	433,980.
Bank State of New York,.....	2,186,707.	75,000.	4,048.	200,189.
Mechanics' Bank,.....	3,236,108.	133,850.	850,572.	698,650.
Mechanics' Bank,.....	2,646,636.	89,844.	680,968.	934,540.
Mechanics' Bank,.....	2,606,160.	111,880.	627,416.	413,216.
Phoenix Bank,.....	1,802,968.	131,811.	7,331.	304,060.
American Exchange Bank,.....	2,803,810.	168,140.	4,473.	704,688.
Bank of America,.....	3,137,000.	31,098.	7,965.	611,013.
Union Bank,.....	2,276,440.	75,000.	414,383.	607,854.
National Bank,.....	1,257,430.	31,098.	5,017.	219,800.
Merchants' Exchange Bank,.....	1,529,480.	22,274.	5,610.	111,085.
City Bank,.....	1,326,144.	72,765.	3,600.	149,247.
North River Bank,.....	1,012,148.	30,000.	4,910.	107,490.
Mechanics' Banking Association,.....	470,361.	121,968.	92,551.	283,726.
Fulton Bank,.....	1,127,168.	12,000.	119,203.	230,810.
Leather Manufacturers' Bank,.....	1,161,376.	800.	10,847.	180,950.
Seventh Ward Bank,.....	942,896.	36,275.	4,147.	163,828.
Butchers and Drivers' Bank,.....	1,250,383.	57,183.	103,114.	82,274.
Tradesmen's Bank,.....	986,785.	24,000.	2,872.	78,911.
Chemical Bank,.....	874,816.	.....	4,346.	80,680.
Greenwich Bank,.....	379,468.	34,096.	27,805.	21,396.
Mechanics and Traders' Bank,.....	478,800.	76,994.	48,834.	38,505.
New York Dry Dock Company,.....	389,521.	136,191.	13,908.	32,871.
	\$ 39,611,499	\$ 1,997,736	\$ 7,113,999	\$ 8,064,692
		\$ 5,968,905		\$ 3,240,771

STAMP DUTIES,

GREAT BRITAIN AND MARYLAND.

Bills and Promissory Notes.

		Two months date, or 60 days sight,		Exceed'g. 2 months date or 60 ds. sight.		<i>Bonds and Mortgages.</i>		
Above.	Not Exceeding.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	Above.	Not exceeding.	£ 10
£ 2	£ 5 5	1	1	6	6	£ 50	£ 100	2
5 5	20	1	6	2	2	100	200	3
20	30	2	2	6	6	200	300	4
30	50	2	6	3	6	300	500	5
50	100	3	6	4	6	500	1,000	6
100	200	4	6	5	5	1,000	2,000	7
200	300	5	5	6	6	2,000	3,000	8
300	500	6	8	8	6	3,000	4,000	9
500	1,000	8	8	12	6	4,000	5,000	12
1,000	2,000	12	6	15	5	5,000	10,000	15
2,000	3,000	15	1	5	5	10,000	15,000	20
3,000		1	5	1	10	15,000	20,000	25
						20,000		

Probate of Wills and Letters of Administration.

Above.	And under.	With will annexed.	Without will annex'd.	Above.	And under.	With will annexed.	Without will annex'd.
£ 20	£ 50	£ 1	£ 1	£ 2,000	£ 3,000	£ 50	£ 75
50	100	1	1	3,000	4,000	60	90
100	200	£ 2	3	4,000	5,000	80	120
200	300	5	8	5,000	6,000	100	150
300	450	8	11	6,000	7,000	120	180
450	600	11	15	7,000	8,000	140	210
600	800	15	22	8,000	9,000	160	242
800	1,000	22	30	9,000	10,000	180	270
1,000	1,500	30	45	10,000	12,000	200	300
1,500	2,000	40	60				

MARYLAND STAMP LAW.

Tariff of duties imposed by the stamp act of Maryland, on promissory notes, bills of exchange, specialities, and other instruments of writing, on and after May 10, 1845.

On Notes, or Instruments of and under one hundred dollars no stamp is required.

Over \$100	to \$200,	10 cts.	Over \$3,000	to \$4,000,	\$2 00
Over 200	to 300,	15	Over 4,000	to 5,000,	2 50
Over 300	to 500,	25	Over 5,000	to 7,000,	3 50
Over 500	to 1,000,	50	Over 7,000	to 8,000,	4 00
Over 1,000	to 1,500,	75	Over 8,000	to 10,000,	5 00
Over 1,500	to 2,000,	\$1 00	Over 10,000.....		6 00
Over 2,000	to 3,000,	1 50			

The following is a brief abstract of the principal provisions of the Act.

Persons so desiring, can have paper or other material stamped by the commissioner, provided it is done before the document has been executed or perfected.

Any person evading the law by not using the stamp, or by using a stamp lower than that specified by the law, or by writing on the paper with intention again to use the same, or shall use the same stamp a second time, is liable to a fine of \$ 100, one half to the state, the other half to the informer, who is a competent witness.

Bills, Notes, &c. unstamped are no evidences of debt, and are invalid.

Any instrument written on paper not stamped, or on a stamp of lower duty than the law requires, may be presented to any clerk of a county and on oath being made of no intention to defraud the state, and the stamp duty and *ten dollars* besides being paid, may be endorsed by him, which endorsement renders it as valid as if properly stamped originally.

Any one counterfeiting a stamp, or endorsement of a county clerk, or offering the same for sale or in evidence, may be fined not more than \$ 1000, and imprisoned not more than seven years. Printed blanks may be used, provided they are stamped before hand

Under the stamp act of Maryland the state realized during the fiscal year ending December 1, 1845, \$ 12,000 and during the year 1846, about \$ 50,000.

NEW BOOKS.

THE ENCYCLOPEDIA AMERICANA.—We have received the fourteenth volume of this valuable series, just published by Lea and Blanchard, at Philadelphia. This new volume comprises new materials upon subjects alphabetically arranged, from A to Z, and in it will be found some valuable contributions in biography, history, geography, science, and the arts.

The original work, in thirteen volumes, was in itself the most complete and convenient summary upon all subjects to which we wish generally to refer; and the present volume is now added in order to combine recent and important facts upon the same or kindred subjects, brought down to the year 1846. Our readers will find several extracts from the new volume in the pages of this number of the Bankers' Magazine.

COMMERCIAL REVIEW OF THE SOUTH AND WEST.—The December number of this periodical is before us. Our readers will find the contents enumerated on the third page of our cover. The Commercial Review comprises valuable dissertations upon the foreign commerce, resources, internal trade, agriculture, &c. of the South and South-west, as well as of the whole country. It is only necessary to remind our readers that among the recent contributors to the Commercial Review, we find the names of Hon. Joel R. Poinsett, the late Judge Martin, Hon. B. F. Porter, R. Greenhow, and others, whose writings add much value to the work. A new volume of the Review is commenced with the number for January, 1847.

We have, also, to make our acknowledgments to several correspondents for printed copies of the following pamphlets, viz.

Quarterly Report of the condition of the banks of the state of New York.
Message of the Governor, and Annual Reports of the Comptroller and Treasurer of North Carolina.

London Bankers' Magazine, November and December, 1846.

ENGLISH GOVERNMENT LOANS.

Contracted from 1793 to 1819, the amount in each year, and terms upon which taken.

Year.	Stock created.	Interest.	Terms upon which contracted.
1793..	£ 6,250,000 .. 3 ..	£100	3 per cent. for £72 money.
1794..	11,000,000 .. 3 ..	100	3 per cent. and £25 4 per cent.
	2,750,000 .. 4 ..	—	and an annuity of 11s. 6d. for 66½ years.
	1,926,525 .. 5 ..	101	5 per cent. for £100 money.
1795..	65,539,030		various.
1795..	10,793,825 .. 3 ..	145	3 p. c., and an annuity of 5s. 6d. for 63½ y's.
1795..	4,414,074 .. 5 ..	105	5 per cent. for £100 money.
1796..	19,238,491 .. ..		... various rates and terms.
1796..	1,999,699 .. 3 ..	176	19s. 9d. 3 per cent. for £100.
	104,432 .. 4 ..	137	18s. 7d. 4 per cent. for 100.
	270,202 .. 5 ..	118	6s. 10d. 5 per cent. for 100.
	20,124,843 .. 5 ..	112	10s. 0d. 5 per cent. for 100.
1797..	25,350,000 .. ..		... various rates and terms.
1797..	3,669,300 .. 3 ..	226	10s. 3 per cent. for £100 money.
1798..	30,000,000 .. 3 ..	200	3 per cent., £20 4 per cent. and 5s. annuity for 62½ years for £100 money.
1799..	27,499,250 .. 3 ..	175	3s. to £187 9s. 6d. for 100 money.
1800..	29,045,000 .. 3 ..	157	3 per cent. for each £100 money.
1801..	44,816,250 .. 3 ..	175	15s. 3d. 3 per cent. do.
1801..	11,127,463 .. ..		... various rates and terms.
1802..	30,351,375 .. 3 ..	131	19s. 3d. 3 per cent. for do.
1803..	16,000,000 .. 3 ..	160	3 p. ct. and 6s. 5d annuity for 56½ years.
1804..	18,200,000 .. 3 ..	182	3 per cent. for each £100.
1804-'5..	5,143,125 .. ..		... various rates and terms.
1805..	34,400,000 .. 3 ..	172	3 per cent. for each £100.
1806..	29,890,000 .. 3 ..	166	3 per cent. for each £100.
1807..	18,313,200 .. ..		... various rates and terms.
1808..	4,239,253 .. ..		... various rates and terms.
1808..	9,454,000 .. 4 ..	118	3s. 6d. 4 per cent for 100.
1809..	22,113,644 .. ..		... various rates and terms.
1810..	8,561,107 .. 5 ..	103	5s. 5 per cent. for 100.
1810..	11,220,000 .. 3 ..	140	7s. 6d. 3 per cent. for 100.
1811..	29,244,710 .. ..		... various rates and terms.
1812..	13,199,031 .. 5 ..	108	5 per cent. for 100.
1812..	27,544,000 .. 3 ..	176	3 per cent. for 100.
1813..	35,700,000 .. 3 ..	170	3 per cent. and 2s. 6d. annuity for 46½ y'rs.
1813..	38,940,000 .. 3 ..	177	3 per cent. for £100.
1813..	19,091,523 .. ..		... various rates and terms.
1814..	24,694,830 .. ..		... various rates and terms.
1815..	21,208,402 .. 5 ..	117	5 per cent. for £100.
1815.. {	46,980,000 .. 3 ..	174	3 per cent. and £100.
	2,700,000 .. 4 ..			10	4 per cent. for
1816..	3,000,000 .. ..		... advanced by Bank of England.
1818..	34,895,360	128	3 per cent.
1819 .	58,478,000 .. 3 ..	142	4s. 4d. to £142 18s. 8d.
	6,930,000 .. 5 ..	99	5 per cent. for £100.
£ 886,429,944			Total amount of loans.

BANK ITEMS.

THE BANK OF MISSOURI.—Mr. Ferdinand Kennett, who has been long and favorably known as the president of this institution, day before yesterday, resigned that office. Those who have been in the habit of transacting business with the bank, will part with Mr. Kennett with regret. As an officer, he has been firm and consistent—as a man, affable and obliging.

St. Louis Repub. Nov. 20.

BANK OF THE STATE OF MISSOURI.—The legislature at its present session have made the following appointments, viz.

Lewis Green,	president,	Branch State Bank,	Lexington.
Joseph G. Morton,	do.	do.	Springfield.
Alexander H. Brevard,	do.	do.	Jackson.
Robert Campbell,	do.	Parent Bank,	St. Louis.

BANK OF SOUTH CAROLINA.—William Birnie, Esq. has been elected president of the Bank of South Carolina, at Charleston, in place of John S. Cogdell, Esq. resigned on account of ill health.

Notes on the Money Market.

FOR DECEMBER, 1846.

The prominent item among the monied circles of the large cities, is the action of congress upon the sub-treasury. This and the subject of national finances, the wants of the treasury, and the policy of congress in reference to the financial matters of the country, will continue to exert an influence upon, and to affect very seriously, the money market. There has not been a period in the affairs of the government since Mr. Gallatin's resignation in 1813, when experience, judgment, and financial ability were so much required at the treasury, as at this moment. The movements of the general government affect instantly the business of every man in the union—the farmer, the manufacturer, and the merchant. All eyes are, therefore, turned to Washington to ascertain, with the aid of the magnetic telegraph if possible, the wishes, intentions and projected movements of the treasury department.

The sub-treasury scheme has been in operation a few weeks, and is found to be impracticable, impolitic, and inconvenient. *It cannot be otherwise to the government and to the people.* It is the most ill-advised, crude, inoperative, ineffectual system that has been suggested or adopted by this, or any other modern government having the slightest claims to refinement. Its operation, if persisted in, will do more injury to the country, than all the bank failures, since 1781, while it reflects disgrace upon its authors, and presents the strongest imaginable contrast to the wise, liberal and beneficial measures of a Hamilton, a Gallatin, a Crawford, and their immediate successors.

The utter unfitness of this scheme, to accomplish the ends of the treasury, is seen in the simple fact, which has not been denied, that the treasury, in order to transfer funds from remote points to New Orleans, has recently, and in violation of the law, availed itself of the medium of bank drafts, or bills of exchange.

This simple process does, to be sure, transplant millions of coin from New York to New Orleans, in the short space of eight or ten days, at a trifling cost and without the labor of counting a thousand dollars; but it is contrary to the intent and spirit of the existing law.

DEATH.

At Norfolk, Virginia, on the 19th December, Thomas Williamson, Esq. cashier of the Branch Bank of Virginia, at that place. Mr. W. had held the office from the establishment of the bank, upwards of forty-two years.

PRICES OF STOCKS.

NEW YORK, DECEMBER 28, 1846.

GOVERNMENT SECURITIES Offered. Asked.					Offered. Asked.	
U. S. Loan 6 per ct.	1862	100 102	Chemical Bank,	140	—	
do. do. 5 do.	1853	90	Fulton Bank,	115	118	
STATE SECURITIES.			N. Y. Chemical Manufac. Co.	92	94	
New York 7 per cent.	1846	101 102½	Del. & Hud. Canal Co. Bank,	154		
do. 7 do.	1849	101 103	Dry Dock Bank,			
do. 6 do.	—	100 108	Butchers & Drovers' Bank,	106	110	
do. 5½ do.	—	101 103	Mechanics & Traders' Bank,	—		
do. 5 do.	1850		National Bank,	96	98½	
do. 5 do.	1853	— 91½	Merchants' Exchange Bank,	103	103	
do. 5 do.	1858		Leather Manufacturers' do.	101	104	
do. 5 do.	1860		Seventh Ward Bank,			
do. Astor Fives.			State Bank of New-York,	82	84	
do. 4½ do.	—	—	Bank of Commerce,	90	92	
Ohio 6 per cent.	1850	90	Do. do. Scrip,	94	95½	
do. 6 do.	1860	91 93½	N. A. Trust & Banking Co.	64	64	
do. 6 do.	1870	91 93½	Del. & Hud. Canal Scrip Stock	141	146	
do. 5 do.	1856		Mechanics' Banking Associa.	90	92	
do. 7 do.	—	100 100	American Exchange Bank,	84	85	
Kentucky 6 per cent.	1871	99½ 100	Long Island Bank,			
do. 5 do.	—		Brooklyn Bank,			
do. payable in N. Y.	—		Atlantic Bank, Brooklyn,			
Illinois 6 per cent.	1860	— 32	TRUST COMPANIES.			
do 6 do.	1870	31	N. Y. Life Ins. & Trust Co.	103½	105	
Indiana St'g 5 per ct. 25 yrs.	32		Farmers' Loan & Trust Co.	22½	23½	
do. Dol. 5 do. 35 yrs.	30	32	Ohio Life Ins. & Trust Co.	94	96	
Arkansas 6 per ct.	—		MISCELLANEOUS.			
Michigan 6 per ct.	—	—	New-York Gas Light Co.	114½	120	
Pennsylvania 5 per ct.	—	68½ 69½	Manhattan Gas Light Co.	90	92	
CITY, &c.			Canton Co. Balt.	25½	25½	
N. Y. City 7 per ct.	1847	101½	East Boston Co.	2	2½	
do. 7 do.	1852	101½	FOREIGN INSTITUTIONS.			
do. 7 do.	1857	102	United States Bank,	34	34	
do. 5 do.	1850	92	N. O. Canal & Banking Co.	42		
do. Water Loan do.	1858	91 94	City Bank of N. Orleans,	70	71	
Brooklyn 6 per ct.	—		Commercial Bank of N. O.			
BANKS.			Franklin Bank, Cincinnati,	99	101	
Bank of New York,	113		La Fayette Bank, do.	70		
Manhattan Bank,	86	90	Illinois State Bank,		71	
Merchants' Bank,	102	106	Vicksburg Coin. & R. R. Bk.	64	66	
Mechanics' Bank,	102½	108	Morris Canal & Banking Co.	6	6½	
Union Bank,		114	RAILROADS.			
Bank of America,	97	97½	New York & Erie,	47½	48½	
City Bank,	105	107½	Mohawk,	52	53	
Phenix Bank,	87	90	Harlem,	48½	49½	
North River Bank,	95		Utica and Schenectady,	114	116	
Tradesmen's Bank,	119					

EXCHANGES AND STOCKS.

New York, December 29.

London, 60 days,..... prem.	1.06	1.06½
Paris, 60 days,.....	5.40	5.43½
Amsterdam,.....	39	39½
Hamburg,.....	34½	35½
Bremen,.....	77½	
Boston,..... d.	½	½
Philadelphia,..... d.	½	½
Baltimore,..... d.	½	½
Richmond,..... d.	1	1½
North Carolina,..... d.	1½	2
Charleston,..... d.	½	1
Savannah,..... d.	½	1
Mobile,..... d.	½	1
New Orleans,..... d.	½	1
Nashville,..... d.	2	2½
Louisville,..... d.	½	2
Cincinnati,..... d.	1½	2
St. Louis,..... d.	1½	2

New Orleans, December 16.

London, 60 days,.... prem.	1.04½	1.05½
Paris, 60 days,.....	5.53	5.47
New York, 60 days,..... d.	2	2
Do. sight,.....	½	½
Boston, 60 days,..... d.	1½	2
Philadelphia, 60 days,..... d.	2	2½
Baltimore, 60 days,..... d.	2	2½
Havana, 5 days,..... d.	4.	5
American Gold,..... p.	1	1½
Sovereigns,.....	4 85	4 86
Twenty Francs,.....	3 83	3 86
Spanish Doubloons,.....	16 25	16 40
Patriot Doubloons,.....	15 53	15 60

New York, December 28.

Spanish Doubloons,.....	16 00	16 25
Patriot Doubloons,.....	15 65	15 75
Sovereigns,.....	4 83	4 84
Louis d'or,.....	4 80	4 84
Napoleons,.....	3 82	3 83
Ducat,.....	2 20	2 25
Ten Guilder,.....	4 00	4 00
Five Thaler,.....	3 85	3 90
Frederick d'or,.....	3 85	3 90
Five Franc,.....	93	94
Spanish Dollar,.....	1 02	1 03
Mexican Dollar,.....	1 01	1 02
American Gold, old,.....	1 05	1 06
American Gold, new,.....	1 00	1 01
English Guinea,.....	5 00	5 10

@ 7-d. discount, p. premium.

Baltimore, December 29. per cent.

Maryland 6 per cents,.....	77	78
Maryland 5 per cents,.....	60	65
Maryland sterl'g 5 p. cents,	67	69
Maryland sterl'g 3 p. cents,	40	43
Baltimore 6 per cents,.....	95	96½
Baltimore 5 per cents,.....	80	81
B. & O. R. Road 6 p. cents,	91	92½
Bank of Baltimore,.....	83	83½
Merchants' Bank,.....	88	90
Union Bank,.....	79	80
Farmers and Merchants',..	74	77
Commercial and Farmers',	100	101
Marine Bank,.....	83	86
Farmers & Planters',.....	85	87
Chesapeake Bank,.....	81	83
Western Bank,.....	76	80
Mechanics' Bank,.....	95	100
Franklin Bank,.....	58	60
Farmers' Bank of Md.,.....	80	82

Philadelphia, December 29.

Pennsylvania 6 per cent.,..	78	76½
Pennsylvania 5 " ..	68	70
Tennessee 5 " ..	82	83
Philadelphia 6 " ..	104	105
Pittsburg 6 " ..	90	91
Texas 8 " ..	15	20
Texas 10 " ..	17	22
Texas Treasury Notes,....	15	19
Bank of North America,..	102	103
Bank of Pennsylvania,....	106	108
Bank of Northern Liberties,	115	116
Bank of Penn Township,..	125	130
Commercial Bank, Pa.,...	100	105
Bank of Commerce,.....	90	95
Farmers and Mechanics'..	144	150
Girard Bank,.....	19	20
Kensington Bank,.....	112	
Philadelphia Bank,.....	112	116
Manufacturers and Mech's,	82	85
Southwark Bank,.....	120	120
Western Bank,.....	110	112
Union Bank, Tennessee...	50	53
Exchange Bank, Pittsburg,	79	80
Merchants & M. B'k, do.	86	88
Bank of Louisville,.....	82	86
Northern Bank, Ky.,.....	95	95
Bank of Kentucky,.....	77	77
Phila. & Balto. R. Road,..	50	52
Camden & Amboy R. Road,	127	130

THE
BANKERS' MAGAZINE
 AND
State Financial Register,
JANUARY, 1847.

CONTENTS.

ARTICLE.	PAGE
I.—FINANCES OF MASSACHUSETTS: tabular view of the revenue and expenditure under various heads, for each year from 1800 to 1845, with a sketch of the Financial policy of the Commonwealth, (official.)	385
II.—THE SINKING FUND OF MARYLAND,	394
III.—REVENUE OF THE U. S.: Comparative view of the revenue 1811 to 1817.—1844 to 1846,	398
IV.—LEGAL MISCELLANY: Decisions of the Supreme Court U. S. 1. Bills of Exchange and Promissory Notes. 2. Transfers of stock. 3. Agency. 4. Insurance. 5. Tax upon Banks. 6. Public Monies. 7. Liabilities of Sub-treasurers,	401
V.—BIOGRAPHICAL SKETCHES: 1. Alexander Baring, Lord Ashburton. 2. William Lowndes. 3. William H. Crawford. 4. Nicholas Biddle. 5. Sir Mark Brunel. 6. Lord Brougham. 7. William Gaston,	406
VI.—CITIES OF EUROPE. 1. Edinburgh. 2. Liverpool. 3. London. 4. Lyons. 5. St. Petersburg,	413
VII.—STATE FINANCES: 1. Missouri. 2. Virginia. 3. South Carolina. 4. Arkansas. 5. Ohio. 6. North Carolina,	418
VIII.—MEXICO: its existing debts and finances,	444
IX.—WHEAT: importations of wheat into Great Britain from all countries for years 1841, '2, '3,	445
X.—NATIONAL FINANCES: a statement of sums annually received from loans and treasury notes for each year, from 1789 to 1843, (official),	446
XI.—BANK STATISTICS: 1. Banks of South Carolina. 2. Banks of the city of New York,	447
XII.—STAMP DUTIES: rates established in Great Britain and Maryland, upon Bills, Promissory Notes, &c.,	450
XIII.—ENGLISH GOVERNMENT LOANS: amounts contracted with the terms, for each year from 1793 to 1819, (official.)	452
XIV.—STOCKS, EXCHANGES AND SPECIE: at New York, Philadelphia, Baltimore and New Orleans,	454

Erratum—page 400, line 18, for \$7,260,967 read \$7,142,311.

THE
BANKERS' MAGAZINE
 AND
State Financial Register,

VOL. I. FEBRUARY, 1847. NO. VIII.

STATE FINANCES.
MARYLAND.

We commence this number with an article upon the finances of Maryland, because the subject is now deriving increased importance both at home and abroad; and it is not only the people of Maryland, but the whole country, who are concerned in the events which are now about to transpire.

The legislature of Maryland is now in session, having before it a recent official report of the State Treasurer, showing that the aggregate revenue of the state for the past fiscal year, applicable to the current expenditures, has been

With cash on hand December 1, 1845,	199,412	
Showing the total receipts to have been	\$898,619	
While the ordinary expenditures have been	198,364	
And the total annual interest due for the year was	651,821	\$850,185

The prominent subject now before the legislature is **RESUMPTION**; and in order to demonstrate the practicability of this measure the annexed tables have been prepared. It must be apparent to every one who examines into the matter, that the state has abundant means to sustain the resumption of payment of its interest. By funding the existing arrearages of interest, say twelve hundred thousand dollars, the state can, beyond question, meet its entire annual expenditures.

It now remains to be seen whether that due sense of honor yet remains among the people or their representatives, to induce them to undertake this important step. All commercial men, all financial men, see the necessity of immediate action, with a view to demonstrate to the fundholders that the credit of the state can yet be restored and sustained.

From all that we can learn, there is a very small party, a mere fraction of a party, who will oppose the movement towards resumption; and this party is made up of those who, with constituents of kindred debased spirit,

would compromise their own and the state's honor for *twenty-two cents on the dollar*. In other words, as long as they can pay their taxes with state coupons, now only 78 cents per dollar in the market, they will oppose RESUMPTION, to gain their own private ends.

Is it possible that our legislature, with the maxims of a Hamilton before them, with the noble example of Pennsylvania and Virginia on either side, with the urgent recommendation by every citizen who has the state's honor at heart, is it possible that the legislature can falter in the step which the European and domestic creditors of the state demand?

Let the legislature look firmly and frankly into the subject, and provide at once for debts which *must be* provided for sooner or later; and let the people of the present day put their shoulder to the wheel, and bear a portion of the burdens which are unavoidable in relieving the state of the incubus now upon it.

FINANCES OF MARYLAND.

From the Treasurer's Report, December, 1846.

Balance of cash on hand, 1st December, 1846,	\$148,048
From which deduct, viz.	
Due Tobacco and Colonization Funds,	\$28,611
Outstanding claims (as per page 6,)	17,000
Expenses of the legislature 1846—7,	50,000
	95,611

Net available balance applicable to the service of the year 1847, \$52,437

The following table exhibits the actual revenue accrued for the fiscal year ending the 1st December, 1846, and the receipts which may be safely estimated (*not official*) for the year ending 1st December, 1847.

	Actual receipts one year to 1st Dec. 1846.	Estimated for one year to 1st Dec. 1847.
Auction Licenses,	\$6,500	\$6,000
Auction Duties,	17,589	20,000
Washington Rail Road (from passengers,)	42,402	40,000
Baltimore and Susquehanna Rail Road	6,000	20,000
Bank Stock Dividends,	31,107	31,107
Annapolis Rail Road,	3,300	
Lotteries,	17,971	18,000
Susquehanna and Tide Water Canals,	11,550	66,550
Stamps,	49,017	50,000
Interest,	3,319	2,000
Live Stock Scales,	8,858	9,000
Hay Scales,	760	
Fines and Forfeitures,	2,715	3,000
Land Office,	500	500
Repayments,	369	
Tax upon Foreign Insurance agencies,	1,945	2,500
" upon Protests (\$1 each)	3,484	3,000
" upon Policies of Insurance,	926	1,000
" in Chancery,	100	
" upon Civil Commissions,	2,246	2,400
" upon Collateral Inheritances,	583	5,000

Tax upon commissions of Executors and Adm'rs,	1,391	6,000
“ upon com. of Executors, Trustees & Receivers,	2,504	6,000
“ upon Plaintiffs,	5,553	4,900
Union Manufacturing Company,	1,000	600
Sundry Eastern Shore payments	3,432	
Direct Taxes in cash,	50,635	} 475,000
Do. in coupons,	472,415	
Dividends on Road Stocks,	30,502	30,500
Licenses,	119,428	115,000
Pratt street wharf,	518	500
Stamps on Lottery Tickets,		12,500
Additional assessment for Balt. \$15,000,000 a 25c.		37,500
Baltimore and Ohio Rail Road Co. dividend,		15,000

Total receipts 1846 and 1847, . . . \$898,619 \$983,557

Annual expenses of the state,	\$198,364	\$200,000
Annual interest on public debt,	651,821	651,821
Interest on \$1,200,000 arrearages proposed to be funded at 6 per cent.		72,000
Surplus,	48,434	59,736

Total expenditures 1846 and 1847, . . . \$898,619 \$983,557

If the estimates for 1846 had been sustained, there would have been added to the above balance of . . . \$48,434

From Baltimore and Susquehanna Rail Road,	14,000
“ Susquehanna and Tide Water Canals,	64,750
“ Baltimore and Ohio Rail Road,	15,000
“ Tax on Commissions and Collaterals,	23,500

And the surplus should have been, . . . 165,684

To the above estimated balance or surplus for 1847 of	\$59,736
Add saving by biennial sessions after 1847,	35,000

\$94,736

The sinking fund of the state of Maryland, according to the Treasurer's annual report, December, 1846, is thus composed :

	Principal.	Interest.
Currency Bonds of the state 4½ per cent.	\$452 32	\$20 34
Currency Bonds, 3 “	141,000 00	4,230 00
Sterling Bonds, 5 “	171,888 86	9,281 44
Currency, 5 “	538,681 38	26,934 05
Currency 6 per cent. Stock and Bonds,	644,450 50	38,667 00
Farmers Bank of Maryland Stock,	4,000 00	240 00
Cash on hand uninvested,	14,753 95	885 23

\$1,515,227 01 \$80,258 06

Besides the above sinking fund, the state owns active property and other assets, at what may be considered fair market prices, viz.

3,800 shares Farmers Bank of Md. stock,	40	\$152,000
1,740 “ Bank of Baltimore “	83	144,420
3,100 “ Mechanics' Bank “ <i>par</i>	15	46,500
424 “ Union Bank of Md. “	60	25,440
“ Com. & Farmers' Bank “ <i>par</i>		21,666

300 shares Farmers & Merch's Bk. stock	30	\$9,000
333 " Marine Bank "	25	8,325
600 " Franklin Bank "	7½	4,500
" Hagerstown Bank "	par	25,000
Total value of Bank Stock,		\$436,851
First Preferred Bonds of Susquehanna and Tide Water Canal Companies, 6 p c.		\$192,500
Sterling Bonds of same companies exchanged for State Bonds, bearing 5 p.c. payable in London,	1,000,000	
5,000 shares Baltimore & Ohio R. R. stock, \$38	190,000	
5,500 " Washington Branch "	90	495,000
500 " Frederick Turnpike Co.	4	2,000
250 " York "	5	1,250
200 " Union Manufacturing Co.	28	5,600
		1,886,350
		\$2,323,201
Due from Collectors of Taxes, Sheriffs, Auctioneers and other fiscal officers, in daily course of collection,		417,485
Making a total of available means of		\$2,740,686
beyond the current annual revenue of the state.		

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PUBLIC DEBT OF MARYLAND, December 1, 1846.

| Subject.                                                                                                                                              | Amount.         |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|
| For construction of State Tobacco Warehouses in Baltimore, . . . . .                                                                                  | \$ 85,000 00    |                  |
| For the construction of the Maryland Penitentiary, . . . . .                                                                                          | 97,947 30       |                  |
| For the Washington Monument, Baltimore, . . . . .                                                                                                     | 3,000 00        |                  |
| For account of the Baltimore and Ohio rail road Co., . . . . .                                                                                        | 3,697,000 00    |                  |
| For account of Baltimore and Washington do. . . . .                                                                                                   | 500,000 00      |                  |
| For account of the Chesapeake and Ohio Canal Co., . . . . .                                                                                           | 7,194,666 67    |                  |
| For construction of the Baltimore and Susquehanna rail road, . . . . .                                                                                | 2,232,045 29    |                  |
| For construction of the Annapolis and Elkridge do. . . . .                                                                                            | 219,724 45      |                  |
| For construction of the Susquehanna and Tide Water Canals, . . . . .                                                                                  | 1,000,000 00    |                  |
| For construction of the Eastern Shore rail road, . . . . .                                                                                            | 152,401 27      |                  |
| For Medical Department of Baltimore University, . . . . .                                                                                             | 30,000 00       |                  |
|                                                                                                                                                       |                 | \$15,211,784 98  |
| <i>Recapitulation.</i>                                                                                                                                |                 |                  |
| Currency six per cent. Bonds, . . . . .                                                                                                               | \$ 3,932,306 44 |                  |
| Do. five do. do. . . . .                                                                                                                              | 1,821,811 87    |                  |
| Sterling five do. do. . . . .                                                                                                                         | 8,857,666 67    |                  |
| Currency four and a half do. . . . .                                                                                                                  | 100,000 00      |                  |
| Do. three do. . . . .                                                                                                                                 | 500,000 00      |                  |
|                                                                                                                                                       |                 | \$ 15,211,784 98 |
| Of this amount there is held by the Baltimore and Ohio rail road Co., and not negotiated, in five per cent. sterling bonds, issued in 1838, . . . . . | \$ 3,200,000    |                  |
| Held by the Treasurer of the Sinking Fund (as per preceding statements,) . . . . .                                                                    | 1,496,473       |                  |
| <i>Actual Funded Debt of the State,</i> . . . . .                                                                                                     | 10,515,311      |                  |
|                                                                                                                                                       |                 | \$ 15,211,784    |

## SAVINGS BANKS.

Condition of the institutions for savings in Massachusetts on the last Saturday in October, 1846.

| Place.       | Names.                     | No. of Depositors. | Amount of Deposits | Divid'd per ct. | Annual Expenses. |
|--------------|----------------------------|--------------------|--------------------|-----------------|------------------|
| Boston,      | Provident Institution,     | 19,534             | 3,123,341          | 4               | 9,698            |
|              | Suffolk Savings Bank,      | 2,869              | 578,918            | 4               | 2,563            |
| Andover,     | Institution for Savings,   | 509                | 108,460            | 5               | 150              |
| Gloucester,  | Cape Ann Savings Bank,     | 48                 | 1,355              |                 | 50               |
| Haverhill,   | Haverhill Savings Bank,    | 1,216              | 207,930            | 5               | 537              |
| Lynn,        | Institution for Savings,   | 566                | 66,963             | 5               | 166              |
| Newburyport, | do. do.                    | 2,916              | 497,838            | 5               | 1,130            |
| Salem,       | Salem Savings Bank,        | 5,103              | 969,266            | 4½              | 2,338            |
| Salisbury,   | Provident Institution,     | 628                | 77,910             | 5               | 109              |
| Cambridge,   | Institution for Savings,   | 541                | 74,705             | 4               | 325              |
| Framingham,  | Savings Bank,              | 40                 | 4,269              |                 |                  |
| Coacord,     | Institution for Savings,   | 1,035              | 199,466            | 4               | 364              |
| Lynn,        | do. do.                    | 4,863              | 801,165            | 4               | 2,000            |
| Newton,      | do. do.                    | 109                | 7,334              | 4               | 28               |
| Charlestown. | Warren Institution,        | 1,317              | 194,579            | 4               | 826              |
| Fitchburg.   | Fitchburg Savings Bank,    | 123                | 14,369             |                 |                  |
| Lancaster,   | do. do.                    | 104                | 10,134             | 4               | 50               |
| Worcester,   | Worcester Co. Institution, | 5,968              | 1,014,018          | 4               | 1,418            |
| Northampton, | Institution for Savings,   | 99                 | 10,618             | 4               | 2                |
| Springfield, | do. do.                    | 779                | 149,065            | 4               | 350              |
| Greenfield,  | Franklin Institution,      | 533                | 73,530             | 5               | 125              |
| Pittsfield,  | Berkshire Co. Savings B'k, | 12                 | 1,032              |                 |                  |
| Canton,      | Institution for Savings,   | 186                | 23,950             | 4               | 75               |
| Cohasset,    | do. do.                    | 28                 | 5,590              | 5               |                  |
| Dedham,      | do. do.                    | 1,403              | 270,100            | 4               | 708              |
| Quincy,      | Quincy Savings Bank,       | 207                | 27,448             | 5               | 110              |
| Roxbury,     | Institution for Savings,   | 519                | 73,218             | 4               | 450              |
| Weymouth,    | do. do.                    | 391                | 55,791             | 5               | 100              |
| Fairhaven,   | do. do.                    | 219                | 52,112             | 5½              | 150              |
| Fall River,  | do. do.                    | 2,344              | 584,160            | 6               | 1,450            |
| New Bedford, | do. do.                    | 2,102              | 422,553            | 5               | 816              |
| Taunton,     | Bristol Co. Savings Bank,  | 217                | 32,520             |                 | 6                |
| Do.          | Institution for Savings,   | 1,213              | 89,418             |                 | 1,091            |
| Hingham,     | do. do.                    | 1,077              | 218,562            | 5               | 420              |
| Plymouth,    | do. do.                    | 1,993              | 333,272            | 5               | 734              |
| Scituate,    | do. do.                    | 910                | 95,806             | 5               | 200              |
| Barnstable,  | do. do.                    | 768                | 165,494            | 5               | 310              |
| Nantucket,   | do. do.                    | 441                | 89,612             | 5               | 450              |

*Aggregate of Savings Banks in Massachusetts, October, 1846.*

|                                         |                 |
|-----------------------------------------|-----------------|
| Number of Depositors.....               | 62,893          |
| Amount of Deposits.....                 | \$10,630,933 10 |
| Public Funds.....                       | 1,890,525 98    |
| Loans on Public Funds.....              | 19,500 00       |
| Bank Stock.....                         | 1,909,620 72    |
| Loans on Bank Stock.....                | 149,256 50      |
| Deposits in Banks bearing interest..... | 94,520 61       |
| Railroad Stock.....                     | 14,800 00       |
| Loans on Railroad Stock.....            | 232,538 75      |
| Invested in Real Estate.....            | 90,884 22       |
| Loans on Mortgage of Real Estate.....   | 3,767,262 80    |

|                                                                  |              |
|------------------------------------------------------------------|--------------|
| Loans to County or Town.....                                     | \$818,041 96 |
| Loans on Personal Security.....                                  | 1,930,072 88 |
| Cash on hand.....                                                | 150,728 26   |
| Rate of ordinary dividend for 1846, 4½ per cent.....             | 345,443 10   |
| Average amount of dividends of last five years..... 5½ per cent. |              |
| Annual expenses of the Institutions.....                         | 29,306 69    |

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SAVINGS BANK OF BALTIMORE.

From the Annual Reports January, 1846 and 1847.

Receipts.

	1845.	1846.
Received from Depositors.....	\$527,620	\$595,371
Interest and dividends.....	77,632	88,575
Balance on hand, 1st January, 1845 and 1846.....	1,325,821	1,388,749
	<u>1,931,073</u>	<u>2,072,695</u>

Payments.

Paid to depositors (principal and interest).....	\$528,854	\$512,770
State and city taxes for the year.....	8,053	5,945
Expenses of the Institution.....	5,417	5,482
Balance on hand, 31st December, 1845 and 1846.....	1,388,749	1,548,498
	<u>\$1,931,073</u>	<u>2,072,695</u>

The funds are employed in loans on stocks and real estate, and in the purchase of stocks, and in the opinion of the committee, are safely and judiciously invested.

There were open on the 1st January, 1846, 5,628 accounts; there were opened during the year, 1,846 accounts, and closed during the same period 1,262, leaving open on the 31st December, 1846, 6,207 accounts.

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**LOUISVILLE SAVINGS INSTITUTION, October 28, 1846.**

*Assets.*

|                                |                     |
|--------------------------------|---------------------|
| Bills discounted . . . . .     | \$124,475 00        |
| Bills of Exchange . . . . .    | 74,477 11           |
| Real Estate . . . . .          | 10,000 00           |
| Bank stock . . . . .           | 600 00              |
| Due by several banks . . . . . | 19,534 32           |
| Specie . . . . .               | 91,043 55           |
| Bank notes . . . . .           | 46,815 00           |
|                                | <u>\$366,975 00</u> |

*Liabilities.*

|                                   |                     |
|-----------------------------------|---------------------|
| Individual deposits . . . . .     | \$138,869 40        |
| Public officers . . . . .         | 93,881 65           |
| Due to several banks . . . . .    | 4,772 83            |
| Due on dividend account . . . . . | 1,480 84            |
| Capital stock . . . . .           | 100,000 00          |
| Surplus profit . . . . .          | 27,970 28           |
|                                   | <u>\$366,975 00</u> |

The undersigned carefully examined the books and accounts of the Louisville Savings Institution, and found that the business had been conducted in the best manner. The notes and bills on hand are all amply secured. They counted the money on hand and found it to correspond with the above state-

ment. They recommend the institution as entirely worthy of public confidence.

|                    |                                    |                     |                                  |
|--------------------|------------------------------------|---------------------|----------------------------------|
| D. L. BEATTY,      | } Committee<br>of<br>Stockholders. | P. S. LOUGHBOROUGH, | } Committee<br>of<br>Depositors. |
| CHAS. H. LEWIS,    |                                    | G. W. WEISSINGER,   |                                  |
| JOHN WILL. SHREVE, |                                    | JACOB BECKWITH,     |                                  |

NEW YORK SAVINGS BANKS.

The Greenwich Savings Bank, the Bowery Savings Bank, and the Bank for Savings, Chambers street, New York, have each declared a semi-annual dividend of five per cent. on sums under \$500, and four per cent. on sums over \$500.

These institutions are open three days in the week, from 5 till 7 o'clock, P. M., besides the usual business hours, for the reception of deposits.

BANK STATISTICS.

Abstract of the condition of the Banks of Boston, on the first Saturday in October, 1846, compiled for the Bankers' Magazine, from the annual official returns prepared by John G. Palfrey, Secretary of the commonwealth of Massachusetts.

Liabilities.

| Names.                         | Circulation.        | Profits.           | Due Banks.         | Deposits.           | Total.              |
|--------------------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| †Atlantic.....                 | \$ 276,695          | \$ 29,551          | \$ 65,762          | \$ 253,243          | \$ 1,125,251        |
| Atlas.....                     | 191,861             | 33,834             | 136,867            | 189,128             | 1,061,690           |
| Boston.....                    | 292,470             | 61,633             | 87,062             | 489,367             | 1,530,532           |
| Boylston.....                  | 146,833             | 3,771              |                    | 86,016              | 386,620             |
| †City.....                     | 267,652             | 86,644             | 25,676             | 550,189             | 1,930,161           |
| †Columbian.....                | 180,853             | 21,502             |                    | 242,558             | 944,913             |
| Eagle.....                     | 208,211             | 24,982             | 124,517            | 470,668             | 1,325,378           |
| Freeman's.....                 | 170,154             | 32,207             |                    | 81,169              | 483,520             |
| Globe.....                     | 272,826             | 62,612             | 356,356            | 548,184             | 2,239,978           |
| †Granite.....                  | 243,944             | 42,379             | 84,526             | 181,111             | 1,051,960           |
| †Hamilton.....                 | 238,398             | 37,690             | 64,047             | 306,663             | 1,146,798           |
| †Market.....                   | 187,773             | 94,876             | 61,401             | 348,371             | 1,252,422           |
| †Massachusetts.....            | 124,832             | 34,822             | 81,673             | 264,848             | 1,306,175           |
| †Mechanics.....                | 149,727             | 17,198             |                    | 27,307              | 314,232             |
| †Merchants.....                | 977,366             | 221,343            | 1,051,473          | 1,139,862           | 6,390,044           |
| New England.....               | 157,865             | 65,409             | 156,000            | 204,234             | 1,583,506           |
| †North.....                    | 273,917             | 23,645             | 70,484             | 280,480             | 1,398,525           |
| Shawmut.....                   | 224,101             | 27,532             | 238,631            | 164,870             | 1,155,134           |
| †Shoe and Leather....          | 290,072             | 66,550             | 117,092            | 198,814             | 1,172,528           |
| State.....                     | 417,621             | 130,143            | 197,000            | 522,358             | 3,067,122           |
| †Suffolk.....                  | 245,362             | 232,706            | 1,825,908          | 206,800             | 3,510,776           |
| †Traders.....                  | 227,194             | 38,434             | 61,026             | 159,978             | 886,632             |
| Tremont.....                   | 226,028             | 36,331             | 188,677            | 211,135             | 1,162,171           |
| Union.....                     | 209,263             | 34,887             | 70,832             | 250,475             | 1,365,458           |
| †Washington.....               | 172,668             | 14,010             | 7,000              | 168,792             | 862,470             |
| <b>25 Boston Banks, Total,</b> | <b>6,373,686</b>    | <b>1,474,691</b>   | <b>5,072,010</b>   | <b>7,546,610</b>    | <b>38,646,997</b>   |
| <b>80 Country Bks., Total,</b> | <b>8,218,228</b>    | <b>1,029,441</b>   | <b>213,010</b>     | <b>2,814,036</b>    | <b>25,254,716</b>   |
| <b>Total 105 Banks,</b>        | <b>\$14,591,914</b> | <b>\$2,504,132</b> | <b>\$5,285,020</b> | <b>\$10,360,646</b> | <b>\$63,901,713</b> |

†Subscribers to the Bankers' Magazine.

## Bank Statistics.

| Names.                | Resources.         |                |                       |                  | Loans.            |
|-----------------------|--------------------|----------------|-----------------------|------------------|-------------------|
|                       | Gold and Silver.   | Real Estate.   | Notes of other Banks. | Bank Balances.   |                   |
| Atlantic.....         | \$ 70,426          | \$ 30,000      | \$ 56,774             | \$ 139,984       | \$ 829,067        |
| Atlas.....            | 24,874             |                | 45,902                | 70,940           | 909,974           |
| Boston.....           | 161,461            | 50,000         | 100,997               | 144,028          | 1,074,046         |
| Boylston.....         | 9,534              |                | 15,654                | 63,542           | 297,890           |
| City.....             | 59,521             | 52,124         | 82,822                | 173,284          | 1,562,409         |
| Columbian.....        | 60,034             |                | 84,910                | 58,163           | 741,505           |
| Eagle.....            | 63,610             |                | 175,419               | 135,046          | 954,304           |
| Freeman's.....        | 25,760             | 8,722          | 5,158                 | 48,584           | 395,296           |
| Globe.....            | 139,576            | 30,000         | 157,253               | 128,739          | 1,784,410         |
| Granite.....          | 81,360             |                | 74,663                | 74,900           | 821,037           |
| Hamilton.....         | 53,316             |                | 77,213                | 120,819          | 895,450           |
| Market.....           | 50,570             |                | 58,220                | 90,276           | 1,053,355         |
| Massachusetts.....    | 63,540             | 75,640         | 39,781                | 66,854           | 1,060,360         |
| Mechanics'.....       | 14,039             | 15,650         | 2,754                 | 40,072           | 241,717           |
| Merchants'.....       | 743,042            | 145,084        | 263,402               | 369,994          | 4,868,521         |
| New England.....      | 72,898             | 30,000         | 25,000                | 37,348           | 1,418,461         |
| North.....            | 45,095             |                | 103,614               | 66,235           | 1,183,581         |
| Shawmut.....          | 35,084             |                | 97,406                | 63,800           | 958,844           |
| Shoe and Leather..... | 75,462             |                | 100,986               | 96,649           | 899,430           |
| State.....            | 102,506            |                | 135,800               | 64,000           | 2,764,516         |
| Suffolk.....          | 239,702            | 100,456        | 553,486               | 821,475          | 1,795,656         |
| Traders'.....         | 31,971             | 10,725         | 38,920                | 101,270          | 703,746           |
| Tremont.....          | 67,566             | 43,000         | 118,844               | 64,611           | 868,148           |
| Union.....            | 112,681            | 128,178        | 83,230                | 36,326           | 1,006,042         |
| Washington.....       | 33,643             |                | 73,831                | 27,713           | 727,380           |
| <b>Totals,</b>        | <b>\$2,437,072</b> | <b>719,582</b> | <b>2,571,038</b>      | <b>3,104,658</b> | <b>29,814,645</b> |

## BANKS OF MASSACHUSETTS.

|                                  | 25 banks in Boston. | 80 Banks out of Boston. | 105 banks, Oct. 1846. | October, 1845.    |
|----------------------------------|---------------------|-------------------------|-----------------------|-------------------|
| Capital Stock paid in,.....      | \$ 18,180,000       | \$ 12,980,000           | \$ 31,160,000         | \$ 30,970,000     |
| Circulation of \$5 and upwards.. | 5,677,668           | 6,851,717               | 12,329,385            | 12,297,880        |
| Circulation less than \$5.....   | 696,018             | 1,566,511               | 2,262,529             | 2,041,806         |
| Net profits on hand.....         | 1,474,684           | 1,029,441               | 2,504,136             | 1,910,465         |
| Balances due to other Banks....  | 5,072,005           | 218,010                 | 5,285,015             | 5,046,121         |
| Cash deposited.....              | 6,806,374           | 2,653,001               | 9,459,375             | 11,668,134        |
| Cash deposited bearing interest. | 740,238             | 161,036                 | 901,274               | 1,083,219         |
| <b>Total liabilities,</b>        | <b>38,646,997</b>   | <b>25,254,716</b>       | <b>63,901,714</b>     | <b>65,017,625</b> |
| Gold, silver, &c.....            | 2,437,072           | 617,683                 | 3,054,755             | 3,357,904         |
| Real Estate.....                 | 719,582             | 378,418                 | 1,098,000             | 1,097,970         |
| Bills of banks in this state.... | 2,394,802           | 240,256                 | 2,635,069             | 2,612,961         |
| Bills of banks in other states.. | 176,236             | 43,459                  | 219,695               | 397,152           |
| Balances due from other banks.   | 3,104,657           | 2,463,431               | 5,568,088             | 4,902,906         |
| Total loans, stocks, &c.....     | 29,814,646          | 21,511,467              | 51,326,114            | 52,648,730        |
| <b>Total Resources,</b>          | <b>38,646,997</b>   | <b>25,254,716</b>       | <b>63,901,714</b>     | <b>65,017,625</b> |

*Bank Statistics.*

465

|                                                           |                      |                  |           |           |
|-----------------------------------------------------------|----------------------|------------------|-----------|-----------|
| Amount of dividends for 1846...                           | \$1,163,500          | 682,790          | 1,856,290 | 1,830,540 |
| Amount of reserved profits, Oct. 1846.....                | 1,151,642            | 655,561          | 1,807,203 | 1,519,063 |
| Amount of debts secured by pledge of stock.....           | 396,075              | 345,460          | 741,536   | 649,995   |
| Debts due and unpaid, and considered doubtful.....        | 74,256               | 188,176          | 262,443   | 229,963   |
| Aggregate dividends of banks in Boston, for the year..... | a fraction less than | 6 40-100 pr. ct. | 6 4-100   |           |
| Do. in April.....                                         | a fraction less than | 3 25-100 pr. ct. |           |           |
| Do. in October.....                                       | a fraction over      | 3 15-100 pr. ct. |           |           |
| Banks out of Boston, for the year....                     | a fraction less than | 5 34-100 pr. ct. | 5 95-100  |           |
| Do. in April.....                                         | a fraction over      | 3 21-100 pr. ct. |           |           |
| Do. in October.....                                       | a fraction over      | 2 12-100 pr. ct. |           |           |
| Dividends of all banks for the year....                   | a fraction over      | 5 95-100 pr. ct. | 6         |           |
| Do. in April.....                                         | a fraction over      | 3 23-100 pr. ct. |           |           |
| Do. in October.....                                       | a fraction over      | 2 72-100 pr. ct. |           |           |

Taxes paid by the Banks of BALTIMORE into the Treasury of the State of Maryland, during the fiscal year ending December 1, 1846.

| Name of Banks.                          | Direct Tax. | Free Schools. | Tax on Bank Stock. |
|-----------------------------------------|-------------|---------------|--------------------|
| Merchants' Bank.....                    | 4,245       | 4,000         |                    |
| Franklin Bank.....                      | 323         | 603           |                    |
| Chesapeake Bank.....                    | 577         | 675           |                    |
| Savings Bank of Baltimore.....          | 2,082       |               |                    |
| Commercial and Farmers' Bank.....       | 1,009       | 2,992         | 1,515              |
| Farmers and Planters' Bank.....         | 3,003       | 1,201         |                    |
| Western Bank.....                       | 1,353       | 616           |                    |
| Union Bank.....                         | 1,344       | 4,082         | 1,908              |
| Marine Bank.....                        | 501         | 618           | 600                |
| Farmers and Merchants' Bank.....        | 511         | 1,115         | 720                |
| Bank of Baltimore.....                  | 1,814       | 2,886         | 10,440             |
| Mechanics' Bank.....                    | 1,419       | 1,775         | 3,022              |
|                                         | <hr/>       | <hr/>         | <hr/>              |
|                                         | 19,181      | 20,563        | 18,206             |
| Cumberland Bank.....                    | 74          | 225           |                    |
| Mineral Bank.....                       | 62          | 204           |                    |
| Farmers' Bank of Maryland.....          | 613         | 5,983         | 11,400             |
| Patapsco Bank.....                      | 381         | 250           |                    |
| Frederick County Bank.....              | 375         | 300           |                    |
| Farmers and Mechanics' Bank, Frederick, | 298         | 250           |                    |
| Washington County Bank.....             | 383         | 267           |                    |
| Hagerstown Bank.....                    |             | 500           | 1,500              |
| Frederick Town Savings Institution..... | 333         |               |                    |
| Baltimore Life Insurance Company.....   | 113         |               |                    |
| Bank of Westminster.....                |             | 120           |                    |
| Farmers and Millers' Bank.....          |             | 193           |                    |
| Fells' Point Savings Institution.....   |             | 45            |                    |
|                                         | <hr/>       | <hr/>         | <hr/>              |
| Total for year 1846.....                | \$20,812    | \$28,899      | \$31,106           |

⌋ The combined capital of 11 banks in Baltimore is \$6,969,329, and their contribution to the state revenue \$54,868.

The state tax in Boston upon a similar amount of bank capital is \$69,693, or one per cent. besides tax upon their real estate.

## BANKS OF BALTIMORE.

Condensed view of the Banks of Baltimore on the 4th January, 1847, from the official reports to the Treasurer of the State.

| <i>Liabilities.</i>             | Capital.             | Undivided Profits. | Circulation.        | Deposits.           | Bank Balances.    | Total.               | Div. Presidents.     |
|---------------------------------|----------------------|--------------------|---------------------|---------------------|-------------------|----------------------|----------------------|
|                                 |                      |                    |                     |                     |                   |                      | 1845.                |
| Merchants' Bank.....            | \$ 1,000,000         | \$ 116,430         | \$ 205,880          | \$ 467,366          | \$ 298,740        | \$ 2,588,416         | 6 James Swan         |
| Bank of Baltimore.....          | 1,200,000            | 107,000            | 230,592             | 560,774             | 112,080           | 2,210,445            | 6 James H. McCulloh  |
| Union Bank.....                 | 916,350              | 53,740             | 143,340             | 332,498             | 162,143           | 1,608,071            | 6 John M. Gordon     |
| Farmers and Planters' Bank..... | 600,625              | 28,694             | 406,076             | 297,974             | 72,051            | 1,405,422            | 6 William E. Mayhew  |
| Mechanics' Bank.....            | 589,812              | 6,858              | 204,818             | 520,504             | 39,190            | 1,361,183            | 6 John B. Morris     |
| Commercial and Farmers' Bank..  | 512,560              | 101,384            | 171,770             | 370,964             | 126,578           | 1,283,255            | 6½ Eli Claggett      |
| Cheapeake Bank.....             | 337,042              | 32,102             | 102,278             | 266,273             | 36,106            | 773,860              | 6 John S. Gittings   |
| Farmers and Merchants' Bank..   | 393,560              | 44,916             | 99,604              | 112,526             | 13,328            | 663,984              | 6 John Hanson Thomas |
| Marine Bank.....                | 309,200              | 16,798             | 114,730             | 204,492             | 31,541            | 676,761              | 6 Jacob Bier         |
| Western Bank.....               | 308,280              | 76,842             | 275,960             | 181,375             | 66,218            | 907,675              | 6½ Chauncy Brooks    |
| Franklin Bank.....              | 301,860              | 116,527            | 35,591              | 52,985              | 2,040             | 608,993              | John I. Donaldson    |
| <b>Total Liabilities.....</b>   | <b>\$ 6,969,329</b>  | <b>\$ 701,291</b>  | <b>\$ 1,990,639</b> | <b>\$ 3,367,733</b> | <b>\$ 969,014</b> | <b>\$ 13,988,005</b> |                      |
| <i>Resources.</i>               | Loans and Stocks.    | Real Estate.       | Specie              | Bank Bal.           | Bonus.            | Bank Notes.          | Cashiers.            |
| Merchants' Bank.....            | \$ 2,151,616         | \$ 25,000          | \$ 252,130          | \$ 72,640           | \$ 87,028         | \$ 87,028            | 6 Daniel Sprigg      |
| Bank of Baltimore.....          | 1,694,892            | 17,118             | 300,205             | 109,048             | 16,897            | 72,285               | 6 C. C. Jamison      |
| Union Bank.....                 | 1,250,920            | 113,209            | 124,315             | 24,407              | 24,000            | 71,220               | 6 Robert Mickle      |
| Farmers and Planters' Bank..... | 1,085,972            |                    | 236,030             | 14,480              | 68,939            | 68,939               | 7 Thomas B. Rutter   |
| Mechanics' Bank.....            | 1,044,222            | 9,100              | 206,320             | 46,098              | 55,442            | 55,442               | 6½ James W. Allnutt  |
| Commercial and Farmers' Bank.   | 888,575              | 37,523             | 229,830             | 65,356              | 61,971            | 61,971               | 7 Trueman Cross      |
| Cheapeake Bank.....             | 621,631              | 20,268             | 89,650              | 12,734              | 29,547            | 29,547               | 6 Jonathan Pinkney   |
| Farmers and Merchants' Bank...  | 569,686              | 8,870              | 63,906              | 8,074               | 23,400            | 23,400               | 6 John Loney         |
| Marine Bank.....                | 512,803              | 23,541             | 99,184              | 10,250              | 30,983            | 30,983               | 6 Philip Littig, Jr. |
| Western Bank.....               | 532,618              | 60,184             | 187,566             | 37,767              | 89,550            | 89,550               | 6 James H. Carter    |
| Franklin Bank.....              | 403,597              | 64,634             | 25,196              | 13,006              | 2,570             | 2,570                | Aquilla P. Giles     |
| <b>Total Resources.....</b>     | <b>\$ 10,746,628</b> | <b>\$ 379,467</b>  | <b>\$ 1,814,312</b> | <b>\$ 413,860</b>   | <b>\$ 40,897</b>  | <b>\$ 692,935</b>    |                      |

NEW YORK.

The new constitution contains a provision which will suspend all payments from the treasury, except such appropriations as have been authorized within two years of the payment. To meet the exigency thus created, a new appropriation bill will have to be passed, at an early day, for the ordinary current demands on the treasury, such as interest on temporary loans, the annual dividends to common schools, &c.

The Comptroller notices the following institutions, appropriations to which have been cut off by the new constitution:—Genesee Wesleyan Seminary, University of New York, Geneva and Hamilton Colleges, Albany Medical College, Medical Institution of Geneva College, the Eye Infirmary, and the Common School Journal.

The following is given as the Canal Fund:—

|                                  | Cost.             | Tolls—fiscal yr. |
|----------------------------------|-------------------|------------------|
| Erie Canal, . . . . .            | \$ 7,143,789 86 ½ |                  |
| “ Enlargement, . . . . .         | 12,989,851 76 ½   | \$ 2,492,380 34  |
| Champlain Canal, . . . . .       | 1,257,604 26      | 114,169 05       |
| Oswego, . . . . .                | 565,437 35        | 60,101 35        |
| Cayuga & Seneca Canal, . . . . . | 237,000           | 29,395 23        |
| Crooked Lake Canal, . . . . .    | 156,776           | 1,846 37         |
| Chemung, “ . . . . .             | 648,600 58        | 15,862 99        |
| Chenango, “ . . . . .            | 2,420,000         | 25,578 76        |
| Black River, “ . . . . .         | 1,564,000         |                  |
| Genesee Valley, “ . . . . .      | 3,885,000         | 24,182 60        |
| Oneida Lake, “ . . . . .         | 50,000            | 604 41           |
| “ River Improvement, . . . . .   | 69,276 13         |                  |
|                                  | \$ 30,987,335 94  | \$ 2,764,121 10  |

The annual interest, at 5½ per cent. on this sum, is \$ 1,704,298 48. The net revenue from all the canals, after deducting expenses of collection and superintendence, is \$ 2,156,496 75.

The state has loaned stocks to rail road companies to the amount of \$ 5,228,700, of which the state has had to pay \$ 3,515,700. The amount of interest annually paid for these insolvent rail roads, is \$ 191,986,50.

The direct debt of the state on the 30th Sept. is set down as follows:—

|                                                | Amt. of principal. | Annual Int.     |
|------------------------------------------------|--------------------|-----------------|
| Stock issued to J. J. Astor, 5 per ct. . . . . | \$ 561,500 00      | \$ 28,075 00    |
| Loans from bank fund, “ . . . . .              | 348,007 00         | 17,405 35       |
| Ithaca & Oswego R. R. 4½ & 5 per ct. . . . .   | 315,700 00         | 14,466 50       |
| Canajoharie & Catskill R. R., . . . . .        | 200,000 00         | 10,000 00       |
| N. Y. & E. R. R., 4½, 5½ & 6 per ct. . . . .   | 3,000,000 00       | 167,500 00      |
| Indian annuities, 6 per cent, . . . . .        | 122,694 87         | 7,361 69        |
| Temporary loans to treasury, 7 per ct. . . . . | 616,099 51         | 37,185 18       |
| Due specific funds, 6 per cent. . . . .        | 828,739 44         | 49,724 37       |
|                                                | \$ 5,992,840 82    | 331,738 09      |
| Debts of the several Canals.                   | Principal.         | Interest.       |
| At 5 per cent, . . . . .                       | \$ 11,515,897 57   | \$ 575,794 88   |
| 6 “ . . . . .                                  | 1,781,782 00       | 106,906 92      |
| 7 “ . . . . .                                  | 3,647,136 00       | 255,299 52      |
|                                                | \$ 16,944,815 57   | \$ 938,001 32   |
| Total canal debt, . . . . .                    | 5,992,840 82       | 331,738 09      |
| Treasury debt, . . . . .                       |                    |                 |
| Aggregate, . . . . .                           | \$ 22,937,656 39   | \$ 1,269,739 41 |

There are other items swelling the debt to \$24,734,080 95.

The sinking fund provided by the constitution will pay the canal debt in 18½ years. But it will not be found sufficient to meet the principal always as it becomes due.

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### MICHIGAN.

The message of the Governor of *Michigan* states the receipts of the year to the credit of the general fund at \$227,697 and the expenditures at \$165,126, and gives the following details of the condition of the finances of the state:

|                                                                                                                                   |                |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------|
| The receipts of the internal improvement fund, during the fiscal year, including payments on the sale of rail roads are . . . . . | \$1,775,007 05 |
| Total expenditures, including state indebtedness cancelled . . . . .                                                              | 1,549,398 67   |

|                                                                                                             |              |
|-------------------------------------------------------------------------------------------------------------|--------------|
| Balance due on debt outstanding on the 30th November, 1846, including interest to January 1, 1847 . . . . . | 2,842,650 99 |
|-------------------------------------------------------------------------------------------------------------|--------------|

|                                                                                  |            |
|----------------------------------------------------------------------------------|------------|
| The balance due on the sale of the Central and Southern rail roads, is . . . . . | 855,510 22 |
|----------------------------------------------------------------------------------|------------|

|                                                                                                            |                |
|------------------------------------------------------------------------------------------------------------|----------------|
| Which, deducted from the above mentioned indebtedness, leaves total of internal improvement debt . . . . . | \$1,987,140 77 |
|------------------------------------------------------------------------------------------------------------|----------------|

|                                                                                                 |            |
|-------------------------------------------------------------------------------------------------|------------|
| The resources applicable to this fund, as estimated by the Auditor General, amount to . . . . . | 422,123 00 |
|-------------------------------------------------------------------------------------------------|------------|

The Clinton and Kalamazoo canal may also properly be considered as means applicable to this purpose.

|                                                                                                                         |              |
|-------------------------------------------------------------------------------------------------------------------------|--------------|
| The total amount of internal improvement debt, discharged by payments on the sale of the Central rail road is . . . . . | 1,634,489 78 |
|-------------------------------------------------------------------------------------------------------------------------|--------------|

In the above statement of the internal improvement debt, the \$3,813,000 delivered to the United States bank on special contract, are stated at the amount actually received by the state on account of them.

The net earnings of the Central rail road during the year were \$104,939; of the Southern, \$32,172. The former has been sold to the Central rail road Co. Said company paid into the treasury in coupons and money for interest due in January and July, 1846, the sums of \$105,000, and upon iron contracts outstanding, and money to liquidate the same, \$135,673 42. The Southern rail road company has also completed the purchase of the Southern road, under its act of incorporation, and has paid into the treasury the sum of \$50,000

The remaining liabilities of the state, usually denominated the contingent debt, consist of a loan of \$100,000 in state bonds, to the Detroit and Pontiac rail road company; the same amount to the University of Michigan; and the deposits in the treasury of the surplus revenue of the United States.

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**LIBERTY.** Men are qualified for civil liberty, in exact proportion to their disposition to put chains upon their appetites, in proportion as their love of justice is above their rapacity; in proportion as their soundness and sobriety of understanding is above their vanity and presumption; in proportion as they are more disposed to listen to the counsels of the wise and good in preference to the flattery of knaves. Society cannot exist unless a controlling power upon the will and appetite are placed somewhere, and the less there is of it within, the more there is without. It is ordained in the eternal constitution of things that men of intemperate minds cannot be free. Passions forge their fetters.—*Edmund Burke.*

BANK CIRCULATION.

NOTE.—The gross circulation of the banks of Massachusetts, is represented in the table (page 464) at \$14,591,000 from which, however, should be deducted the amount of their own bills on hand, say \$2,635,000, which shows an *actual* circulation of \$11,956,000. The amount of specie is \$3,064,000, or 1 to 4. When we consider that this aggregate of specie maintains the above circulation and is also the fund for redemption of nearly all the circulation of New England, (under the Suffolk bank system) it must be apparent that the idea of a REDEEMABLE circulation is a FICTION. We refer our readers to a well drawn article upon this topic, at pages 245-247; in which the writer maintains that “the notion of having a currency that can be redeemed is very mischievous. There can be no such thing as redeeming the currency—redeeming the currency would be national bankruptcy.” The idea of a specie circulation, for the purposes of the general government, is as absurd as it is impracticable, and no man in his sober senses, or with an experience of forty-eight hours, in a bank or a broker’s office, would suggest such a scheme. This will be demonstrated in the operations of the sub-treasury, the most absurd of all political measures ever adopted or PROPOSED by this government. It is a stain upon the statute book and a stigma upon the enlightened age in which we live. If the mind of man were taxed to conceive a measure whose operations could, if possible, remove business facilities and create the most trouble between the government and those having money transactions with it, this sub-treasury scheme would be the one to accomplish this mischief.

PENNSYLVANIA.

Extracts from the Report of J. R. SNOWDEN, Esq. Treasurer of the State, Jan. 7, 1847.

|                                                          |                |
|----------------------------------------------------------|----------------|
| Receipts during the fiscal year, . . . . .               | \$3,529,057 28 |
| Balance in the treasury, November 30, 1845, . . . . .    | 384,886 09     |
| <hr/>                                                    |                |
| Total revenue, . . . . .                                 | 3,913,943 37   |
| Amount of expenditures during the same period, . . . . . | 3,529,264 67   |
| <hr/>                                                    |                |
| Balance in the treasury, November 30, 1846, . . . . .    | \$384,678 70   |

The treasury has thus been in a condition during the past year to meet all the demands upon it, and by reference to the details of the expenditures, it will be found that not only all the accruing liabilities, including the interest on the public debt, have been paid, but that a portion of that debt has been liquidated and discharged, viz. the sum of two hundred and forty-six thousand eight hundred and sixteen dollars and twenty-two cents. The important result is also exhibited, that the receipts within the fiscal year are equal to the expenditures, irrespective of any balance remaining in the treasury at the commencement of the year. I had the honor in a former report to present this subject to the attention of the legislature, and to make certain suggestions, the adoption of which, I firmly believed, would lead to its accomplishment. What was anticipated then is realized, and the gratifying fact is presented for the first time in the financial history of our commonwealth, since the creation of a permanent debt, that the receipts at the treasury during the year are equal to all the expenditures. It is true, that previous to 1842, the receipts *appear* equal to the expenditures, but they were made up by loans, the proceeds of which were applied to the public improvements and the payment of the interest on the prior loans. In February, 1842, the commonwealth reached the point when no new loans to pay interest would be taken, and from that period to February, 1845, no interest

was paid, but certificates were issued therefor, bearing six per cent., except for February and August, 1844, which were put at 5 per cent. This rapid increase of the public debt destroyed our credit, produced the deepest alarm in every reflecting mind, and if not timely arrested, would have inflicted an irreparable injury upon our commonwealth and our citizens.

The estimated receipts for the present fiscal year are as follows:

|                                                          |                     |
|----------------------------------------------------------|---------------------|
| Estimated receipts from all sources,                     | \$3,641,500 00      |
| To which add balance in treasury, December 1, 1846,      | 384,678 70          |
| <b>Estimated aggregate revenues,</b>                     | <b>4,026,178 70</b> |
| <b>Estimated expenditures,</b>                           | <b>3,447,058 89</b> |
| <b>Estimated balance in the treasury, Nov. 30, 1847,</b> | <b>\$579,119 81</b> |

Aggregate amount of State Tax assessed in the several counties of the Commonwealth, as follows, viz.

|                    |                       |
|--------------------|-----------------------|
| For the year 1841, | \$523,530 46          |
| Do. 1842,          | 664,341 63            |
| Do. 1843,          | 992,878 51            |
| Do. 1844,          | 937,424 74            |
| Do. 1845,          | 1,300,881 69          |
| Do. 1846,          | 1,300,881 69          |
|                    | <b>\$5,719,938 72</b> |

From this sum must be deducted, to cover exonerations for lost taxes, commissions for collecting, and registered taxes in Philadelphia county, for six years, together with abatement of taxes allowed in 1845 and 1846, say

588,755 35

Leaving available of the six years' assessments, the sum of \$5,131,183 37

Of this amount the following sums have been received at the State Treasury, viz.

|                   |                     |
|-------------------|---------------------|
| In the year 1841, | \$33,292 77         |
| Do. 1842,         | 486,635 85          |
| Do. 1843,         | 553,911 38          |
| Do. 1844,         | 751,210 01          |
| Do. 1845,         | 1,318,332 02        |
| Do. 1846,         | 1,445,112 70        |
|                   | <b>4,588,494 73</b> |

Leaving, on the 1st of Dec. 1846, to be realized, the sum of \$542,688 64

To regain our position, maintain our credit, and fulfil our solemn obligations to those who had loaned us their money, there was but one course to be pursued, and that was, in connection with retrenchment and economy, to rely upon taxes to supply the deficiency in the revenue. During the last two years these taxes have been cheerfully and promptly paid. No loans have been made. The public liabilities have been promptly met. The revenues have increased from nearly all sources, and the public debt is diminishing. I make these observations principally to show that we should maintain, generally, the present enactments in relation to revenue, avoiding carefully either the former system of loans or any new experiments under the idea that taxation may be avoided by some financial panacea. We have passed the more difficult period in safety, and stand upon solid ground. It is best to advance slowly and steadily, rather than by seeking a shorter route to endanger our present position and jeopard the future, which now brightens before us.

Whether the treasury will be in a condition fully to meet the interest due in February next, will depend upon the amount of receipts for this month (January.) If a deficit should occur, the interest can be paid as on former occasions, inasmuch as a considerable portion is not immediately demanded, and by proper measures some of the accruing revenues may be anticipated.

A deficiency, at a particular period, cannot interfere with the general result as stated, which embraces the entire year, as to which I have presented the result; that the revenues, if faithfully and vigorously collected, will not only be commensurate with the expenditures, but reduce the existing debt, and leave a balance in the treasury at the close of the present fiscal year of five hundred and seventy-nine thousand one hundred and nineteen dollars and eighty-one cents. JAMES ROSS SNOWDEN, *State Treasurer.*

TREASURY OFFICE OF PENNA., Jan. 7, 1847.

*Public Debt.*

|                                                                            |                |                 |
|----------------------------------------------------------------------------|----------------|-----------------|
| Funded debt, viz.                                                          |                |                 |
| 6 per cent. stock, . . . . .                                               | \$1,752,335 06 |                 |
| 5 " " . . . . .                                                            | 36,906,635 46  |                 |
| 4½ " " . . . . .                                                           | 200,000 00     |                 |
| Total funded debt, 1st December, 1846,                                     |                | \$38,858,970 52 |
| Relief notes in circulation, . . . . .                                     | \$1,031,664 00 |                 |
| Interest certificates outstanding, . . . . .                               | 703,810 69     |                 |
| Do. unclaimed, . . . . .                                                   | 4,433 11       |                 |
| Interest on certificates, at 4½ to 1st August, 1845, when funded . . . . . | 44,423 21      |                 |
|                                                                            |                | 1,784,331 01    |
| Domestic creditors' scrip, . . . . .                                       |                | 96,275 47       |
| Total public debt 1st January, 1847,                                       |                | \$40,739,577 00 |

*Public Property.*

|                                                              |                        |
|--------------------------------------------------------------|------------------------|
| Canals and rail roads at original cost,                      | \$28,657,432 51        |
| Public buildings and grounds at Harrisburg, estimated value, | 250,000 00             |
| State arsenals, powder magazines, &c., estimated,            | 100,000 00             |
| Stock in sundry corporations, par value,                     | 2,021,198 52           |
| Money due on unpatented lands, estimated,                    | 180,000 00             |
|                                                              | <u>\$31,208,631 03</u> |

Comparative Abstract of the Revenue and Expenditures of the Commonwealth of Pennsylvania, for the financial years ending Nov. 30, 1845, and Nov. 30, 1846.

| Revenue.                                          | 1845.     | 1846.     |
|---------------------------------------------------|-----------|-----------|
| Lands, . . . . .                                  | \$11,778  | \$13,235  |
| Auction commissions, . . . . .                    | 18,900    | 18,348    |
| Auction duties, . . . . .                         | 71,248    | 68,290    |
| Tax on bank dividends, . . . . .                  | 86,675    | 75,384    |
| Tax on corporation stocks, . . . . .              | 80,147    | 94,892    |
| Tax on real and personal estate, . . . . .        | 1,318,332 | 1,445,112 |
| Tavern licenses, . . . . .                        | 36,112    | 45,888    |
| Retailers' licenses, . . . . .                    | 72,908    | 109,473   |
| Pedlars' licenses, . . . . .                      | 1,427     | 3,372     |
| Brokers' licenses, . . . . .                      | 1,712     | 6,544     |
| Theatre, circus and menagerie licenses, . . . . . |           | 1,180     |

|                                                     |             |             |
|-----------------------------------------------------|-------------|-------------|
| Pamphlet laws, . . . . .                            | \$ 99       | 392         |
| Militia fines, . . . . .                            | 7,838       | 15,090      |
| Tax on writs, &c., . . . . .                        | 30,820      | 57,820      |
| Tax on certain offices, . . . . .                   | 2,596       | 12,355      |
| Collateral inheritance tax, . . . . .               | 33,650      | 45,468      |
| Canal and rail road tolls, . . . . .                | 1,154,591   | 1,357,203   |
| Canal fines, sales of old materials, &c., . . . . . | 5,639       | 2,679       |
| Tax on enrolment of laws, . . . . .                 | 1,600       | 2,095       |
| Tax on loans, . . . . .                             | 55,788      | 110,063     |
| Loans, . . . . .                                    | 2,150       | 12,490      |
| Dividends on turnpike and bridge stocks, . . . . .  | 1,199       | 1,253       |
| Accrued interest, . . . . .                         | 2,335       | 4,204       |
| Refunded cash, . . . . .                            | 8,577       | 15,535      |
| Escheats, . . . . .                                 | 909         | 2,880       |
| Fees of the public offices, . . . . .               | 1,564       | 1,716       |
| Miscellaneous, . . . . .                            | 1,458       | 6,065       |
|                                                     | <hr/>       | <hr/>       |
| Balances in the Treasury, Dec. 1. 1844 and 1845,    | \$3,010,062 | \$3,529,057 |
|                                                     | 663,851     | 384,686     |
|                                                     | <hr/>       | <hr/>       |
|                                                     | \$3,673,914 | \$3,913,943 |

| Expenditures.                                          | 1845.       | 1846.       |
|--------------------------------------------------------|-------------|-------------|
| Public improvements, . . . . .                         | \$661,340   | \$694,505   |
| Expenses of government, . . . . .                      | 239,304     | 216,632     |
| Militia expenses, . . . . .                            | 18,831      | 26,655      |
| Pensions and gratuities, . . . . .                     | 41,858      | 31,425      |
| Charitable institutions, . . . . .                     | 14,643      | 15,492      |
| Common schools, . . . . .                              | 234,331     | 193,221     |
| Loans, . . . . .                                       | 26,033      | 25,356      |
| Interest on loans, . . . . .                           | 1,784,182   | 1,984,623   |
| Guaranty of interest, . . . . .                        | 20,125      | 45,721      |
| Domestic creditors, . . . . .                          | 14,761      | 7,501       |
| Cancelled relief notes, . . . . .                      | 85,000      | 176,300     |
| Damages on the public works, . . . . .                 | 26,303      | 25,343      |
| Special commissioner, . . . . .                        | 1,007       | 1,109       |
| Revenue commissioners, . . . . .                       | 2,236       |             |
| State library, . . . . .                               | 1,240       | 724         |
| Public buildings and grounds, . . . . .                | 1,137       | 810         |
| Eastern reservoir of the Pennsylvania canal, . . . . . |             | 12,219      |
| Penitentiaries, . . . . .                              | 13,972      | 17,209      |
| House of Refuge, . . . . .                             | 4,000       | 4,000       |
| Conveying convicts and fugitives, . . . . .            | 711         | 145         |
| Nicholson lands, . . . . .                             | 222         | 1,277       |
| Escheats, . . . . .                                    | 799         | 557         |
| Philadelphia riots, . . . . .                          | 45,252      | 13,019      |
| City of Pittsburgh, . . . . .                          | 30,000      |             |
| Abatement of state tax, . . . . .                      | 17,685      | 33,455      |
| Premiums on silk, . . . . .                            | 18          |             |
| Miscellaneous, . . . . .                               | 4,027       | 1,958       |
|                                                        | <hr/>       | <hr/>       |
| Balances in the Treasury, Dec. 1, 1845 and 1846,       | \$3,289,028 | \$3,529,264 |
|                                                        | 384,886     | 384,678     |
|                                                        | <hr/>       | <hr/>       |
|                                                        | \$3,673,914 | \$3,913,943 |

## THE BRITISH FUNDING SYSTEM.

Compiled from Hamilton, Bailey, Pebrer, Parliamentary authorities, and on the authority of manuscript tables obtained from the office of the British Comptroller in London.

The difficulties in which individuals are involved by their real wants, but oftener by their unruly passions, are the source of their debts. The debts of [European] nations have not a different origin. When the ordinary resources of a country were insufficient to carry into effect the private views or *impolitic wars* of the despots who ruled, or the ministers who directed it, they simply resorted to the expedient of borrowing; but when the sums loaned were inadequate to the increased expenditure, they had recourse to all sorts of *schemes, deceptions, and contrivances*, the better to delude the lenders, and allure their avarice. Such is the origin of the British funding system. Among states, debt may be considered a national disease; and, like other diseases in our day, has made the tour of Europe, and, we may add, of many of the new nations of America.

One set of British writers maintain that "debt and wealth are synonymous;" that "increase of debt is a true increase of riches;" that no happiness can exist without a national debt. The domestic [*i. e.* the national] debt, says one of the highest authorities, (Colquhoun,) dispenses protection and *happiness*, by forming mutual advantages between the rich and the poor. It has produced the rapid increase of public and private buildings, and of the trade, commerce, and navigation of the country. Another, more audacious than the rest, declares that "a part of the industry, a part of the wages, and a part of the land, *belong* to the stockholders; and that by thirty millions of expenditure being in the hands of the stockholders or *dissipators*, consumption is highly stimulated." The extinction of the national debt of Great Britain, in the opinion of these economical writers, would, of course, bring misfortune and evil. "It would," says Colquhoun, "be attended with greater inconveniences than at present are experienced."

Another class of British writers, with more truth, with greater force of argument, and with more evidence of facts, contend that "poverty, misery, and the national debt, are also synonymous and identical terms;" that "taxation incurred to pay its annual interest (swallowing up thirty millions out of sixty millions of revenue, to satisfy the fundholders,) oppresses the people, destroys industry, and is equal to the curse of heaven on the agriculture, commerce, and manufactures of the nation." (McCulloch:) "To maintain that this enormous taxation enriches the nation, because it abstracts a portion of its riches, is both a plain contradiction and an absurdity; taxation being always an engine of destruction to all the productive classes." "To attribute to the debt the increase of business, improvements, &c., during the late war, is an error of the most miserable kind. It is to be attributed not to the increase of debt, but to the monopoly of commerce, to the discoveries of Arkwright and Watt, and to various other causes. The nation did not improve because of the debt, but in spite of it; as it gave birth to the nefarious practice of stock-jobbing, begetting a spirit of gambling, destructive of public morals, disgraceful to the nation, and hostile to the pursuit of sober industry." "No wages, no part of the lands, belongs to the stockholders or *dissipators*; nor was any specified property pledged for the greatest part of the debt contracted. The lenders had not at the time any property mortgaged to them; consequently, they cannot have at present more specified rights than they possessed when they loaned their money. To maintain the contrary, is a dangerous and arbitrary assumption." "They advanced

money when its value was depreciated on an average of *fifteen per cent.* They never entertained the idea of receiving payment at par, when the loans were contracted at exceedingly low prices." "It would be both folly and injustice to compel the nation to pay one hundred ounces of gold to the fund-holders, when they loaned less than eighty." "It is equally unjust to exempt this sort of property from the alteration in value to which every other kind of property in the kingdom is subject; and, consequently, the reduction of the debt—that millstone which destroys the industry and vigor of the people, *doubles* taxes, and spreads pauperism, crime, and wretchedness throughout the country—*can* be effected without any violation of the public faith." "The nation must not suffer on account of the errors of party or ministerial men. The happiness of twenty-four millions of British subjects ought not to be postponed for the sake of an insignificant portion—two hundred and eighty thousand stockholders."

Before we enter more fully on the subject, we have thus drawn a brief summary of the leading arguments and opinions of the contending parties for and against the existence of the present British national debt. It is not difficult to anticipate the American side of the argument; but on the opposite side what can we expect, where the infection of gambling is so strong that Pope, who knew his countrymen well, declared—

*"Statesman and patriot ply alike the stocks;  
Peers and butler share alike the box;  
And judges job, and bishops bite the town,  
And mighty dukes pack cards for half a crown."*

In the twelfth century, Richard I pawned the revenues of the crown for the payment of monies borrowed to defray the expenses of the fanatical conquest of the Holy Land. Henry III pawned the crown jewels and regal ornaments and robes of state. Edward I borrowed money to pay the debts of his father, in order to get his soul "out of purgatory," as the record states. Richard the II was deposed for extorting 1,100,000 pounds sterling, under pretext of borrowing, which was never repaid. This was one of the chief causes of the York and Lancaster wars. In 1346, Edward III ordered a sum of money to be lent to him. Henry IV *obliged* the rich men of the kingdom to lend him money upon the growing taxes. Henry VIII escaped the punishment he so justly merited for defrauding his creditors. He compelled Parliament to pass two acts, offering him "all the money he had received in loans;" thus discharging him of all obligations he had come under, and all suits that might arise thereupon. In money matters in Elizabeth's time, the people insisted upon the payment of the sums advanced to her predecessors—a demand she was wise enough to comply with. Burleigh counselled her to lay the foundation of public credit. The commonwealth contracted a large debt: at Cromwell's death it amounted to £2,474,290. Charles, by closing the exchequer in 1672, *defrauded* the creditors of the state of the sum of £2,800,000; but an arrangement took place, by which the sum of £664,226 was left at an interest of £19,027 18s. 6d. *This was the origin of the present national debt, and its whole amount before the English Revolution.*

In former times, says a British writer, loans were generally contracted for short periods. It was, moreover, an established practice that the funds assigned for the repayment should be sufficient to pay the principal and interest, and that within a certain number of years.

The British system, in practice, is quite the reverse. Their ministers are satisfied if they provide for the payment of the interest, without a thought on providing for the discharge of the principal; or if they do, it is in con-

formity to the maxim of Linguet and Terney, "to cancel the capital by a general bankruptcy, in order to bring the state home."\* The new system originated in the republics of Venice and Genoa; and being imported by William III, has been carried by the British to the highest perfection.

After the Irish revolution, to supply deficiencies, William had recourse to the *long annuities* which were created in 1692. £81,493 were raised on annuities of 99 years, bearing interest at 10 per cent. until 1700, and at 7 per cent. after that year, with benefit of survivorship for the lives of the nominees of those who contributed. The *short annuities* began in 1693. Eight millions were borrowed by this expedient; every subscriber receiving 14 per cent. for sixteen years, besides a lottery ticket. At this moment the scheme of the Bank of England was contrived by Patterson. The bank loaned William £1,200,000, at 8 per cent. interest; thus at the very outset taking advantage of the public distress, and setting a usurious example to their successors, who, like true Shylocks, have ever since profited by the example.

Chancellor Montague, about this period, to aid his sovereign, invented the scheme of issuing exchequer bills. Their issue has been at intervals ever since. The most exorbitant premiums were given for money, and the public debt was greatly increased. Public credit sunk so low, that out of five millions granted to carry on a war, only two and a half, in Davenant's opinion, ever reached the exchequer.

One of the constituent parts of the *funding system* is the reduction of interest from the higher to the lower denomination. This expedient, which has played so conspicuous a part in our day, was originally resorted to in 1699, when the higher interests were reduced to five per cent. It was the destiny of king William's reign to create, improve, and to complete *all the essential parts of the funding system* as in practice at this day. William left a national debt at the close of his reign of £16,394,702. This sum formed the nucleus of the present national debt. (These facts are chiefly collected from British Parliamentary History.)

The history of the Stock Exchange a century ago, is its history at the present day. "The centre of jobbing," says a writer of that time, "is the kingdom of 'Change alley." The enormous profits made by the association, the malpractices of the greater part of its members, and the insolence of the richer ones, excited the just alarm of a steady and reflecting nation unaccustomed to such manœuvres, and the public writers began to attack their increasing power. "The villainy of stock-jobbing is called a mystery or machine of trade," says one of these writers. "This destructive hydra, this new corporation of hell," exclaims another; while one of them gives directions, in order to besiege and bring to surrender "that infamous place, 'Change alley," "to storm it," &c. Another writer declares that "the general cry against stock-jobbing has been so long, and it has been so justly complained of as a public nuisance, that these people are hardened in crime; all their art is a mere system of cheat and delusion; their characters are as dirty as their employments; and the best thing that can be said of them is, that there *happen* to be two honest men among them." "Their employment becomes a crime. This set of men are more dangerous than all national enemies abroad." "Exchange alley is, in fact, as dangerous to the public safety as a magazine of gunpowder to a populous city."

\*This maxim of Terney and Linguet was practically adopted in France some centuries ago. Brisson, in his history, enumerates five national bankruptcies; but in the financial history of that country may be found a great many more.

However, all these invectives did not obstruct the progress of the establishment; on the contrary, it became more powerful, and increased in proportion as the government was more extravagant and careless of the public money. It became, in short, an indispensable engine of the government itself; but the latter was compelled, by public opinion against the detested operations of the Exchange, and in order to keep up appearances, to pass several acts against the very operations and the very gambling it was so deeply, though secretly, fomenting. Avarice, idleness, and the hope of becoming rich in a short time without industry, eluded and evaded all the laws of British wisdom, and sometimes disregarded even the common law of the land.

By a variety of measures has the power of this corporation reached its present height. Its members have not only become the exclusive masters of the British money market, but have acquired the immense power of secretly controlling and regulating the funds and money market of all Europe, and, we may add, all America. No financial operation whatever can be safely undertaken in any of those markets, without consulting and obtaining the approbation of the Committee of the Stock Exchange. The agents of the Bank of England have surpassed their principals. A mere decision of a committee, composed of individuals unknown beyond their own immediate circle, is more powerful, and will produce more effect in regard to any loan or financial measure, than all the laws of the sovereigns of Europe put together.

However, the importance of the Stock Exchange has somewhat declined since the failure of its gigantic operations on this side of the Atlantic; and since the immense losses sustained by the British public on that occasion, it has been less attended; the number of its members being reduced, at one time, as low as 400. At this time, their number is probably not more than 600.

The first operation of the funding system, after the peace of 1815, in consequence of the rise of public securities, was to reduce the interest on exchequer bills (1817) from  $5\frac{1}{2}$  to  $3\frac{1}{2}$  per cent.; and while only three millions were added to the debt, above twenty-three millions were cancelled. The interest of a portion of the public funds was transferred from a lower to a higher denomination; the 3 per cent. stock was converted into  $3\frac{1}{2}$  per cent. thereby effecting a reduction of the debt, by inducing the holders of the former stock to buy in the latter at a higher price. Thus the small sum of £3,000 was created, while more than nineteen millions of the national debt were redeemed in 1818.

The next measure was the reduction of the five per cents into fours. The bank at that time had thirteen millions in their vaults; and they increased the circulation by throwing a large amount of paper into market, and by lowering the rate of interest from 5 to 4 per cent. By the union of government and banking powers, the enormous sum of £140,250,828 of 5 per cents was readily converted into £147,263,328 of 4 per cents, at an annual saving of interest of £1,222,000 at a small increase of capital only.

In 1824, 4 per cents to the amount of £76,806,882 were changed into an equal amount of stock bearing an interest of  $3\frac{1}{2}$  per cent. This operation, besides effecting an annual saving of £381,034, had the advantage of making no addition to the capital of the debt.

In 1827, £8,500,000 of debt were created, while £2,866,528 were redeemed.

In 1828 the sinking fund was destroyed. On the 11th of July, it was enacted that for the future, "the amount of the sinking fund be the actual surplus of the revenue over the expenditures," (Came into operation, 5th

July, 1829.) At that time there were no surplusses, but a large deficiency of revenue.

But although one of the three elements of the funding system was thus lost, the action of that system was not on that account discontinued. A prospective operation was contrived in May, 1830, to transfer into 3½ per cents the fours created at the reduction of the fives in 1822. One of the conditions was, that the new stock should not be subject to redemption at any time before January 5, 1849; and an option was offered to the holders to receive £70 of the new fives, or £100 of the 3½ per cents, for every £100 of 4 per cent. annuities. This operation was called prospective, because the advantage of the plan is, that when the stipulated term shall have expired, as much relief may be obtained by the nation from every payment of £70 employed in cancelling 5 per cents, as by the payment of £100 when applied to the discharge of 3½ per cents, both being redeemable at par;—annual saving of this step £700,000. In 1829, £4,900,000 were created, and £6,000,000 reduced; £154,000,000 were created in 1830, and £168,000,000 reduced; but what was the result? The committee of 1828 state, that “in a few years [says the 4th report] which preceded the virtual abandonment of the system, one hundred and twenty millions had been added to the capital of the national debt, while the purchases of the commissioners had fallen so far short of that sum that the unredeemed capital of the unfunded debt was greater at the commencement of 1823, than it had been in 1818, by the sum of twenty-five millions.” In 1819 twelve millions, and in 1820 thirteen millions were unwarrantably taken from the sinking fund.

The actual reduction during the peace is, according to the Finance Committee, who declare “that the total reduction effected from 1816 to 1828 in the national debt was only three millions and a half.

The writer from whom we have abridged the preceding facts, concludes: “It appears that this enormous debt (which he states at eight hundred and sixty-four millions) has been chiefly raised by means of the Bank and the Stock Exchange, aided by the delusion of the sinking fund; and that it has been principally expended in wars,\* most of them undertaken against the true interests of the nation, whose topographical situation renders her independent of continental broils and quarrels. Its amount has been immensely increased in time of war, while the reductions effected in time of peace have been exceedingly limited. In the first period, of twelve years peace, ten millions were reduced; in the second, which lasted ten years, only four and a half millions; and in the last and longest, near thirty years, the amount of reduction has been so trifling that it seems almost incredible. When we consider the very inconsiderable reduction effected during so long an interval of peace, the most alarming forebodings arise for the future. The British legislature, the economists, and the reflecting men, so numerous in England, have in this subject an unbounded field for the most serious reflection.”

The statements of the Bank of England show the relative increase or decrease of bank notes, &c., and prove that the over-issues of notes at one time

\* These wars were conducted through the agency of paper money and the funding system. Pope has very happily hit the expedients of the British ministry in the following lines:

“Bless'd paper credit! last and best supply,  
That lends corruption lighter wings to fly;  
Gold imp'd by thee can compass hardest things,  
Can pocket states—can fetch or carry kings;  
A single leaf shall waft an army o'er,  
Or ship off senates to some distant shore.”

were fast bringing the bank to a manufacture of valueless paper. In 1740 it had only two millions of notes in circulation; in 1792 it had increased its circulation to eleven millions; in 1810 it had above twenty-one millions in circulation; but the value of its notes, compared with gold, was at a depreciation of 13 per cent. In 1812 its circulation was increased to £23,360,220, but its notes were at a depreciation of 20 per cent.; and, finally, in 1814, it was carried up to £28,308,290—its notes at a depreciation of 25 to 33 per cent.\* The series of bank tables prove all this.

Nothing is more evident than that the enlargement of issues by the Bank of England, one, two, or three millions in a few months, would raise the price of the public funds 10 or 15 per cent.; and that by the contraction of them again, the price would be proportionably depressed. This operation has been actually practised, and may be repeated. The circulation is contracted by selling exchequer bills and refusing discounts; it is extended by opposite operations, and by issuing fresh bank notes; consequently, the prices of the public securities, as well as all the exchanges in general, are subordinate to, and dependent on, the bank directors, or the leading men amongst them.

Nearly thirty millions per annum must be provided to satisfy the public creditor in payment of the interest and charges on the national debt.

The average revenue produced by taxation in Great Britain may be estimated at sixty millions, the greater part of which is applied to the interest of the debt, and the remainder to the indispensable object of the maintenance of the state. In 1832, in the departments of the civil government, diplomatic services, and naval and military forces, when compared with expenditure required to defray the charges of the debt, was nearly as 17 to 28.

The enormous sum of forty-one millions is levied upon consumption—upon the necessaries of life, (to wit, £41,727,778,) upon food, coal, malt, sugar, tea, coffee, cheese, butter, corn, tobacco, raw produce, and manufactures, to fill the pockets of eighty thousand fundholders. If some writers have shown that the sum of sixty millions, levied mostly upon the necessaries of life, be hurtful, they have acknowledged that prices having considerably fallen of late, sixty millions are at present equal to seventy-six millions, and even that fifty millions are equal to seventy; the pressure upon the sources referred to must, consequently, have increased in proportion. This is the baneful results of the British funding system, and a true picture of the privation and suffering it must entail on millions of British subjects as long as the system continues.

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#### EXAMINATION OF THE SYSTEM OF FUNDING BY INCREASE OF CAPITAL.

In the early part of the funding system, the capital assigned to the public creditor seldom exceeded the sum advanced by him. We find only two slight deviations from this rule during the seven years' war, and one in the American war, before 1781; but after that year, when the difficulty of raising loans increased, capitals were assigned to the creditors much higher than the sums advanced; and this practice has been continued since, to a great extent.

It has been maintained in the House of Commons, on the part of the

\*After having notes prepared beforehand ready for a suspension of specie payments, the restriction act was passed, forbidding the Bank of England to "issue or pay in gold." According to the act, the restriction was limited to the 24th of June following; but this temporary suspension was continued from year to year, and prolonged to a period of twenty-years, (from 1797 to 1821.)

ministry, and, if we mistake not, even admitted by the opposition, that it was the duty of a financier to raise the loan at the least annual expense it could be procured for, without regard to the amount of the nominal capital. We apprehend that this opinion is indefensible, except upon the supposition that all views of discharging the national debt, or any part of it, are forever laid aside, and that the measures founded on it are very pernicious. The nation ought to pay no more in discharge of debt than the sum borrowed, together with the interest during the time the debt subsists. By the system now followed, it pays, besides, the excess of the capital assigned above the sum borrowed, in case the redemption be at par; or, if the price of the funds enables the commissioners to redeem the debt on lower terms, the nation pays, in addition to the sum borrowed, the difference between the price of stock at the times of borrowing and paying, which is always great.

The terms of the debt contracted during the American war, and since the commencement of the war in 1793, have been already given. The excess of the capital funded, above the money borrowed, is as follows :

|                                               | Sums raised. | Capital funded. |
|-----------------------------------------------|--------------|-----------------|
| Debt contracted during American war . . . . . | £ 91,763,842 | £ 115,267,993   |
| Loans from 1793 to 1812, inclusive . . . . .  | 322,358,532  | 498,861,867     |
| Bills funded in that period . . . . .         | 62,258,173   | 74,920,020      |
|                                               | <hr/>        | <hr/>           |
|                                               | 476,380,547  | 689,049,880     |
| Of which redeemed by the commissioners        | 133,536,836  | 210,461,356     |
|                                               | <hr/>        | <hr/>           |
|                                               | 342,843,711  | 478,588,524     |
|                                               |              | <hr/>           |
|                                               |              | 342,843,711     |

Excess of capital funded above sums raised . . . . . 135,744,813

Thus it appears that if the funded debt contracted since the commencement of the American war were paid off at par, the nation would pay above £135,000,000 more than it ever received, which is about four-tenths of the debt contracted. The far greater part of this excess has arisen since the war of 1793, and almost the whole of it since the year 1780. \* \* \*

In order to estimate the extent of the difference of interest occasioned by funding in capitals of different sorts, we may consider the rates of interest paid by the public on those loans, and the sums funded, where the contract was made at one rate only, and not encumbered with a long annuity.

There have been eleven loans of this sort in the 3 per cents, since the commencement of the war in 1793, the amount borrowed being £158,650,000, and the sum funded £259,215,875: the interest of which is £7,776,476, being at the rate of £4 18s. per cent. on the sum borrowed—the particulars being as follows :

|                | Sums raised. | Sums funded. | Interest. |
|----------------|--------------|--------------|-----------|
| 1793 . . . . . | £ 4,500,000  | £ 6,250,000  | £ 187,500 |
| 1798 . . . . . | 3,000,000    | 5,624,250    | 168,727   |
| 1799 . . . . . | 12,500,000   | 21,875,000   | 656,250   |
| 1800 . . . . . | 18,500,000   | 29,045,000   | 871,350   |
| 1801 . . . . . | 25,500,000   | 44,816,250   | 1,344,488 |
| 1802 . . . . . | 23,000,000   | 30,351,375   | 910,541   |
| 1804 . . . . . | 10,000,000   | 18,200,000   | 546,000   |
| 1805 . . . . . | 20,000,000   | 34,400,000   | 1,032,000 |
| 1806 . . . . . | 18,000,000   | 29,880,000   | 896,400   |
| 1810 . . . . . | 8,000,000    | 11,230,000   | 336,900   |
| 1812 . . . . . | 15,650,000   | 27,544,000   | 826,320   |
|                | <hr/>        | <hr/>        |           |
|                | 158,650,000  | 259,215,875  | 7,776,476 |

The only loan at 4 per cent. was that of 1808, when £8,000,000 was raised, and funded for £9,454,000, the interest of which (£378,160) is at the rate of £4 16s. 6d. per cent.

There have been three loans, and six operations of funding bills, in the 5 per cents, viz.

|                      | Sums raised. | Capital funded. | Interest. |
|----------------------|--------------|-----------------|-----------|
| 1794, bills . . . .  | £ 1,907,451  | £ 1,926,526     | £ 96,326  |
| 1795, bills . . . .  | 1,490,647    | 1,609,898       | 80,495    |
| 1796, bills . . . .  | 4,226,727    | 4,414,074       | 220,703   |
| loyalty loan . . . . | 18,000,000   | 20,000,000      | 1,006,243 |
| 1810, bills . . . .  | 8,311,000    | 8,581,108       | 429,055   |
| 1811, bills . . . .  | 7,018,700    | 7,278,392       | 363,919   |
| loan . . . . .       | 4,981,300    | 5,166,319       | 258,316   |
| 1812, bills . . . .  | 5,431,700    | 5,866,236       | 293,312   |
| loan . . . . .       | 6,789,625    | 7,332,795       | 366,639   |
|                      | 58,157,150   | 62,300,191      | 3,115,008 |

But if the loyalty loan, which was remarkably unfavorable for the public, be set aside, the sum raised is £40,157,150 funded in the 5 per cents for £42,175,338; interest £2,108,767, being at the rate of £5 5s. per cent., and 7s. more than on the money funded in the 3 per cents.

Another consideration considerably reduces this difference in the interest. In the loans, the public pays the whole interest for the year that the loan is transacted, although the money be advanced by instalments, or discount allowed if the whole be paid up at once. If the lender did not obtain this advantage, he would demand an additional capital at least equivalent to £2 10s. in the 5 per cents, and yielding an interest of 2s. 6d. Nothing similar to this occurs in the transactions of funding bills, from which the greater part of the 5 per cent. stock arises.

This simple view of the result is sufficient to reprobate the system of borrowing on an advance of capital and a low nominal interest. The capital funded should never exceed the sum raised; and such a rate of interest should be allowed on this capital as the lender is willing to accept of. At the present price of the funds, money cannot be borrowed at 5 per cent.; and perhaps it might be thought improper to give, in direct terms, a higher rate of interest than can be legally taken in private transactions, though there is a necessity for doing so in an indirect manner. To avoid this, the highest rate of interest on the capital might be fixed at 5 per cent.; and in addition to this, when necessary, a long annuity might be granted; and when the funds are higher, the rate of interest might be fixed at 3 or 4 per cent., together with a long annuity, if necessary.

It is impossible to go over this subject without being struck with the great variety of modes that have been resorted to in raising money. From 1793 to 1812, inclusive, there have been twenty-five loans, of which fifteen have been in the 3 per cents, and four of these have been aided by a long annuity. One has been funded in the 4 per cents, and three in the 5 per cents. Five have been funded partly in the 3 per cents, and partly in the 4 per cents—all of them accompanied by a long annuity—and one partly in the 3 per cents, and partly in the 5 per cents.

[For the preceding article we are indebted to a congressional document entitled "The Funding System of the United States and of Great Britain."—*Ed. B. M.*]

## ALBERT GALLATIN.

A sketch of the administration of the Treasury under Mr. Gallatin. From the  
 "Funding System of the United States and of Great Britain."

In 1813, (shortly before Mr. Gallatin retired from the administration of the Treasury Department, where he had presided during the two terms of President Jefferson's administration, and during the first, and the commencement of the second of President Madison's terms, to participate in the peace-making negotiations of Ghent,) the six per cent. stock of 1813 (act of 8th February, 1813) was created. Sixteen millions of dollars were authorised to be borrowed—rate of interest *not specified*—principal reimbursable at any time after twelve years from January 1, 1814. The President was authorized to cause to be sold the whole or any part of the certificates of stock issued for the sums to be borrowed—payment of interest and redemption of principal chargeable on the sinking fund. Six per cent. stock amounting to \$18,109,377 41, issued for sums borrowed; \$100 *in stock* was given for every \$88 subscribed; the principal not redeemable before 1826. \* \*

We have thus very briefly recapitulated Mr. Gallatin's career touching the funding system of the United States during a most interesting period of our financial history, covering a space of nearly thirteen years. His official reports speak for themselves—clear, concise, well considered, and accurate. It must be confessed, however, that he resigned his office at the very moment he was most wanted. The arrangement of the public loans (rendered indispensable in a state of war) was, in the result, most disastrous to the credit of the country. Mr. Jefferson, in a note to Mr. Jones, chief clerk in the Treasury Department, (March, 1810.) thus *prophetically* expresses himself on this subject: "Were we to believe the newspapers, which portend that Mr. Gallatin will go out, that indeed would be a day of mourning for the United States." Prior to this, however, on the 11th October, 1809, Mr. Jefferson, in a letter to Mr. Gallatin, (Correspondence, vol. iv, p. 143,) writes: "I hope that you will consider the eight years to come as essential to your political career. I should certainly consider any earlier day of your retirement as the most inauspicious day our new government has yet seen. In addition to the common interest on this question, I feel particularly for myself the considerations of gratitude which I personally owe to you for your valuable aid during my administration of the public affairs—a just sense of the large portion of the public approbation, which was earned by your labors, and belongs to you, and the sincere friendship and attachment which grew out of our joint exertions to promote the common good."

Mr. Gallatin was a representative in Congress from 1795 to 1801. The *Committee of Ways and Means*, it is understood, was appointed, for the first time, in the House of Representatives, on motion of Mr. Gallatin; the executive department of the treasury having, up to that time, been relied on for information on the subject of the finances. In 1800 Mr. Gallatin published another pamphlet (of 66 pages) entitled "*Views of the public debt, receipts and expenditures of the United States:*" "the object of this inquiry," Mr. Gallatin remarks, "being to ascertain the fiscal operations of government, under the present constitution." The strictures contained in this "*view*," at this time merit the examination of the investigator on the subject of the public debt.

**MR. GALLATIN'S OPINION ON THE ASSUMPTION OF STATE DEBTS.**

"II. The several states had, during the revolutionary war, made sundry advances for the support of that war; but those advances were not made in the same proportion, nor in the same manner. Some states were more indebted to individuals than others, on account either of the situation in which they had been placed during the war, of the greatness of their exertions during the war, or of their remissness in raising taxes after the war; and those states which had advanced less than their proportion for the support of the war, were indebted, for the difference, to those which had advanced more than their proportion. The accounts had not yet been finally settled when the present government was established; and the ostensible objects of the assumption seem to have been, to relieve the states which were most oppressed by individual debts, and to equalize the accounts between the several states. The first was an object of policy, the last an object of justice; for the only practicable mode, under the present constitution, in which the debtor states could be made to pay what they fairly owed to the creditor states, was, that the union should pay to the creditor states such sums, and in such proportions, as should, as far as possible, equalize the accounts; and those payments might be made either to the states themselves, or to the creditors of those states. It is evident that, in order to carry that mode into effect with correctness, and with regard to justice, it was previously necessary to settle the accounts of the individual states, and to ascertain which of them were creditor, and to what amount. But, instead of waiting until that result was known, state debts were assumed at random by the union, and without a possibility of knowing whether some of the states in whose favor that assumption was made, were not, on the contrary, indebted to the union. The event corresponded with what might have been expected from that loose mode of legislating.

"Considering the assumption of state debts as intended solely for the purpose of doing equal justice to the several states, by equalizing their accounts, it may be demonstrated that, had congress waited until the settlement of accounts had taken place before any state debts were assumed, they might have produced the same effect by an assumption, in favor of the creditor states, to the amount of \$11,609,259 69, which has been produced by the premature assumption of \$21,789,371 47 which have been actually assumed or funded in favor of the several states—that is to say, that the accounts of the union with the individual states might have been placed in the same relative situation in which they now stand, by assuming \$10,180,111 78 less than have been assumed. Those who conceive the principle of the assumption, so far as it rested on a wish to relieve the individual states from the burden of their debts, to have been confounded—those who conceive that it was unnecessary for the union to assume more debts than was strictly requisite to equalize the accounts of the several states—those who think that it was impolitic to swell the debt of the United States, and that it would have been more easy for the individual states than for the union to discharge that surplus, will be of opinion that the unnecessary debt, created by the rash assumption of state debts before a final settlement of accounts, and which cannot be considered as a debt of the United States contracted by the former government, amounts to more than ten millions of dollars; and that this sum ought to be deducted from the nominal amount of debt stated to have been due by the United States on the 1st of January, 1790.

"But even the warmest supporters of the assumption of state debts, on its most enlarged scale—even those who think that, both on the score of justice, and in order to relieve them from a heavy burden, it was wise and politic

to have assumed the whole of the sum which was actually assumed in favor of the creditor states—even they must acknowledge that an assumption, made at random, before the accounts were settled, rendered it unavoidable to assume debts in favor of states which were, in fact, already indebted to the union; and that the consequence has been such as might have been foreseen. Thus near \$1,200,000 were assumed for the state of New York, which, when the accounts were finally settled, was found to be indebted to the union to the amount of more than two millions. It is self-evident that the debts thus assumed for debtor states were not due by the United States; that they are not a part of the old debt; that they are a debt unnecessarily constituted and created by the present government. On the most superficial view of the subject, it appears that \$2,069,565 71 have thus been assumed for debtor states, to the manifest injury of the other states, and constitute an additional debt, which should be deducted from the amount improperly stated as the debt contracted by the former government. What part of that sum consisted of interest accrued after the year 1789, does not appear, and must be estimated. Considering the states in whose favor that unnecessary assumption took place, it is not believed that that interest amounted to one hundred thousand dollars; and the amount of assumed debt created by the present government, and to be, at all events, and in the most favorable view of the subject, deducted from the nominal amount of debt of the 1st of January, 1790, (of which it makes no part,) may be fairly estimated at two millions of dollars."

The entire "view" is full of instruction on the early state of our financial operations. On the subject of *the currency*, Mr. Gallatin has, within the past decade, published some able, elaborate remarks, which may be viewed as valuable contributions to the general discussions on the subject, in reference to the banks and currency, and to the suspension of specie payments.

#### *Addendum to the Recapitulatory Note.*

A reply to a letter addressed to the Hon. A. Gallatin on the subject of the following extract, did not reach the editor until the sheet containing the note referred to, on the funding system, was completed in the press. He therefore embraces the first opportunity of inserting a valuable addendum to the original note.

On the 17th of August, 1844, the venerable Mr. Gallatin responds to the editor, that "That portion of the article in the Democratic Review respecting my biography, which relates to the *public debt*, was corrected by myself, and is authentic. It was the subject in which I felt the most interested; and you may make what use of it you may deem proper. If you wish to obtain information on some special point connected with your work, I will try to give it to you, if in my power." For the courtesy of this letter, the editor is sensible of the high obligation he is under to Mr. G.; but so grave a subject as the public debt, connected with Mr. G's administration of the Treasury Department, must plead an apology for soliciting his attention to it at this late day; and, with Mr. G's permission, proceeds to embody, from the Democratic Review for June, 1843, the extract in question.

"The *public debt* on the 1st of April, 1801, amounted to \$80,000,000, and the annual interest on the same to \$4,180,000. During the first four years of Mr. Jefferson's administration, an additional debt of \$15,000,000 was incurred for the purchase of Louisiana; and a further sum of £600,000 sterling became due to Great Britain, in satisfaction of British private debts, the payment of which had been assumed by the treaty of 1794.

"Mr. Gallatin, in his first annual report to Congress, proposed a permanent annual appropriation of \$7,300,000, on account of the payment of the

interest and gradual reimbursement of the principal of the debt; and that this should have the priority of all others. This amount was subsequently increased to \$8,000,000, on account of the purchase of Louisiana. A law to that effect was passed by Congress, who, at the same time, lessened the revenue by a repeal of all the internal taxes. The only addition to that revenue, till the year 1812, consisted of an additional duty of 2½ per cent. on goods paying duties ad valorem.

"The reimbursements on account of the principal of the public debt, between the 1st of April, 1801, and the 1st of January, 1810, (including the above £600,000 sterling, and \$3,750,000 on account of the purchase of Louisiana,) amounted to \$52,400,000; and the public debt was on the last mentioned day reduced to \$45,120,000, bearing an interest of only \$2,220,000, and consisted of the following items, viz.

|                                  |                 |
|----------------------------------|-----------------|
| Old debt, at 3 per cent. . . . . | \$16,150,000 00 |
| at 6 per cent. . . . .           | 17,720,000 00   |
|                                  | <hr/>           |
|                                  | 33,870,000 00   |
| Louisiana debt—balance . . . . . | 11,250,000 00   |
|                                  | <hr/>           |
|                                  | 45,120,000 00   |

"Nothing can be more self-evident than the utter impossibility of discharging a debt, unless there be an actual excess of receipts over current expenditures; that a (so called) 'sinking fund' becomes a perfect mockery, whenever government borrows more than it does pay; that an appropriation, without a corresponding surplus, would have been purely nominal; and that a most rigid system of economy was indispensable, in order to produce that surplus. In this, with unabated perseverance, Mr. G. was uniformly sustained by congress and by public opinion. The progress of redemption, slow at first, increased afterwards with great compound rapidity; and a few years more would have been sufficient to effect the reimbursement of the whole debt. The war of 1812 necessarily arrested that progress, and again swelled the debt to more than \$120,000,000. But the impulse had been given. The total extinguishment of the debt had become a fundamental principle of the government. The original plan of Mr. G. was pursued with no other alteration than an increase of the annual appropriation from \$8,000,000 to \$10,000,000. And, by steadily persevering in that course, the whole debt was extinguished within about 20 years after the conclusion of the peace.

"Nothing great can be performed, without a singleness of purpose which disregards all other objects as subordinate. And it may be, that, if the redemption of the public debt had been less rapid during Mr. Gallatin's administration, the country might have been better prepared for war when it took place. Mr. G. had, however, the sagacity to know that it would make but little difference in the degree of preparation of national defence and means of contest, for which it is impossible ever to obtain considerable appropriations before the near approach of the danger that may render them necessary. He knew that the money thus well and wisely devoted to the payment of the debt, was only rescued from a thousand purposes of extravagance and mal-application, to which all our legislative bodies are so prone whenever they have the command of surplus funds.

"It has always been the concurring testimony of all parties, that the Treasury Department has never been better administered than by Mr. Gallatin."

EXCHANGE BETWEEN ENGLAND AND THE U. STATES.

A table showing the rate of Exchange on England at New York, for the first packet of each month, from January, 1822, to December, 1846. (The prices quoted are in each instance the rate charged for A, 1, Bills. Good but not well-known Bills usually could have been bought for a fraction less.)

|      | Jan'y. | Feb'y. | March. | April. | May.   | June. | July.  | August. | Sept.  | Oct.   | Nov.   | Dec.   |
|------|--------|--------|--------|--------|--------|-------|--------|---------|--------|--------|--------|--------|
| 1822 | 12 1-2 | 14 1-2 | 13     | 13     | 12 1-2 | 8     | 10     | 10      | 11     | 12 1-2 | 13     | 12 3-4 |
| 1823 | 12 1-2 | 11     | 11     | 3 1-2  | 4      | 5 1-2 | 5 3-4  | 7 1-4   | 6 1-2  | 7      | 7 3-4  | 7 3-4  |
| 1824 | 7 1-2  | 7 3-4  | 8 1-4  | 9      | 8 3-4  | 10    | 9      | 8 1-2   | 9 1-4  | 10     | 9 1-4  | 9 1-2  |
| 1825 | 9 1-2  | 10     | 9 1-4  | 9 1-2  | 8      | 5     | 5 3-4  | 5       | 7 3-4  | 10 1-2 | 9 1-2  | 9      |
| 1826 | 8 1-2  | 8 1-2  | 8      | 7 1-2  | 10     | 9 1-4 | 10 1-4 | 10      | 11     | 12 3-4 | 11     | 12 1-2 |
| 1827 | 11 3-4 | 10     | 10     | 10 1-4 | 10 1-4 | 11    | 10     | 10      | 11     | 11     | 11 1-4 | 11 1-4 |
| 1828 | 11     | 10 1-2 | 11 1-4 | 11     | 10 1-2 | 11    | 10 1-2 | 10 1-2  | 10 1-2 | 11 1-4 | 11     | 9 3-4  |
| 1829 | 8 1-4  | 8      | 8 1-2  | 8 1-4  | 9 3-4  | 9     | 8 1-2  | 9 1-2   | 9 3-4  | 9 3-4  | 9 3-4  | 9 3-4  |
| 1830 | 9 1-2  | 8 1-2  | 8 1-4  | 8      | 7      | 7     | 6      | 6 1-4   | 6 1-4  | 6      | 7      | 6 1-2  |
| 1831 | 6 1-2  | 6 1-2  | 6 1-4  | 7      | 9 3-4  | 7 1-2 | 10     | 10      | 10 1-4 | 10 3-4 | 10 1-2 | 10     |
| 1832 | 10     | 9 3-4  | 9 1-2  | 9 3-4  | 10 1-4 | 9 3-4 | 9 1-4  | 7       | 8 1-4  | 8      | 8      | 8 1-2  |
| 1833 | 8      | 8      | 8      | 8      | 8 1-4  | 8 3-4 | 8 3-4  | 8 1-4   | 8 1-4  | 7 1-2  | 7 1-2  | 5 1-2  |
| 1834 | 2      | 99     | 99 1-2 | 1      | 3 1-2  | 2     | 2 1-2  | 5       | 6 3-4  | 7 1-4  | 7      | 6      |
| 1835 | 7      | 7 1-4  | 7 1-2  | 8 3-4  | 8 3-4  | 9 1-2 | 9 1-4  | 9 3-4   | 9      | 9 1-4  | 9 3-4  | 9 3-4  |
| 1836 | 8 1-2  | 10     | 9 1-4  | 7 3-4  | 7      | 7     | 7 1-2  | 7 1-2   | 7 1-2  | 8 1-4  | 8 1-4  | 9 1-2  |
| 1837 | 7 1-2  | 9 3-4  | 8 3-4  | 11 1-2 | 11     | 13    | 18     | 19 3-4  | 21     | 14     | 15     | 16 1-4 |
| 1838 | 9 3-4  | 10     | 9      | 4 1-2  | 5      | 6 1-2 | 7      | 8       | 8 1-4  | 7 1-4  | 9 1-4  | 7 8    |
| 1839 | 9 1-2  | 9      | 8 3-4  | 9 1-2  | 8 3-4  | 9 3-8 | 9 1-8  | 9 1-2   | 9      | 10     | 9      | 9 1-2  |
| 1840 | 8      | 8 1-2  | 8      | 7 3-4  | 8      | 7 1-2 | 7      | 7       | 7      | 8 1-4  | 8 3-4  | 8 3-4  |
| 1841 | 8 1-2  | 8      | 8      | 7      | 7 1-2  | 8 1-4 | 8 1-4  | 8 1-2   | 9      | 9 3-4  | 10     | 9 1-4  |
| 1842 | 8 3-4  | 8 1-4  | 8 1-4  | 6 1-2  | 7 1-4  | 8     | 7 1-2  | 6 1-10  | 7 1-2  | 8 1-4  | 6 1-4  | 6 1-2  |
| 1843 | 5 1-2  | 5 3-8  | 6      | 5 3-4  | 7 1-4  | 8 1-2 | 8 3-4  | 9 1-4   | 9 1-4  | 9 1-4  | 8 1-4  | 8 1-2  |
| 1844 | 8 1-2  | 8      | 9      | 8 1-2  | 8      | 8 3-4 | 9 1-4  | 9 1-2   | 10     | 10     | 10     | 10     |
| 1845 | 10     | 10     | 9 3-4  | 9 3-4  | 9 1-2  | 9 3-4 | 10     | 10      | 9 3-4  | 9 3-4  | 9 1-4  | 8 1-4  |
| 1846 | 8 1-2  | 8 1-2  | 8 1-2  | 10     | 10     | 9 1-4 | 8 3-4  | 8       | 9 1-4  | 9 1-4  | 7 3-4  | 6 3-4  |

## BRITISH REVENUE FOR THE LAST TEN YEARS.

From the "London Bankers' Almanac, for 1847."

An account showing the Amount of Revenue received, and the Expenditures; the Capital of the Debt, Funded and Unfunded; the Annual Charge of the Debt; and the Balances in the Exchequer at the close of each year, for the period from 1836 to 1845, both years inclusive.

| Years. | Revenue.    | Expenditure. | Debt.        | Charge.     | Balances.  |
|--------|-------------|--------------|--------------|-------------|------------|
| 1836   | £52,949,397 | £50,819,305  | £788,398,570 | £29,243,599 | £6,049,373 |
| 1837   | 50,663,353  | 51,319,113   | 786,319,738  | 29,489,571  | 4,127,973  |
| 1838   | 51,375,520  | 51,720,748   | 785,373,740  | 29,260,288  | 4,594,884  |
| 1839   | 51,927,495  | 53,440,287   | 786,512,734  | 29,454,062  | 3,707,425  |
| 1840   | 51,850,083  | 53,444,053   | 787,468,075  | 29,381,718  | 3,858,465  |
| 1841   | 52,363,949  | 54,465,318   | 790,374,608  | 29,450,145  | 3,653,910  |
| 1842   | 51,244,325  | 55,223,873   | 791,250,440  | 29,423,120  | 1,390,059  |
| 1843   | 56,945,043  | 55,501,739   | 790,576,392  | 29,269,160  | 4,716,019  |
| 1844   | 58,459,751  | 55,103,645   | 787,598,145  | 30,495,459  | 6,254,113  |
| 1845   | 57,690,704  | 53,873,062   | 785,053,022  | 28,253,872  | 8,452,090  |

## ROYAL FAMILY OF ENGLAND.

|                                                                | Born.                                                                                                                                                  |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| QUEEN VICTORIA                                                 | May 24, 1819                                                                                                                                           |
| Victoria Adelaide Mary Louisa ( <i>Princess Royal</i> )        | Nov. 21, 1840                                                                                                                                          |
| Albert Edward ( <i>Prince of Wales</i> )                       | Nov. 9, 1841                                                                                                                                           |
| Alice Maud Mary                                                | April 25, 1843                                                                                                                                         |
| Alfred Ernest Albert                                           | Aug. 6, 1844                                                                                                                                           |
| Helena Augusta Victoria                                        | May 25, 1846                                                                                                                                           |
| ADELAIDE, QUEEN DOWAGER                                        | Aug. 13, 1792                                                                                                                                          |
| PRINCE ALBERT OF SAXE COBURG GOTHA                             | Aug. 26, 1819                                                                                                                                          |
| Ernest Augustus, Duke of Cumberland ( <i>King of Hanover</i> ) | June 5, 1771                                                                                                                                           |
| His Son, George Frederick Alexander Charles Ernest Augustus    | May 27, 1819                                                                                                                                           |
| Adolphus Frederick, Duke of Cambridge                          | Feb. 24, 1774                                                                                                                                          |
| His Son, George William Frederick Charles                      | Mar. 26, 1819                                                                                                                                          |
| His Daughters                                                  | <ul style="list-style-type: none"> <li>Augusta Caroline, (<i>Duchess of Mecklenburg</i>) July 19, 1822</li> <li>Mary Adelaide Nov. 27, 1833</li> </ul> |
| Princess Mary, ( <i>Duchess of Gloucester</i> )                | April 25, 1776                                                                                                                                         |
| Princess Sophia                                                | Nov. 3, 1777                                                                                                                                           |
| Victoria, Duchess of Kent                                      | Aug. 17, 1786                                                                                                                                          |
| Augusta, Duchess of Cambridge                                  | July 25, 1797                                                                                                                                          |

## THE MINISTRY.

|                                        |                                 |
|----------------------------------------|---------------------------------|
| First Lord of the Treasury             | Lord John Russell               |
| Lord High Chancellor                   | Lord Cottenham                  |
| Lord President of the Council          | Marquis of Lansdowne            |
| Lord Privy Seal                        | Earl of Minto                   |
| Secretary of State for Foreign Affairs | Viscount Palmerston             |
| Secretary of State for the Colonies    | Earl Grey                       |
| Secretary of State for the Home Dept.  | Right Hon. Sir Geo. Grey, Bart. |
| Chancellor of the Exchequer            | Right Hon. C. Wood              |

|                                             |                            |
|---------------------------------------------|----------------------------|
| First Lord of the Admiralty . . . . .       | Earl of Auckland           |
| President of the Board of Control . . . . . | Sir J. Cam Hobhouse, Bart. |
| President of the Board of Trade . . . . .   | Earl of Clarendon          |
| Paymaster General . . . . .                 | Right Hon. T. B. Macaulay  |
| Secretary for Ireland . . . . .             | Right Hon. H. Labouchere   |
| Postmaster General . . . . .                | Marquis of Clanricarde     |
| Chief Commissioner of Woods and Forests     | Viscount Morpeth           |
| Chancellor of the Duchy of Lancaster        | Lord Campbell              |

*The above form the Cabinet.*

|                                                |                              |
|------------------------------------------------|------------------------------|
| Commander-in-chief . . . . .                   | Duke of Wellington           |
| Master-General of Ordnance . . . . .           | Marquis of Anglesea          |
| Secretary at War . . . . .                     | Right Hon. Fox Maule         |
| Lord Lieutenant of Ireland . . . . .           | Earl of Besborough           |
| Lord High Chancellor of Ireland . . . . .      | Right Hon. Maziere Brady     |
| Vice-president of the Board of Trade . . . . . | Right Hon. T. Milner Gibson  |
| Master of the Mint . . . . .                   | Right Hon. R. H. Lalor Sheil |
| Attorney General . . . . .                     | Sir John Jervis              |
| Solicitor General . . . . .                    | David Dundas, Esq.           |
| Judge Advocate General . . . . .               | Right Hon. Chas. Buller      |
| Lord Advocate of Scotland . . . . .            | Right Hon. Andrew Rutherford |
| Solicitor General of Scotland . . . . .        | Thos. Maitland, Esq.         |
| Attorney General for Ireland . . . . .         | R. Moore, Esq.               |
| Solicitor General for Ireland . . . . .        | J. H. Monahan, Esq.          |
| Master of the Rolls . . . . .                  | Right Hon. T. B. C. Smith    |
| Mistress of the Robes . . . . .                | Duchess of Sutherland        |
| Earl Marshal . . . . .                         | Duke of Norfolk              |
| Lord Steward of the Household . . . . .        | Earl Fortescue               |
| Lord Great Chamberlain . . . . .               | Lord Willoughby d'Eresby     |
| Lord Chamberlain . . . . .                     | Earl Spencer                 |
| Vice Chamberlain . . . . .                     | Lord Edward Howard           |
| Master of the Horse . . . . .                  | Duke of Norfolk              |
| Master of the Buck Hounds . . . . .            | Earl Granville               |
| Comptroller of the Household . . . . .         | Lord Marcus Hill             |
| Chief Equerry and Clerk Marshal . . . . .      | Lord Alfred Paget            |

*British Ambassadors Abroad, October, 1846.*

|          |                                      |             |                           |
|----------|--------------------------------------|-------------|---------------------------|
| America  | Rt. Hon. Rd. Pakenham                | Naples      | Hon. Wm. Temple.          |
| Austria  | Viscount Ponsonby                    | Netherlands | Sir Ewd. C. Dishbrowe.    |
| Bavaria  | J. R. Milbanke, Esq.                 | N. Granada  | Danl. F.O'Leary, Esq.     |
| Belgium  | Sir Geo. H. Seymour                  | Persia      | Lieut. Col. Shiel.        |
| Brazil   | H. C. J. Hamilton, Esq.              | Peru        | William Pitt Adams, Esq.  |
| B. Ayres | W. Gore Ouseley, Esq.                | Portugal    | Lord Howard de Walden     |
| Chili    | Hon. John Walpole                    | Prussia     | Earl of Westmoreland      |
| Denmark  | Rt. Hon. Sir H. W. W. Wynn           | Russia      | Lord Bloomfield           |
| France   | Marquis of Normandy                  | Sardinia    | Hon. R. Abercromby        |
| Germanic | } Hon. W. T. H. Fox<br>} Strangeways | Saxony      | Hon. Fr. R. Forbes        |
| Confed.  |                                      | Spain       | Right Hon. H. L. Bulwer   |
| Greece   | Sir Edm. Lyons, Bart.                | Sweden      | Sir T. Cartwright         |
| Hamburg  | Lieut. Col. Hodges                   | Switzerland | D. R. Morier, Esq.        |
| Hanover  | Hon. John D. Bligh                   | Turkey      | Hon. H. Wellesley         |
| Mexico   | Chas. Bankhead, Esq.                 | Tuscany     | Sir Geo. Baillie Hamilton |
| Monte V. | Adolphus Turner, Esq.                | Venezuela   | B. H. Wilson, Esq.        |
|          |                                      | Wurtemberg  | Sir Alex. Malet, Bart.    |

*Foreign Ambassadors in England.*

|             |                               |             |                                               |
|-------------|-------------------------------|-------------|-----------------------------------------------|
| Austria     | Baron Dietrichstein           | Portugal    | Baron Moncorvo                                |
| Bavaria     | Baron de Cetto                | Prussia     | Chevalier Bunsen                              |
| Belgium     | M. Van de Weyer               | Russia      | Baron Brunow                                  |
| Brazil      | M. de Lisboa                  | Sardinia    | Count Pollon                                  |
| Denmark     | Count de Reventlow            | Saxony      | Baron de Beust                                |
| France      | Count de Ste. Aulaire         | Sicily      | Prince Castelcicala                           |
| Hanover     | Count Kielmansegge            | Spain       | Duke de Sotomayor                             |
| Hanse T.    | Jas. Colquhoun, Esq.          | Sweden      | Count de Bjornstjerna                         |
| Mexico      | Don T. Murphy                 | Switzerland | J. L. Prevost, Esq.<br>( <i>Consul Gen.</i> ) |
| Netherlands | M. Stratenuus, <i>ad int.</i> | Turkey      | Prince Callimakı                              |
| N. Granada  | Senor Mosquera                | Venezuela   | M. Ayala                                      |
| Oldenburg   | H. F. Tiarks                  | Wurtemberg  | Baron de Hugel                                |
| Peru        | Colonel Iterregui             |             |                                               |

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BANKS AND BANKERS IN LONDON.

- Agra and United Service Bank, Old Jewry.
 Bank of Australasia, (William Milliken, Secretary,) 2, Moorgate street.
 Bank of British North America, (G. D. B. Attwood, Secretary,) 7, St. Helen's Place, Bishopsgate Within.
 Bank of Ceylon, (Thos. G. Craig, Secretary,) 32, New Broad street.
 Bank of England, Threadneedle street.
 Bank of North-Western India, (H. C. Hulse, Director,) King's Arms Yard, Coleman-st.
 Barclay, Bevan, Tritton & Co., 54, Lombard street.
 Barnard, Dimsdale, Barnard & Dimsdale, 50, Cornhill.
 Barnett, Hoares & Co., 62, Lombard street.
 Biggerstaff, Wm. & John, 8, West Smithfield.
 Bosanquet & Franks, 73, Lombard street.
 Bouverie, Norman & Murdoch, 11, Hay Market.
 British and Australian Bank, 21, Coleman-st.
 British and Colonial Bank, and Loan Company, 50, Moorgate street.
 Brown Janson & Co., 32, Abchurch Lane.
 Bult, James, Son & Co., 85, and 86, Cheapside.
 Call, Sir W. P., Bart., Marten & Co., 25, Old Bond street.
 Child & Co., Temple Bar.
 Clearing House, Post Office Court, Lombard street.
 Cockburn & Co., 4, Whitehall.
 Cocks & Biddulph, 43, Charing Cross.
 Colonial Bank, (Chas A. Calvert, Secretary,) 13, Bishopsgate Within.
 Commercial Bank, of London, Lothbury, and 6, Henrietta street, Convent Garden.
 Coutts & Co., 59, Strand.
 Cunliffe, Roger, 24, Bucklersbury.
 Cunliffes, Brookes, Cunliffe, & Co., 24, Lombard street.
 Curries & Co., 29, Cornhill.
 Davies, Robert & Co., 187, Shoreditch.
 De Lisle, Janvrin & De Lisle, 16, Devonshire Square, Bishopsgate.
 Denison, Heywood, Kennards, & Co., 4, Lombard street.
 Dixon, Brooks & Dixon, 25, Chancery Lane.
 Drewett, & Fowler, 4, Princes street, Bank.
 Drummond, (Henry,) (Andrew Mortimer,) (Charles,) (Andrew Robert, (George,) and (Harvey,) 49, Charing Cross.
 Feltham, John, & Co., 42, Lombard street.
 Fullers & Co., 65, Moorgate street.

- Glyn, Hallifax, Mills & Co., 67, Lombard-st.
Goslings & Sharpe, 19, Fleet street.
Hanburys, Taylor & Lloyds, 60, Lombard-st.
Hankeys & Co., 7, Frenchchurch street.
Herries, Farquhar, Davidson, Chapman & Co., 16, St. James' street.
Hill, Charles & Sons, 17, West Smithfield.
Hoare, (Charles,) (Henry Merrick,) (Sir Hugh Richard, Bart.) (Henry Charles,) & (Peter Richard,) 37, Fleet street.
Hopkinson, Charles & Co., 3, Regent street, Waterloo Place.
Ionian Bank, (William Kettlewell, Secretary,) 6, Great Winchester street.
Johnson, Hugh & John & Co., 15, Great Bush lane.
Jones, Lloyd & Co., 43, Lothbury.
Jones & Son, 41, West Smithfield.
Kinloch, G. F. & Sons, 1, New Broad street.
London & County Joint Stock Banking Co., (Henry Luard, General Manager,) 71, Lombard street; Branch, 41, West Smithfield.
London and Dublin Bank, (Samuel Wills Perrott, Secretary,) 46, Piccadilly.
London Joint Stock Bank, (Geo. Pollard, General Manager,) 5, Princes street, Bank; Western Branch, 69, Pall Mall.
London and Westminster Bank, Lothbury, (J. W. Gilbert, General Manager;) Branches, 1 St. James' Square, (Oliver Vile, Manager;) 213, High Holborn, (William Ewings, Manager;) 3, Wellington street, Borough, (Edward Kingsford, Manager;) 87, High street, Whitechapel, (William Dent Asperne, Manager;) and 4, Stratford Place, Oxford street, Geo. M. Mitchell, Manager.)
Lubbock, Sir John Wm., Bart., Forster, & Co., 11, Mansion House street.
Masterman, Peters, Mildred, Masterman & Co., 35, Nicholas lane, Lombard street.
National Bank of Ireland, (S. N. King, Secretary,) 13, Old Broad street.
National Provincial Bank of England, (Daniel Robertson, General Manager,) 112, Bishopsgate Within.
Oriental Bank, W. W. Carghill, Secretary, Wallbrook.
Pickstock, Jno. Luce, & Co., 39, Clement's La.
Pocklington & Lacy, 60, West Smithfield.
Præd, Lane, Præd & Johnston, 189, Fleet-st.
Prescott, Groat, Ames & Cave, 62, Threadneedle street.
Price, Marryat & Co., 3, King William street, City.
Provincial Bank of Ireland, (Thomas Hewat, Secretary,) 42, Old Broad street.
Puget, Bainbridges & Co., 12, St. Paul's Churchyard.
Ransom & Co., 1, Pall Mall East.
Robarts, Curtis & Co., 15, Lombard street.
Rogers, Olding & Co., 29, Clement's lane.
Royal Bank of Australia, (Thomas Huggins, Secretary,) 2, Moorgate street, City.
Sapte, Banbury, Muspratt & Co., 77, Lombard street.
Scott, Sir Claude, Bart. & Co., 1, Cavendish square.
Smith, Payne & Smiths, 1, Lombard street.
Smithfield Agency & Banking Company, 59, West Smithfield.
South Australian Banking Company, (Edmund J. Wheeler, Manager,) 54, Old Broad-st.
Spooner, Atwoods & Co., 27, Gracechurch-st.
Stallard, Wm. Henry, 76, West Smithfield.
Stevenson, Salt & Sons, 20, Lombard street.
Stone, Martins and Sons, 68, Lombard street.
Strahan, Williams, Paul, Sir J. D. Bart., and Paul John D. junior, & Bates, Robert M., Temple Bar Without, 217, Strand.
Stride & Sons 6, Copthall Court.
Tisdall, Thomas George, 15, West Smithfield.
Twinings (Richard,) (Geo.), (John Aldred,) & (Richard,) 215, Strand.
Union Bank of Australia, 38, Old Broad st.

Union Bank of London, (William W. Scrimgeour, General Manager;) Principal Office, 2, Princes street, Mansion House; Charing Cross Branch, 4, Pall Mall East, (Alex. Wright, Manager;) Regent street Branch, Argyll Place, Henry T. Clack, Manager.)
 Weston & Young, 6, Wellington-st., Borough.
 Williams, Deacon, Labouchere, Thornton & Co., 20, Birchin Lane.
 Willis, Percival & Co., 76, Lombard street.

RAILWAYS OF GREAT BRITAIN.

ALTHOUGH the years 1846 has been more than usually fruitful in topics of general interest relating to the subject of this article, the enormous extent of its parliamentary business, the digest of which occupies so many of the following pages, precludes us from entering upon them. Passing over all that has been said and written on the subject of government supervision, we may refer to the act 9 and 10 Vict., cap. 105, for constituting a government board of railway commissioners, of which board Edward Strutt, Esq., M. P. for Derby, has been appointed chairman. The appointment of a royal commission for inquiring into the question of gauge was noticed in our last volume, pp. 70, 71. That commission, after hearing much important evidence, and conducting some experiments upon both broad and narrow gauge lines, made a long report in February, 1846, which as well as the evidence upon which it was founded, is worthy of the most attentive perusal.* In this document the commissioners come to the conclusion, that while the broad gauge has some advantages in the case of very high speed, such as is required for express trains, there is no decided preference due to either gauge as regards the safety, accommodation, and convenience of passengers; and the narrow gauge possesses the greater convenience for the transport of goods, and is more suited to the general traffic of the country; and further, that they had not been able to discover any advantage in the maintenance of way, the cost of locomotive power, or other working expenses, to compensate for the greater outlay in construction required for the broad gauge. They therefore recommend the narrow as the national gauge; and, regarding uniformity as highly essential in order to avoid the evils which arise from a break of gauge, or change from one gauge to another, they suggest the propriety of reducing the width of the broad gauge lines (of which, down to July 31, 1845, there were only 274 miles at work, while there were 1901 miles of the narrow gauge) to the proposed national standard; a change which they estimated might be effected at an outlay of about 1,000,000*l.* This report was referred to the railway department of the board of trade, by whom a minute was passed on the 6th of June, embodying recommendations which were subsequently confirmed by the gauge regulation act (9 and 10 Vict., cap. 57,) by which, while the narrow gauge is recognized as the national standard, the broad gauge lines are to be left unaltered, and the various new branches or extensions connected with them, within a certain district of country, are to be laid upon the broad gauge also. By this compromising adjustment of the question, which many who have studied the subject deeply feel can be only a temporary expedient, the number of points at which a break of gauge will occur must be greatly multiplied; while in

* Readers who might be deterred from studying this deeply interesting and nationally important question in the ponderous folio report and its appendices, will find a very useful digest, prefaced by an able introductory chapter, in Mr. Samuel Sidney's handsome volume, entitled "The History and Prospects of the Railway System, illustrated by the evidence given before the gauge commission."

several instances it is intended to lay both gauges upon certain portions of such lines as run between the broad and narrow trunk lines. This plan will involve heavy expense, and, it is to be feared, considerable danger. In connection with the above, we may refer to two other public acts affecting railways, the deadends abolition and accidents compensation acts, which are noticed in the "Abstracts of Public Acts," in a subsequent part of this volume.

On the 17th of November, 1845, shortly after the fever of speculation referred to in our last volume had reached its climax, the "Times" newspaper started the world with an immense tabular statement, compiled by Mr. Spackman, of "The Railway Interest of the United Kingdom," according to which the capital invested in completed railways then amounted to 70,680,877*l.*; that already expended, and yet to be expended, upon lines then in course of construction, to 67,359,325*l.*; and that required to carry out the projected lines of which the particulars were before the public, 620 in number, to about 563,203,000*l.*; in addition to all which 643 companies are mentioned which had not registered their prospectuses, and of which the capital could not be estimated. A vast proportion of these were mere paper projects, and of those which were *bona fide*, very many were competing with each other, so that there is an evident fallacy in the assumption that the aggregate capital represented the liabilities of the railway interest. The figures are, nevertheless, worthy of preserving, both as affording an indication of the extent to which the speculative mania was carried, and as showing, by comparison with the really large amount of capital authorised by the acts of the session of 1846, how greatly the fears echoed and re-echoed by the newspaper press exceeded the real cause of alarm. Of the schemes which it was really intended to prosecute, many were unable to complete their surveys in time, yet between 500 and 600 railway bills were actually brought before parliament, although, as shown by the published tables, only 272 were passed, and many of these in a reduced or modified form. A parliamentary return shows that of the capital subscribed for the railway bills of 1846, 121,255,374*l.* was subscribed in sums of 2000*l.* and upwards.

In compiling the following table the greatest care has been taken to insure correctness; but the want of uniformity in the mode of reporting bills, the numerous cases in which branches have been struck out, and capital altered, after passing the select committees, and various other circumstances, aggravated by the late period at which the session closed and its results were in print, render it almost impossible to attain perfect accuracy. From the manner in which our information has been obtained, we have reason to believe that the following is by far the most accurate account yet published of the railway results of the session of 1846; and it shows the length of new lines authorised to be about 4790 miles, including some which are mere deviations of lines already authorised, and a few cases in which, similar lines having been granted to two companies, one line is, for a certain distance, to be made to serve both purposes. The estimated cost of these lines, as indicated by the amount of share-capital, when such is to be raised, and in cases where no power is given to raise money, by the estimate of expense laid before parliament, is about 91,165,550*l.*; in addition to which most of the companies have the power to borrow to the amount of one-third of the capital, which would be, on the above amount, about 30,388,516*l.*; making an aggregate power to raise, in round numbers, 121,500,000*l.* We have omitted from the above computation the capital allowed in some amalgamation acts for the purchase of existing lines, but have included various large sums to be raised for the completion or improvement of existing undertakings, and for the construction of extensive stations and other costly works in connection with them. Without making any deduction on this account,

it would appear that the average estimated cost of the new lines is something over 19,000*l.* per mile, an amount considerably exceeding that shown by a similar calculation for the works sanctioned in 1845. With regard to the alphabetical order, we may observe that the lines are *usually* placed under the title given to the bill during its progress through parliament, cross references being in such cases inserted to direct the reader who may look for them under another title. Where, owing to a change of name being sanctioned in the acts, a different course has been adopted, cross references are also introduced to avoid difficulty. A remarkable feature to be observed in the table is the comparatively small proportion of the new lines which are granted to new or independent companies. In some cases we may have failed to notice the connection of new lines with established companies, such connection not being always indicated even in the acts themselves; but we may state on the authority of the 'Railway Chronicle' of June 6th, 1846, that out of 210 bills, of which a classified list is there given, only 61 were granted to new or independent companies, all the others being directly promoted by existing corporations as branches or extensions of, or auxiliaries to, their own lines.

In the subjoined tabular view of new openings, and in the fuller particulars which follow, the lines are arranged in chronological order according to the date of opening; and where two or three successive openings of different portions of the same line have taken place during the period embraced, all are noticed together under the date of the first opening:—

Name of Railway.	Total length. Miles.	Opened since Nov. 1, 1846* Miles.
Guilford Junction.....	6	6
Wilsontown, Morningside, and Coltness.....	8½	8½
Garnkirk and Coatbridge Extension.....	1	1
Macclesfield Branch.....	10½	10½
Brighton and Chichester.....	22½	22½
Norfolk (bridge and junction at Norwich).....		
Sheffield, Ashton-under-Lyne, and Manchester.....	40	3
“ “ Ashton Branch.....	2½	2½
Whitehaven Junction.....	12	7½
South-Eastern; Canterbury, Ramsgate, and Mar- gate line.....	32½	30½
Edinburgh, Leith, and Granton.....	4½	4½
Ashton, Stalybridge, and Liverpool Junction.....	6½	6½
Eastern Counties and Thames Junction.....	2½	2½
Preston and Wyre Branches.....	8½	8½
South Devon.....	51½	15
Blackburn and Preston.....	9½	9½
Middlesborough and Redcar.....	7½	7½
Eastern Union.....	17	17
Furness.....	15	15
North British, with Haddington Branch.....	62	62
Brighton, Lewes, and Hastings.....	33	32½
Leeds and Bradford, with branch.....	14½	14½
Richmond (Surrey).....	6	6
Dublin and Drogheda; Howth Branch.....	3½	3
Midland; Nottingham and Lincoln line.....	33	33

*With the exception, as explained above, of the first three lines.

Edinburgh and Glasgow Extension.....	1.....	1
Great Southern and Western (Ireland).....	—.....	56½
Aberdare.....	8½.....	8½
Great North of England and Richmond.....	9½.....	9½
Lancaster and Carlisle.....	(about).....	69.....(about)....20
East Lancashire; Manchester, Bury, and Rossendale line.....	14.....	14
Total,.....		438½

Sheffield, Ashton-under-Lyne, and Manchester Railway.—The completion of this line, with the exception of the Summit Tunnel, is recorded in the “Companion” for 1846, p. 93. The tunnel itself, which, as there stated, is only wide enough for a single track, was opened for traffic on the 22nd of December, 1845. While smaller than most tunnels in capacity, this is by far the longest yet made, being, according to a pamphlet published by Mr. Edwin Chadwick, at the request of the Statistical Society of Manchester, “On the demoralization and injuries occasioned by the want of proper regulations of laborers engaged in the construction and working of railways,” 5192 yards long, or only 88 yards short of three miles.—*British Almanac for 1847.*

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COST OF RAILWAY CONSTRUCTION.

The railways completed, from 1823, in which year the Stockton and Darlington, (the first line) was opened, to 1844, comprise altogether 64 lines, of an aggregate length of 2,069½ miles, and have been constructed at an actual cost of £64,238,600; being an average of £31,048 per mile, as will be seen by the following list compiled from the Board of Trade Reports.

Date of Completion.	No. of Railways.	Length of Miles.	Cost.
1823	1	38	£ 256,000
1830	3	47½	1,780,000
1831	2	14½	185,000
1832	1	16	175,000
1834	2	35	375,400
1835	1	6	38,400
1837	2	27	158,000
1838	10	357½	11,471,600
1839	6	78	2,692,200
1840	7	219	8,405,700
1841	12	423	17,452,900
1842	8	355½	10,472,600
1843	2	66½	3,052,800
1844	7	302½	5,586,000
No date given	7	83½	2,137,000
Total,		64 lines	2,069½ £64,238,600

In an able statistical paper in the *Edinburgh Review*, said to be written by Dr. Lardner, it is stated that if we take the principal railways which have been completed and brought into full operation, excluding only a few obviously exceptional ones, we shall find that the average amount of capital which they have absorbed is at the rate of £35,000 per mile. This amount

has in different cases been distributed in different proportions among the several heads of expenditure; but the following may be taken as near the average distribution.

Cost of land, £4,000; way and works, £22,000; office and sundries, £1,000; locomotive power, and working stock, £8,000; total, £35,000.

The railways constructed with the wide gauge were more expensive. An extent of two hundred and forty miles had absorbed £9,704,368, at the close of last year, being at the rate of above £40,300 per mile.

RAIL ROAD TRAFFIC AND RECEIPTS.

By the returns published by the Railway Department of the Board of Trade, it appears that the traffic for the three years ending 30th June, 1845, was as follows:—

Year Ending.	Miles of Railway Opened.	Receipts from Passengers.	Receipts from Goods.	Total
June 30, 1843	1,798½	£3,110,257	£1,424,932	£4,535,189
June 30, 1844	1,912½	3,439,294	1,635,380	5,074,674
June 30, 1835	2,118½	3,976,341	2,333,373	6,209,714

The amount of each kind of traffic per mile in each year, is given as follows:—

Year.	Traffic per Mile.	Increase.	Goods per Mile.	Increase.	Total per Mile.	Increase.
1843	£1,729	£	£792	£	£2,522	£
1844	1,773	2.55	855	7.90	2,653	5.20
1845	1,877	5.87	1,101	21.34	2,936	10.70

It appears that there is an annually increasing amount of traffic; that the rate of increase on the goods traffic, is even more rapid than the passenger traffic; and that the average annual total amount received per mile, in 1845, was £3,000, omitting fractions. The proportion of this gross revenue, absorbed by the current expenses of the transport, is different on different lines. In some it is above 50 per cent.; in some below 40 per cent. In 1842 it was estimated at 44 per cent. of the gross revenue; but it is probable that, by improved machinery and increased economy, it is now diminished. It may be taken at present at 42 per cent. of the revenue. Of the £3,000 per mile received then, 58 per cent. or £1,740 per mile may be taken as the profit on the £35,000 per mile sunk—being at the average rate of 5 per cent. Thus, it appears, that although several great enterprises give 10 per cent., the general average profit on these speculations does not amount to more than the ordinary profit on capital engaged in large commercial investments. Many successful lines pay little or no interest on the capital sunk, and some yield dividends of comparatively small amount; and thus the larger dividends of the more successful lines are neutralised. The increase of traffic, however, indicated in the above table of annual returns, would render it probable that the annual profits would become larger, unless the further extension of railways should check them. It will be observed that of the total annual revenue of the railways, 63 per cent. proceeds from passengers, and 37 per cent. from goods.

THE LAW RELATING TO LIFE ASSURANCE.

The following cases and decisions relating to the law affecting the representations upon which a policy is obtained, and their bearing upon the validity of the contract.

Life Assurance being adopted as a common security for debts or loans, becomes an important branch of commercial law, and there is no part of it more necessary to be well understood by unprofessional persons than that which relates to the representations which are made in order to obtain the policy, for they are made without any legal assistance, and upon them entirely depends the validity of the contract. The following collection of points on this subject must, therefore, prove extremely interesting to a large class of persons.

CASES WHERE THE REPRESENTATION HAS AVOIDED THE POLICY.

1. *Concealment of Facts*.—If the assured, at the time of effecting the policy, conceals any thing material for the plaintiff to know, the policy is void; and it matters not whether the assured considered it material or not; and what amounts to a misrepresentation, or to a material concealment, is a question for the jury. The fact that on a life policy an unusually high premium was paid, is quite immaterial, and therefore not to be taken as proof that the office considered the party to be a bad life.—*Von Lindenau v. Desborough*, 3 M. & R., 45.

2. *Misrepresentations of Medical Referee*.—A female, upon whose life it was proposed to effect an insurance, was represented to the insurers, in December, 1822, by A, a medical man, as enjoying ordinarily a good state of health. The same representation was repeated by A in March, and the insurance was effected in April, 1823. Between December, 1822, and March, 1823, she had been ill with a pulmonary attack, and was attended by B; but no disclosure of these circumstances was made to the insurers. In April, 1824, she died of a pulmonary disease.

Held, on motion for a new trial, that the jury ought to have been called on to consider whether the illness in 1823, and the attendance of B, ought to have been disclosed to the insurers; and that it was not sufficient to direct them generally to consider whether or not there had been any misrepresentation.—*Morris v. Muspratt*, 12 Moore's Reports, 231.

3. *Residence of the Assured*.—The conditions of a life insurance required a declaration of the state of the health of the assured, and the policy was to be valid only if the statement were to be free from all misrepresentation and reservation; the declaration described the assured as resident at Fisherton Anger, she was then a prisoner in the county gaol there.

Held, that it was a question for the jury whether the imprisonment were a material fact, and ought to have been communicated. *Huguenin v. Rayley*, 6 Taunton's Reports, 186.

4. *Misrepresentation affects the interest of third parties*.—Where an insurance was effected on the life of A for the benefit of B, and the insurance office acted upon A's own representation as to the state of his health, and it turned out that he was not an insurable life.

It was *held* by the court that B could not maintain an action on the policy, although he was not privy to the representation.—*Maynard v. Rhodes*, 5 D. & R., 266.

5. In an insurance upon the life of another, the life insured, if applied to for information, is, in giving such information, impliedly the agent of the party insuring, who is bound by his statements, and must suffer if they are false, although he is unacquainted with the life insured; and the servant of

the insurance office undertakes to do all that is required by his office.—*Everett v. Desborough*, 5 Bing., 503.

6. *Verbal Misrepresentation.*—Where a policy contains a proviso that it is to be deemed void if any thing set forth in a written statement, signed by the assured, should be found to be untrue, the insurers are discharged by the assured's misrepresenting a material fact, although such misrepresentation was made verbally, and did not form part of the written statement—*Wainwright v. Bland*, 1 Mood. & Rob., 481.

7. *Concealment of immaterial facts vitiates a policy.*—In an action on a policy of assurance for life, one of the terms of which policy was, that it should be void if anything stated by the assured in a declaration or statement given by him to the directors of the insurance company, before the execution of the policy, should be untrue. It appeared that in the said declaration the assured stated that "he was at that time in good health, and not afflicted with any disorder, nor addicted to any habit tending to shorten life; that he had not at any time been afflicted with insanity, rupture, gout, fits, apoplexy, palsy, dropsy, dysentery, scrofula, or any affection of the liver; that he had not had any spitting of blood, consumptive symptoms, asthma, cough, or other affections of the lungs; and that one, T. W., was at that time his usual medical attendant." The declaration in the cause averred the truth of this declaration and statement of the assured. The defendant pleaded pleas (1st to 5th) respectively alleging that the said declaration and statement of the insured was untrue in this, that at the time of making it he had spitting of blood, consumptive symptoms, an affection of the lungs, an affection of the liver, and a cough of an inflammatory and dangerous nature. 6thly, that at that time he was affected with a disorder tending to shorten life. 7thly, that he was not at that time in good health; and, 8thly, that he had falsely averred therein that T. W. was his usual medical attendant. Issues were joined on these pleas.

It was held by the court that the plaintiff was entitled to begin at the trial, the issue on the 7th plea (and *semble* on the other pleas also) being upon him.

The defendant proved at the trial that about four years before the policy was affected the assured had spit blood, and had subsequently exhibited other symptoms usual in consumptive subjects, and that he died of consumption three years after the date of the policy. The judge, in summing up, read over the several issues to the jury, and, in the course of it, stated that it was for them to say whether at the time of his making the statement set forth in the declaration the assured had had such a spitting of blood and such affection of the lungs and inflammatory cough as would have a tendency to shorten life.

It was held by the court, that this was a mis-direction, for that, although the mere fact of the assured having spit blood would not vitiate the policy, the assured was bound to have stated that fact to the insurance company, in order that they might make inquiry whether it was the result of the disease called spitting of blood.—*Geach v. Ingall*, 14 M. & W.; 9 Fur. 691.

CASES WHERE THE REPRESENTATION HAS NOT AVOIDED THE POLICY.

8. *What is to be considered "a disorder tending to shorten life."* It is not to be concluded that a disorder with which a person is afflicted before he effects an insurance on his life is a "disorder tending to shorten life," within the meaning of the declaration required by the *Equitable Insurance Office*, from the mere circumstance that he afterwards dies of it, if it be not a disorder which generally has that tendency.—*Watson v. Mainwaring*, 4 Taunt. 763.

9. *Epilepsy*.—Where a policy of insurance contains a warranty that the insured "had not been afflicted with, nor is subject to, gout, vertigo, fits," &c. such warranty is not broken by the fact of the assured having had an epileptic fit in consequence of an accident. To vacate such policy it must be shown that the constitution of the assured was naturally liable to fits, or by accident or otherwise had become so liable.—*Chattock v. Shave and others*, 1 Moody and Ryan's Reports, 498.

10. *Unintentional concealment of material facts*.—A party whose life is assured is not to be considered the general agent for the assurance company, and therefore the policy is not void by reason that such party failed to communicate a material fact, as to which he was not interrogated by the insurers, unless he was aware of the materiality of the fact, and studiously concealed it. It is a question of fact for the jury, whether a fact not communicated was, under the circumstances, one which the assured ought to have communicated.—*Rawlins v. Desborough*, 2 Moody & R., 328.

11. *False statement by a wife not to prejudice claim on company by her husband*.—The plaintiff had stated, in answer to certain printed questions, that his wife (the life insured) had not been afflicted with certain disorders. His wife attended at the insurance office and made the same statement. On the issue that the wife had been afflicted with certain disorders, and that the fact was known to the plaintiff, the jury negatived the plaintiff's knowledge. It was held by the court that the knowledge of the wife that her statements were false could not be considered as the knowledge of the plaintiff, that she was not his general agent, but only his agent for the purpose of answering such questions as the insurance office might propose. *Huckman v. Fernie*, 1 Horn & Hur., 149.

12. *Unintentional Misrepresentations*.—A policy of insurance on the life of another person, who, at the time of the insurance, is in a good state of health, is not vitiated by the non-communication by such person of the fact of his having, a few years before, been afflicted with a disorder tending to shorten life, if it appears that the disorder was of such a character as to prevent the party being conscious of what had happened to him while suffering under it.—*Saets v. Favilier*, 6 C. & P., 1.

Insurable Interest. A debtor and his wife had assigned to the creditor, by way of security for the debt, certain property of the wife, not reducible into possession, and the creditor afterwards, without the knowledge of the debtor, insured the life of the wife for a sum less in amount than the debt. The wife having died in the lifetime of her husband, the money secured by the policy in question (which contained no reference to the mortgage) was paid by the insurance office to the creditor.

Held, that the debtor was not entitled to have the money so received by the creditor, set off against the debt. *Seemle*, the creditor, at the time the policy was effected, had an insurable interest in the life of the wife.—*Henson v. Blackwell*, 9, Jur. 390.

Refusal to pay Policy on the ground of Fraud.—A bill was filed by three of the directors of an assurance association, on behalf of themselves and all others, shareholders therein, or who were interested in the property of the association, except the two defendants. The bill stated that the shareholders were very numerous, that the affairs of the company were managed by a board of directors, that the plaintiffs, as three of the directors, and with the authority of the board, accepted, and signed, an assurance of £500, on the life of A B, who died within two months after the date of the policy, of a fit of epilepsy, having previously assigned the policy to one of the defendants, the other defendant being A B's administrator. The bill contained many

charges of fraud and collusion against the defendants, and prayed the delivery up of the policy.

Held, that the suit was sustainable, and was also properly framed as regarded the parties. *Barker v. Walters*, 23 L. J., ch. 37; 1 L. O., 133; 9 Jur., 73.

ENGLAND AND AMERICA.

On the common interests of the two countries, by the Rev. W. J. Fox, of England.

The literature of the two countries should teach us our unity, and should be a pledge against that alienation of feeling that ends in active warfare. Do we not learn to read in the same books? Do we not study the same lessons? Do we not imbibe the same facts from our philosophers, the same sentiments from our poets, the same precepts from our moralists? When the first emigrants left this country, the riches of our literature had already been blazoned to the world. They had been formed by the intellectual tendencies that made a Shakespeare and a Bacon; afterwards a Locke or a Milton. They went, retaining the emotions and aspirations which had been thus impressed upon them. They emigrated from Stuart tyranny; they did not emigrate from the intellectual beauties and glories of our own greatest and earliest writers, any more than they wanted to emigrate from the sunshine and the dews of heaven. They took their knowledge of these authors with them, as their best and dearest heritage; they bore them in their vessels across the ocean, bore them in their bosoms together with their bibles, preserved and studied them in their wilderness; and to this day, they and we practice the same intellectual hero-worship, bend at the same shrines, listen to the same oracles. The writers who succeeded in this country were not alienated from them; Pope and Dryden, and Akenside and Newton, taught them as well as us; the lesson learned here was repeated there; even while the means of communication were much inferior to what they now are, still, this mental oneness was sustained on both sides the great ocean. They repudiated the British parliament—but they still acknowledged the British Parnassus. They would not own the authority of our lawgivers—but they still bent before the majesty of our writers; still luxuriated in their works, and by them formed their own tastes and manners. Their souls were cast into those original moulds; and as we have advanced, so have they; enjoying the same degree of mental light, and participating in all the beauties that are made visible by that same intellectual sunshine. They have kept up their interest in our literature through all changes. Popularity here was popularity there. When Scott and Byron were bringing forth, with such matchless rapidity, their matchless works, the very proof-sheets found their way across the Atlantic before the entire volume. The works were republished there as quick as thought; in the course of a few hours, sometimes, they made their appearance, having been reprinted piecemeal in their different establishments; showing that there was a strong vibration in the heart of the country there to what was elicited from its mind here—that there was, in fact, a oneness. If it be said that they did this in defiance and despite of all copyright—we have our literary larcenies and piracies as well as they. If there be literary theft in one country, we can parallel it in the other. We are one in our piracies and our robberies, as well as one in our intellectual and moral attainments.

And this intellectual unity has not been mere participation on their side. They have contributed, as well as received. It was no dishonorable list of their writers which Wiley and Putnam, the American publishers in this metropolis, put forth a short time ago, when their nationality was wounded by certain imputations on their literature. They made out a catalogue that may well do credit to colonies which for only half a century have been an independent people. Our metaphysicians have learned from theirs. Godwin imbibed the great and leading principles of his *Political Justice* from the writings of Jonathan Edwards, the New England controversialist, and the author of one of the best works the world has yet seen on the doctrine of philosophical necessity. Their Channing has supplied the milder tone of theology, and its peaceful and holier aspirations. Their Emerson has shown us American originality in composition. His essays smell of the pine-forest; they have the freshness of their vast prairies. They make us feel that there is a peculiar tone of intellect for America, as well as for the mother country, and that with all its unity and likeness, there is still only a likeness, and not a perfect identity of feature. Their novelists, Brockden Brown, Irving and Cooper, for a time ran the race of popularity here, and that successfully. Judge Cooper and others have illustrated the principles of political economy with a clearness akin to that of our best and ablest writers on the matter.

And while there is intercommunication in literature, so there is in art. Every man of note here, in any department, is sure of a cordial reception there. Had Charles Dickens wandered over England as he wandered over America, he would have suffered no annoyance from the curiosity that seems sometimes to have inconvenienced him there, but which was really the homage of the Americans to the interest that he excited. He would not have had a reception almost rivalling that of Lafayette, who shared in achieving the deliverance and independence of those regions. He would have attracted much less attention here than if he were a lord, or a member of some royal family, or some slip of foreign despotism. We reverence petty kings and princes; we show an interest even in czars. America showed its interest in a man of letters; and if its curiosity was too intrusive, that curiosity arose simply out of the fact that here was a country whose entire population had appreciated his lively creations, had smiled at his humor, had realised his descriptions, had wept over the pathos of his tales, knew all his characters by heart, and hailed them as old acquaintances, and were alive to all the emotions that the human soul has excited in it by the delineation of childish simplicity, truth, intellect and moral aspiration. How grand was the progress of our great actor through America. With what readiness did the popularity which he there enjoyed replace (and to our shame be it said) the losses of his dramatic speculations here.

For what two countries are so important to one another? America is our best customer; we are America's best customer. The dealings of the two nations with one another far surpass the dealings of either with any other people on the face of the earth. Are these people to quarrel with each other? Look at the thousands and tens of thousands in this country that are completely dependant on the American trade. The Americans in their need are supplied from us. Look at all they have been to us since our colonial dominion ceased. The severance of that bond of unity became the birth of another unity, and a much more important one. When we discontinued being one politically, we immediately began to be one commercially. Coincident with the termination of the American war of independence were our improvements in machinery, the rapid strides which trade took here, the development of our resources, and that wide sphere of en-

ployment, the cotton trade. From six millions of pounds of cotton imported from America, the quantity has risen to between 300 and 400 millions of pounds a year. Four-fifths of all the cotton used in this country is brought from America. An interest has been growing ever since the dissolution of their connection with the British crown, whose importance seems to interpose, as it were, to preserve the continued oneness of the two nations, and not allow us to fall asunder, like flax at the touch of fire, simply because George the Third was an obstinate man, and his minister dreamt of raising colonial taxation. And, at the present moment, these bonds are tightening. The measures of free trade now going on here,—what are they but a fresh interest, an expanding interest, an interest in its future extension immeasurable, between us and them?

The more rapid facilities of communication have brought Liverpool and New York within fourteen days, instead of almost as many weeks of each other. All this should make us one; all this should show us that our rightful destiny is to be fellow-laborers in advancing whatever tends to the material, the intellectual, or the moral improvement of mankind.

We might even trace a political unity between England and the United States—a oneness of policy. Not, indeed, where the two countries attack each other—as in the present instance of quarrel about a bit of barrenness, in which this has a title, and in which that finds convenience,—but in all that should constitute the principles of policy, is there not a oneness? Are there not wants here which can only be supplied by them? And are there not wants there which only we can supply? Have not we a population and they a soil, in which the one should benefit the other? Do not our emigrants really conquer the American soil when they make it fruitful, and reap the results of their conquests when they are allowed to interchange them for the products of the country from which they have emigrated?

Every way our interests are intertwined. We both affect freedom; we both claim to have more liberal institutions than other nations. If we have, is not this, too, a bond of union? If ours are not so democratic as theirs are, nor theirs, in all respects, so orderly as ours, still the difference is not such as to prevent our being alike distinguished from other countries, and having an affinity which both we and they should much more readily acknowledge—a closer affinity than either of us have with the despotism, the servility, and the ignorance of so many European states. The two nations are bound conjointly to take the lead in the march of civilization, and to lead on other nations and other people towards the attainment of a more extended freedom and of a richer prosperity. The honest of both countries should be but of one heart and one mind; they should keep one purpose in view—to check and silence the brawlers; they should look to the victories of peace, rather than of war; they should cultivate commercial oneness, and not political antagonism; they should cherish every sentiment and feeling which, by tending to develop the industrial and intellectual power here or there, will render that unity yet more strong and intense, and will call forth each nation to the obtaining of what constitutes its best interests, rather than to work the work of degradation and retardation, as war must be to either party, even though it be carried on at so remote a distance from our shores. This be our aim. Such objects, cultivated by both nations, should remind us of the language which Milton held when England and Scotland were combined for the establishment of religious and of civil liberty. This apostrophe, with the omission of three or four words, might, I think, be adopted now in relation to Great Britain and the United States.

Go on both hand in hand, O NATIONS, never to be disunited; be the Praise and the Heroic Song of all POSTERITY; merit this, but seek only Virtue, not to ex-

tend your limits: for what needs? to win a fading triumphant laurel out of the tears of wretched men, but to settle the pure worship of God in his Church, and Justice in the state: then shall the hardest difficulties smooth out themselves before ye; Envy shall sink to Hell; Craft and Malice be confounded, whether it be home-bred mischief or outlandish cunning; yea, other Nations will then covet to serve ye, for Lordship and Victory are but the pages of Justice and Virtue. Commit securely to true Wisdom the vanquishing and uncasing of craft and subtlety, which are but her two runagates; join your invincible might to do worthy and Godlike deeds—and then, he that seeks to break your union, a cleaving curse be his inheritance to all generations.

And what heart is there that is less truly British for feeling something of this fraternal union with the Americans? What wish is there that can really be more patriotic than the desire for continued peace, and for oneness in every good word and work,—the union of Great Britain and America for the accomplishment of these godlike objects, and in that desire responding to the poet a hearty “amen.”

COMBINATION OF CAPITAL AND LABOR.

BY WILLIAM HOWITT.

And can the people out of their small earnings accumulate capital? They can, and are doing it. To this, clubs, friendly societies, and savings' banks have long been training them. In the savings' banks alone they have hoarded about *twenty-five millions sterling!* To friendly societies and trade unions they contribute large sums. In the funds there are *one hundred and thirty thousand* persons whose annual dividends do not exceed some five and some ten pounds a year. The sums they contribute to religious and missionary societies, especially to those of the Methodists, are supposed to be some hundreds of thousands annually. The sums which they expend in strikes, the most fruitless and harrassing contention in which they can be engaged with capital, are enormous. In the great strike of the builders, masons, &c., in Lancashire, just now, one thousand men cannot have been out of work for three months without a loss in men's wages, at a pound a week each, of 36,000*l.* Dr. Smiles, in an admirable article in this *journal*, p. 136, gives some striking items of this kind, on the authority of a statement made at a public meeting of operatives at Preston. In one strike of the cotton spinners at Manchester, they spent 400,000*l.* in loss of wages alone; and in two others they lost 600,000*l.* In another strike at Stockport, the cotton spinners lost 600,000*l.* in wages; and in different strikes, the woolcombers of Bradford lost 400,000*l.*; the mechanics of Leeds 180,000*l.*; the operatives of Lancashire 50,000*l.*; the colliers of Northumberland 100,000*l.*; which, together with the losses by the strikes at Stockport and Preston in 1840, made a total of *three millions sterling*, which, to all intents and purposes, had been spent in vain.

And this is but the sacrifice of a few years. The sums which, since strikes became a common practice, have been sacrificed in defence of wages must, if known, amount to a fearful sum. Then we must add to this the subscriptions of the working class to a great variety of societies not yet named, as Odd Fellows' Lodges, Temperance Tee-total Societies, societies for the shortening the hours of labor, for promoting the sanatory condition of towns, mutual saving and benefit societies; and benevolent societies for the support of the widows and aged of their order.

"It appears from actual experiment that a thousand subscribers of from one penny upwards, will yield a weekly revenue of 5*l.* In Great Britain there are 6,000,000 adult males. Take of these, including such females as chose to subscribe, 4,000,000; these will yield 20,000*l.* weekly or 1,040,000*l.* a year. Now 1,040,000*l.* with compound interest would amount

In 10 years to	£18,232,413	14 <i>s.</i> 11 <i>d.</i>
In 20 years to	65,522,599	8 3
In 30 years to	188,181,161	18 8
In 40 years to	506,325,883	12 8
In 50 years to	1,331,511,365	15 1
In 60 years to	3,471,129,995	18 4

Now this sum would buy up all the property of the kingdom." I am not supposing for a moment that 4,000,000 of working men will soon be found steadily subscribing their penny or two-pence a week for this object, but these figures shew what a fund there lies in the smallest co-operation of the millions; and which the devotion of the sums expended merely on spirits and tobacco might accomplish for mankind.

And can they trade and manufacture for themselves? They do it already.

So far as the possibility of working men clubbing their savings, and undertaking and carrying on factories on their account successfully, the question is settled. We have heard a great deal of a master painter in Paris giving his workmen each a share in the profits of his business, and of a nobleman in Ireland giving the same privileges to laborers, but what are these cases to others which may be brought forward? There are at this moment plenty of workmen, who having saved money, have commenced concerns for themselves, and are flourishing. At Paisley there is a case most completely in point.

There, some half dozen workmen, eleven years ago, having accumulated a small sum by careful saving, commenced the Colinslie Print Works, and have succeeded so well that, I understand, no works are better conducted than theirs, and that not only have the co-operative proprietors managed to live comfortably, but are worth, at least 500*l.* each.

It was stated at a public meeting of the Trades' Association, the other day, that in Manchester a body of working men had united their means, taken a large timber-yard, and had 35 workmen to whom they were paying the best of wages going. There was no document there, and the men were going on peaceably and pleasantly. Working men had not such a luxurious style of living to keep up; and such combinations, therefore, had every chance of success. "Many hands make light work, and equal burdens break no backs." The pence of the working classes from their number, soon accumulate into pounds. But perhaps the most promising association of this kind, or, at least, that which shapes itself most to the wants of the day, is the *Leeds Redemption Society*, which has more than once been noticed in this journal. It has been some months in operation, and its quarterly report denotes steadily advancing prosperity. It has already nearly 400 members and donors. Its object is to collect a capital by weekly subscriptions, and with that to purchase "an estate in the neighborhood of Leeds, in the best situation for manufacturing and agricultural purposes that can be met with; then workshops, schools, and factories will be erected, and such manufactures will be prosecuted as appear to the society best suited to the locality and the times. The various works will be executed by men selected from the members and donors by election. The best and most approved machinery will be employed, and every invention adopted that will facilitate production; for here, for the first time, machinery will be an unalloyed good to the laborer; it will be his property!

FLUCTUATIONS IN STOCKS.

The following table will show the prices of the stocks in which there are the principal transactions in New York, at or about the close of each month, during the year 1846:—

	Jan.	Feb.	Mar.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
United States 6s, 1862.....	110½	110½	110½	109½	104	106	106½	103	106	104½	102	101
do. 5s, 1853.....	100	101½	101½	100	97½	98	98	98	97	96	93½	91½
New Y. State 5s, 1858.....	99½	99½	100	99	97½	105	103	97	97	105	97	94½
do. 6s, 1861-2.....	106	107	108	106	106	105	103	103	102½	103	103	103
do. 7s, 1849.....	104	105½	104	103	102	102	103½	103½	102½	103½	103	101
Ohio 6s, 1860.....	94½	94½	95	84	92½	93	93½	93½	93½	93½	93	91½
Pennsylvania 5s.....	71½	71½	70½	68	68½	69	66½	66½	66½	67½	68½	69
Kentucky 6s.....	99½	99½	100½	99½	99	99½	99	99	100	100	99½	100
Indiana Dollar Bonds.....	41½	41½	38½	36½	32	32½	33	34	31½	33½	32	33½
Illinois Bonds.....	36	37	37½	36	33½	34	34½	34	33	33	31½	33
Reading Bonds.....	70	76	78½	74½	71½	77½	73½	71	71½	72½	73	74½
Manhattan Bank.....	99	99	98	94½	95	95	95	94	96	93	91½	89
Mechanics' Bank.....	104	106	108	103½	103	104	105	106	107	105	104	108
Bank of America.....	96½	96½	97	94	92	97	97½	96½	98½	97	96	97
Bank of Commerce.....	91	93	95	91	90	95	94½	94	93	92	92	92
Delaware and H. Canal Co.....	135	140	144	150	148	150	150	151½	152	155	155	153
Phenix Bank.....	85	85	85½	82½	82	86	84	85	85½	85	84	84
Farmers' Trust Co.....	28½	27½	27½	26½	23	25½	25½	24½	25	24	22	23½
Canton Co.....	38	37½	38½	38½	34	33½	34½	32	30½	29½	27	27½
New Jersey rail road.....	100½	102½	102	100	103	103	101	101½	101½	103	103½	103½
Stonington rail road.....	45½	45½	42	41½	39	45	41	40½	41½	40½	39	116
Utica and Schenectady rail road.....	120	119	119	115	116	115	114	113½	113½	112	113½	116
Auburn and Rochester rail road.....	101	100½	100	99	99	102	100	98	98	99	99	100
Long Island rail road.....	54½	46½	46	34½	28½	31½	32½	31½	29½	30	25½	24½
Harlem rail road.....	54	53½	54	49	43½	48½	56½	55½	52½	50½	50½	49½
Eric rail road, old stock.....	60	58	56½	48	50	47	45	50½	48½	45	41	50½

THE PUBLIC FUNDS.

The preceding table, relating to the value of the public funds at New York, is from a correct source, and will furnish our readers some idea of the fluctuations in solid and fancy stocks at that city.

The table of sterling exchange at page 485 has also been compiled from authentic sources, and is as clear an index as can be had of the condition of the money market for the last twenty-five years. The price of foreign exchange is, in fact, the money barometer; it indicates the ease of, or the pressure upon, the money market.

The high rates for sterling bills indicate either excessive importations or a depreciation of the currency, as in 1837; while the low rates which existed from July, 1842, to June, 1843, indicate a large balance of trade in favor of this country, and a concurrent importation of specie with which to discharge that balance; the receipts of specie beyond the exports for that year alone having been not less than \$20,500,000.

This low rate of exchange and favorable state of trade was superseded by large importations of goods in 1844 and 1845, and a consequent export of coin to Europe, viz.

	To 30th June, 1845.	To 30th June, 1846.
Excess of goods imported	\$7,140,000	\$8,330,000
Excess of specie exported	4,534,000	118,000

The low rates existing since July, 1846, will, in themselves, indicate a balance of trade in favor of the United States, and a concurrent importation of coin: very large sums having been brought over in the Cunard steamers from Liverpool to Boston in November and December, 1846. In connexion with this subject we now add a few remarks from the "British Almanac and Companion."

FLUCTUATIONS OF THE FUNDS.

The public funds have long been regarded as a "political barometer," indicating by its fluctuations the state of public feeling, and the general condition of the country. No alteration of any importance in our political and social relations can occur without some corresponding change taking place in the funds. The ordinary and constant regulator of the price of the national securities is the current rate of interest. This at the present time being low, the funds are consequently high; and should the rate of interest become high, the funds will fall in proportion. The reason of this is easily understood. Government agrees to pay a certain *fixed* rate of interest on the different denominations of stock; and whenever the market-rate of interest becomes higher or lower than usual, the *fixed* rate of interest afforded by the public securities will bear a proportional value, corresponding with the increased or decreased rate of interest which can be obtained by investing money in other securities.

But in addition to this (the ordinary cause of the constant fluctuations in the public securities of this country,) every thing which has a tendency, however remote, to disturb the existing relations with the public creditor,

may be classed amongst the active causes of fluctuation. It is difficult in some cases to understand exactly why certain occurrences have such a powerful influence on the price of the funds, when no natural connexion appears to exist between the cause and the effect; but whenever any political event occurs which is likely to interfere in any way with the due payment of the dividends, or the safety of the national debt, it is easy to see why the holder of funded property should be desirous of "selling out" from the funds, and investing his money in some more favorable kind of security.

The following notice of the fluctuations which have taken place during the last century, and of the causes which produced them, will be interesting as an introduction to the tables given below.

Statement of the highest and lowest prices of the principal kinds of stock, since the year 1720, as given by Dr. Hamilton.

Highest Prices.			
Three per cents	June, 1789	.....	107
Four per cents	Aug. 1791	.....	107½
Five per cents	Aug. 1791	.....	122½
Bank stock	Feb. 1792	.....	219
South sea stock	May 1768	.....	111
India stock	Dec. 1768	.....	276½

Lowest Prices.			
Three per cents. consols	Jan. 1798	.....	47½
Three per cents. reduced	June 1797	.....	47
Four per cents.	Jan. 1798	.....	56½
Five per cent. navy	Jan. 1798	.....	69½
Bank stock	Jan. 1782	.....	91
South sea stock	Feb. 1782	.....	62
India stock	Jan. 1784	.....	118½

SEMI-ANNUAL DIVIDENDS.

December and January.

NEW YORK.....	Mechanics' Banking Association.....	New York,	4
	Tradesmen's Bank.....	do.	5
	Phenix Bank.....	do.	3
	Seventh Ward Bank.....	do.	3½
	North River Bank.....	do.	3½
	Bank of America.....	do.	3½
	Bank of Commerce.....	do.	3
	Merchants' Exchange Bank.....	do.	4
	Merchants' Bank.....	do.	4
	Commercial Bank.....	Albany,	5
	Bank of Monroe.....	Rochester,	3
	City Bank of Rochester.....	do.	3
	Bank of Utica.....	Utica,	3½
	Pine Plains' Bank.....	Pine Plains,	3
	Bank of Poughkeepsie.....	Poughkeepsie,	4½
CONNECTICUT.....	Farmers and Manufacturers' Bank.....	do.	3
	Merchants' Bank.....	do.	4
	Middletown Bank.....	Middletown,	3½
	Middlesex County Bank.....	do.	3
	Fairfield County Bank.....	Norwalk,	4
Exchange Bank.....	Hartford,	3½	

CONNECTICUT.....	Connecticut River Banking Company..	Hartford,	3
	Union Bank.....	New London,	5
	Whaling Bank.....	do.	3
	New London Bank.....	do. per sh.	2
PENNSYLVANIA.....	Bank of Pennsylvania.....	Philadelphia,	4
RHODE ISLAND.....	Commercial Bank.....	Providence,	3½
NEW JERSEY.....	Newark Banking and Insurance Co....	Newark,	3
	Mechanics' Bank.....	Burlington,	3
	Trenton Banking Company.....	Trenton,	4
	Cumberland Bank.....	Bridgeton,	3
	Morris County Bank.....	Morristown,	3
MARYLAND.....	Merchants' Bank.....	Baltimore,	3
	*Bank of Baltimore.....	do.	3
	Chesapeake Bank.....	do.	3
	Mechanics' Bank.....	do.	3
	Union Bank of Maryland.....	do.	3
	Farmers and Planters' Bank.....	do.	3½
	Western Bank of Baltimore.....	do.	3
	Baltimore Life Insurance Company....	do.	6
	Frederick County Bank.....	Frederick,	3½
	DISTRICT OF COLUMBIA.....	Bank of the Metropolis.....	Washington,	3½
Bank of Washington.....		do.	3
ALABAMA.....	Bank of Mobile.....	Mobile,	2½
LOUISIANA... ..	Mechanics and Traders' Bank.....	New Orleans,	3
OHIO.....	Franklin Bank.....	Cincinnati,	5
	Ohio Life and Trust Company.....	do.	4
	Lafayette Bank.....	do.	4
VIRGINIA.....	Clinton Bank.....	Columbus,	5
	†Bank of Circleville.....	Circleville,	5
	Bank of Virginia.....	Richmond,	3
	Bank of the Valley.....	Winchester,	3½
	Farmers' Bank of Virginia.....	Richmond,	3½
KENTUCKY.....	Exchange Bank of Virginia.....	Norfolk,	3½
	Bank of Louisville.....	Louisville,	3½
	Bank of Kentucky.....	do.	2½
SOUTH CAROLINA.....	Northern Bank of Kentucky.....	Lexington,	4
	Bank of Charleston.....	Charleston,	3
	Bank of South Carolina.....	do.	2 1-5
	State Bank.....	do.	2½
	Planters and Mechanics' Bank.....	do.	3
	South Western Rail Road Bank.....	do.	3
	Union Bank of South Carolina.....	do.	2½
NORTH CAROLINA.....	Bank of Georgetown.....	Georgetown,	3½
	Bank of Camden.....	Camden,	3½
	Merchants' Bank of Newbern.....	Newbern,	3½
GEORGIA.....	Bank of the State of North Carolina...	Raleigh,	4
	Augusta Banking and Insurance Co....	Augusta,	4
TENNESSEE.....	Union Bank of Tennessee.....	Nashville,	3
	Planters' Bank.....	do.	2½

BANK OF THE UNITED STATES.

At an annual meeting of the stockholders of the Bank of the United States, held at the banking house in Chestnut street, Philadelphia, Jan. 4, 1847—

*Being the hundredth dividend in fifty years. There being no intermission to a regular semi-annual dividend since the charter of the bank in 1795.

†The Bank of Circleville, with a capital of \$200,000, thus makes its twenty-fifth semi-annual dividend of five per cent. in twelve years, amounting in all to \$242,000, and leaving a surplus on hand of \$21,000, being upwards of ten per cent. of its capital. This is one of the old class of independent banks, the charters of which will expire in 1855.

The Hon. Richard H. Bayard was called to the chair, and Joseph R. Chandler was appointed secretary.

J. Robertson, Esq., the president of the board of directors, made the following report, which was read and adopted :

To the Stockholders of the Bank of the United States.

It is provided in the charter of the Bank of the United States, that "there shall be a general meeting of the stockholders at the banking house, in the city of Philadelphia, on the first Monday of January, in every year, at which time the directors shall lay before them a general and particular statement of the affairs of the company."

It must be known to the stockholders present, that all the available effects of the bank, with two exceptions, were assigned and transferred to trustees, named in three separate deeds of trust, in the course of the year 1841, for the purposes stated in the said deeds. Those effects so assigned and transferred, have been under the exclusive control and management of the trustees. They are not required by the deeds of trust to report any of their proceedings to the board of directors, nor to the stockholders ; nor has the board of directors any authority to call upon them for such reports, except by order of the court. It is not therefore now in the power of the directors to lay before the stockholders at their annual meeting, such statements of the affairs of the bank as had been customary previous to the said assignments.

It is proper, however, to say, that the directors continue to have entire confidence in the trustees ; that the duties imposed upon them, in the management of the property assigned to them, and placed in their charge, have been, and will continue to be judiciously and faithfully discharged.

There being three assignments, the trustees appointed for each of them, have respectively prepared their accounts to their respective dates, and have submitted them to auditors appointed by the court, who, after due examination, have passed them ; and they are now on file in the office of the court of Common Pleas.

It is with some satisfaction the directors are able to state that the trustees under the assignments of the 4th and 6th September, 1841, have paid off all the judgments which had been obtained against the bank, previous to the preceding dates, as required by the said assignment.

In regard to the loans due by the bank in Europe, for which state stocks and bonds were pledged, for their redemption, there has been no material change since the last meeting of the stockholders. The holders of the bonds, (or debentures as they are usually called,) issued by the bank for those loans, are represented by three respectable banking houses in Europe. It was stated at the last meeting of the stockholders, that arrangements had been made with two of those houses, to hand over to such of the holders of the debentures, as would be willing to receive it, such a portion of the pledged securities as they would be entitled to, were an equal distribution of the whole made at one time under a general agreement ; the holders at the same time to give up their debentures. It is understood that some progress has been made in carrying out the arrangement ; but the directors have no direct information as to the extent.

It is right and proper at the same time to state, that the holders of debentures who have not come into that measure, have still continued to exercise their usual indulgence ; and that no steps have yet been taken to put any of the pledged stocks into the market for sale. The directors are the more gratified at this, believing as they do that it will be for the interest of holders to avoid every thing like a forced sale of any of the pledged securities, in the present state of things.

The directors have for some time past entertained the hope that they

would be able to communicate to you at the present meeting the final decision of the supreme court of the United States, of the long standing controversy between the United States, and the bank, relative to the damages on the bill of exchange, drawn by the United States on the French government, which was protested for non-payment. The cause came on for a hearing early last week, and the arguments were finished on Thursday last.

The matter is now under consideration of the judges.

J. ROBERTSON, President.

Bank of the United States, Jan'y 4, 1847.

After some explanation made by the president, in reply to questions from stockholders, the meeting adjourned.

RICHARD H. BAYARD, Chairman.

JOSEPH R. CHANDLER, Secretary.

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**THE PROCESS OF UNDERWRITING.**—To render the process of underwriting [in England] as intelligible as possible we may suppose a case for the purpose of illustration. Suppose a vessel of the class A 1, registered for seven or ten years, be valued at £20,000 or £30,000, a policy is affected upon her, and the owners or their brokers go among their friends at Lloyd's and see at what rate she can be insured. If the voyage be a distant one, or the season of the year be considered dangerous, the rate will most materially vary. Thus, at one-time, a premium of £1 1s. or £2 2s. per cent. might be taken, and at another time the underwriter would perhaps not be inclined to do business under £3 3s. or £4 4s. per cent., it not only depending on the class of the ship but the cargo she is likely to carry, and the port for which she is bound. These are all considerations which the underwriter most carefully weighs in his mind before he takes any part or risk in an adventure of the sort. On a vessel of £20,000 or £30,000 value the policy of insurance might be divided among as many as a dozen underwriters, including some at Liverpool and Glasgow; and it very often happens that the Liverpool and Glasgow people will insure their ships at London, and *vice versa*. This will account for the statement occasionally to be seen in the papers that, "notwithstanding the vessel was a London trader, the greater part of the loss will fall upon the underwriters of Liverpool and Glasgow." when a vessel continues absent after the expected date of arrival, and no news has been received of her, the premium of insurance will advance considerably, and then the business resolves itself into a mere speculative transaction.

Some of the members of the room snap at this business, but it does not often prove profitable. The ill-fated President was "done" at a very high premium in the room, and up to the latest moment of hope persons were found willing enough "to take a few thousands of her at a long price." When bad weather has occurred, either on the coast or abroad, the underwriters at Lloyd's make the most anxious investigation of the books and the lists received, to trace, by every possible means, the result of their risks. The remark of "a good book" or "a bad book" among the subscribers is a sure index to the prospects of the day, the one being indicative of premiums to be received, the other of losses to be paid. The life of the underwriter (like the stock-speculator) is one of vast anxiety, the events of the day often raising his expectations to the highest or depressing them to the lowest pitch; and years are often spent in the hoped-for acquisition of that which he never obtains. Among the old stagers of the room there is often strong antipathy expressed against the insurance of certain ships, but we never recollect it being followed out to such an extent as in the case of one vessel. She was a steady

trader, named after one of the most venerable members of the room, and it was a most curious coincidence that he invariably refused to "write her" for "a single line." Often he was joked upon the subject, and pressed "to do a little" on his namesake, but he as frequently declined, shaking his head in a doubtful manner. One morning the subscribers were reading the "double lines" or the losses, and among them was this identical ship, which had gone to pieces and become a total wreck.—*Liverpool Albion*.

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### BANK ITEMS.

**ROBERT W. BOWDEN**, Esq., late teller, has been elected cashier of the Branch Bank of Virginia at Norfolk, in place of Thomas Williamson, deceased.

**WILLIAM S. CAMP** has been elected cashier of the Middlesex County Bank, of Middletown, Connecticut, in place of Eleazar Lacey, resigned.

**SAMUEL HUBBARD** has been elected president of the Middletown Bank (Connecticut) in place of Elijah Hubbard, deceased.

**BANK OF CIRCLEVILLE**.—N. S. Gregg, Esq. was on the sixth of January elected president of the Bank of Circleville (Ohio) in place of Joseph Olds, Esq. retired on account of ill health.

**NORTH WESTERN BANK OF VIRGINIA**.—Thomas Sweeney, Esq. has been elected president of the North Western Bank of Virginia, at Wheeling.

**OLIVER LEE'S BANK, BUFFALO**.—The interest of the late Mr. Lee, in this Bank, has been transferred to Messrs Corning & Sherman, of the Albany City Bank. J. T. Hatch is to be the president, and Mr. Touse, of Albany, the cashier of the Oliver Lee Bank.

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☞ **TO CORRESPONDENTS**. We are compelled, for want of space, to defer the communications of our correspondents at Bangor and Fayetteville. They shall have insertion at an early period.

We are also compelled to postpone the insertion of the financial reports of Massachusetts, New York, Kentucky, &c., and also the bank reports of Kentucky, the banks of Cleveland, Merchants' Bank of Newbern, and several others; for all which space will be appropriated in our next.

We will receive from London early this month copies of the "Bankers' Almanac and Diary for 1847," "Savings Bank Year Book and Diary for 1847," "Rail Road Almanac and Diary for 1847," and the "Solicitor's Almanac for 1847," which will be promptly forwarded to those who have ordered them, according to the terms published in our last number.

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### DEATHS.

**AT CATSKILL, N. Y.** on the 23d December, **ORRIN DAY**, Esq., aged seventy years, president of the Tanners' Bank and formerly president of the Catskill Bank.

**AT NEW YORK**, early in January last, **JONATHAN THOMPSON**, Esq., aged seventy-four years, for several years president of the Manhattan Bank; and formerly collector of the port of New York.

**AT BOSTON**, on the 13th January, **WILLIAM PARSONS**, Esq., president of the Massachusetts Bank, aged seventy years. Mr. Parsons, was on that day engaged in business in a counting room, when he was suddenly seized with a dizziness, immediately fell upon the floor and almost instantly expired.

**Notes on the Money Market.**

A bill has passed the house of representatives authorising the issue of treasury notes to the amount of twenty-three millions of dollars; and as fast as redeemed new notes or stock may be issued. The following are the leading sections of the bill:

*A bill authorising the issue of Treasury Notes, a Loan, and for other purposes.*

Be it enacted, &c. That the President of the United States is hereby authorised to cause treasury notes for such sum or sums as the exigencies of the Government may require, but not exceeding in the whole amount of notes issued, the sum of twenty-three millions of dollars, and of denominations not less than fifty dollars for any one note, to be prepared, signed, and issued in the manner hereinafter provided.

Sec. 2. And be it further enacted, That the said treasury notes authorised to be issued by the first section of this act shall be reimbursed and redeemed by the United States, at the treasury thereof, after the expiration of one year or two years from the dates of the said notes respectively; from which said dates they shall bear such interest, until they shall be respectively redeemed, as shall be expressed upon the face of the said notes; which rate of interest upon each several issue of the said notes shall be fixed by the secretary of the treasury, by and with the advice and approbation of the President; but shall in no case exceed the rate of interest of six per centum per annum: PROVIDED, That such interest shall cease at the expiration of sixty days' notice, to be given at any time by the secretary of the treasury, in one or more of the principal papers published at the seat of government, of a readiness to redeem the same. The reimbursement herein provided for shall be made at the treasury of the United States to the holders of the said notes respectively upon presentment, and shall include the principal of each note, and the interest which may be due thereon at the time of payment. For this reimbursement at the time and times herein specified, the faith of the United States is hereby solemnly pledged.

Sec. 3. Regulates the mode in which these notes are to be issued, and the checks, &c. upon the issue.

Sec. 16, authorises the President to borrow any portion of the twenty-three millions if it be deemed more advantageous, and to issue a six per cent. stock therefor. No stock to be issued under par.

By these provisions it will be seen, that the treasury notes contemplated by this bill, as was stated in our previous remarks are to be a government irredeemable paper currency, transferrable from hand to hand, like bank notes, but not like solvent bank notes, redeemable in specie. Sec. 5, expressly makes these notes transferrable, from hand to hand, after endorsement by the original payee. Sec. 13, authorises the funding of these notes at any time, at the option of the holder, in a twenty years six per cent. stock; and for the redemption of this stock section 9 pledges the proceeds of the sales of the public lands. This same privilege of converting treasury notes into stock is assured to all other treasury notes heretofore issued.

Recent letters from France continue to speak of the decrease in the bullion of the Bank of France, and of the apprehension that a money panic may be brought about in Paris by the necessity in which the bank may be placed of rapidly curtailing its discounts. The *Courrier des Etats Unis*, published at New York, speaks of letters from Paris foreshadowing the danger of a double financial crisis in England and France. But the Bank of England, according to the latest previous accounts, was quite strong in bullion and not extended in circulation; so that no ground appears to exist for apprehending danger there,—and indeed it was thought the English bank would be in a condition to return the favor which some years ago it received from the Bank of France, and lend it some millions of coin.

The heavy sums diverted from ordinary employments to rail road schemes, is the cause to which the difficulty is ascribed in France. The same cause had been long a source of uneasiness in England.

This, however, must be only a temporary difficulty. Whatever amount of money

may be diverted to railway calls and speculations, the capital remains there. The money does not leave the country; it only changes hands, and millions are transferred without counting a dollar. As long as the *diversion* is a domestic one, and not producing an export of coin from the country, there is no cause for alarm.

NEW YORK. A general anticipation exists of heavy importations of specie during the months of February and March. This will serve to counteract, in some measure, the effects of the sub-treasury, and to obviate any severe contraction which might otherwise arise in the money market. By many persons it is supposed that some fifteen or eighteen millions of coin will be brought over; but looking at the indebtedness of this country to Europe, we cannot think that more than six or eight millions of coin will be imported.

The Bank of England will probably hesitate in making the loan of coin, which has been desired by the Bank of France. The importations of grain into England, in seasons of scarcity, are invariably accompanied with exports of coin. The amount of coin held by the Bank of England, has fluctuated very much in years of excitement. Thus the coin in its vaults in February, 1824, was nearly eleven millions sterling, but England undertook or subscribed the following undertakings in 1824 and 1825, viz.

|                                        |              |               |
|----------------------------------------|--------------|---------------|
| Foreign loans subscribed               | £ 23,722,000 |               |
| For foreign mining and other companies | 24,467,000   |               |
| For home schemes                       | 156,778,000  |               |
|                                        |              | £ 204,967,000 |

The magnitude of these, although only in part carried out, reduced the bullion in the bank in February, 1826, to £ 2,450,000.

The country and the bank recovered from this crisis; but again a similar race was run. The undertakings in 1834, '35 and '36, were as follows:

|                                                  |               |
|--------------------------------------------------|---------------|
| Home undertakings, to be expended in the country | £ 129,078,000 |
| Subscriptions to foreign countries               | 21,176,000    |
|                                                  | £ 150,248,000 |

|                                                     |              |
|-----------------------------------------------------|--------------|
| The amount of coin in the bank, February, 1834, was | £ 10,142,000 |
| And in February, 1837, was reduced to               | £ 4,221,000  |

This reaction was also overcome, and now another series of schemes is under foot; not less than £ 600,000,000, (according to the Times,) having been subscribed in England in 1844-'5 for home undertaking and £ 79,000,000 for continental railways.

Parliament nipt many of these in the bud, and as long as rail road expenditures were confined at home, things went well; but now superadded to that is the heavy demand for foreign wheat, so that the governor and directors of the bank have about as much to do as they can well manage, without giving "aid and comfort" to France. Great causes produce great crises, and England has exhibited these in an extraordinary degree within twenty years. (An authentic sketch of these events will be found in our first volume, page 79, November, 1845.)

Some questions have arisen among monied men as to the effect of the new treasury note law. We do not think it will have a bad tendency, nor induce a scarcity of money. The circulation of the country will be increased twenty-three millions, but the new paper will be scattered throughout the great south-west, and will not, we think, displace any amount of coin or bank paper.

THE  
**BANKERS' MAGAZINE**  
 AND  
**State Financial Register,**  
**FEBRUARY, 1847.**

CONTENTS.

| ARTICLE.                                                                                                                                      | PAGE. |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>I.—STATE FINANCES:</b>                                                                                                                     |       |
| 1. Maryland, its Revenues, Expenditures, Public Debt, and Sinking Fund, . . . . .                                                             | 457   |
| 2. New York, . . . . .                                                                                                                        | 467   |
| 3. Michigan, . . . . .                                                                                                                        | 468   |
| 4. Pennsylvania, . . . . .                                                                                                                    | 469   |
| <b>II.—BANK STATISTICS:</b>                                                                                                                   |       |
| 1. Savings Banks of Massachusetts, Baltimore and Louisville, number of depositors, amount of deposits of thirty-eight banks,                  |       |
| 2. Banks of Boston; circulation, profits, deposits, specie, real estate and loans of each.                                                    |       |
| 3. Banks of Baltimore; capital, profits, deposits, loans, real estate, and specie of each.                                                    |       |
| 4. Taxes paid by Baltimore Banks into the treasury.                                                                                           | 461   |
| <b>III.—BRITISH FUNDING SYSTEM:</b>                                                                                                           |       |
| Examination of the system of funding by increase of capital; with list of loans created from 1793 to 1812, and interest, . . . . .            | 473   |
| <b>IV.—ALBERT GALLATIN:</b> his administration of the treasury. . . . .                                                                       | 481   |
| <b>V.—FOREIGN EXCHANGE:</b> table of the rates of sterling exchange in each month from 1822 to 1846, inclusive, . . . . .                     | 485   |
| <b>VI.—BRITISH REVENUE:</b>                                                                                                                   |       |
| Amount of the revenue, expenditure, debt, charges of debt, and public balances in each year from 1836 to 1845, inclusive, . . . . .           | 486   |
| <b>VII.—BRITISH GOVERNMENT:</b> Royal Family, British Ministry, Foreign Ambassadors, &c. . . . .                                              | 486   |
| <b>VIII.—BANKS OF LONDON:</b> a list of all the Banks and Bankers of London, their residences, &c. . . . .                                    | 488   |
| <b>IX.—RAILWAYS OF GREAT BRITAIN:</b> opened in 1846, cost of construction for each year since 1823; rail road traffic and returns, . . . . . | 490   |
| <b>X.—LIFE INSURANCE:</b> fourteen recent decisions in the English Courts in reference to Life Insurance, . . . . .                           | 495   |
| <b>XI.—ENGLAND AND AMERICA:</b> By the Rev. W. J. Fox of England, . . . . .                                                                   | 498   |
| <b>XII.—COMBINATION OF CAPITAL AND LABOR:</b> By William Howitt, . . . . .                                                                    | 501   |
| <b>XIII.—FLUCTUATIONS OF THE FUNDS:</b> Table of prices of the leading Stocks at N. Y. for each month in 1846, . . . . .                      | 503   |
| <b>XIV.—MISCELLANEOUS:</b> Semi-annual Dividends, Bank Items, Deaths, Notes on the Money Market, Bank of the U. S.                            |       |

THE  
BANKERS' MAGAZINE,  
AND  
State Financial Register,

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VOL. I.

MARCH, 1847.

NO. IX.

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THE PROSPECT BEFORE US.

Highly important events have transpired within the last two months, and since the publication of our last No., intelligence has been received from Europe more important, in a commercial and financial aspect, than has reached this country for many years. The failure of the harvest of 1846, throughout the west of Europe, compels heavy imports of grain, while the condition of Ireland more particularly elicits the sympathies of our whole country.

England and France are now both large purchasers of foreign corn and bread stuffs, and the great source of supply is the United States. The balance of trade is becoming so much in favor of this country that large amounts of coin are coming over by every steamer and packet ship. Large exports of coin unavoidably derange the currency, unsettle trade, abate confidence, and create pressure: without effecting anything like a corresponding good on the other side. On the contrary, the sudden and extensive increase of coin will have a tendency to create expansion, induce speculation and excessive bank issues, with other evils arising from what may be termed unexpected good fortune. Nations, like individuals, are easily inflated, and the commercial people of the United States require but the slightest encouragement to bring about events similar to those of 1834—1836.

The increase in the value of our present exports of cotton and grain is estimated at twelve or fifteen millions of dollars. New Orleans and New York, the great seaports of our staples, exhibit a most remarkable activity in their exports; while Boston, Philadelphia, Baltimore and Charleston are pouring out immense quantities of produce.

The prominent papers of London anticipate a severe crisis both in Great Britain and France. The Bank of England has recently given its aid to the Bank of France to the amount of £800,000, and is yet prepared to meet extraordinary calls upon its bullion. We annex the official statement for January 9, 1847.

## BANK OF ENGLAND.

## Issue Department.

|                   |             |                            |             |
|-------------------|-------------|----------------------------|-------------|
| Notes issued..... | £27,552,100 | Government debt.....       | £11,015,100 |
|                   |             | Other securities.....      | 2,984,900   |
|                   |             | Gold coin and bullion..... | 11,482,442  |
|                   |             | Silver bullion.....        | 2,069,658   |
|                   | <hr/>       |                            | <hr/>       |
|                   | £27,552,100 |                            | £27,552,100 |

## Banking Department.

|                                |             |                            |             |
|--------------------------------|-------------|----------------------------|-------------|
| Proprietors' capital.....      | £14,553,000 | Government securities..... | £12,757,326 |
| Rest.....                      | 3,520,048   | Other securities.....      | 14,464,948  |
| Public deposits.....           | 5,860,631   | Notes.....                 | 6,715,255   |
| Other deposits.....            | 9,784,767   | Gold and silver coin.....  | 755,922     |
| Seven day and other bills..... | 975,005     |                            |             |
|                                | <hr/>       |                            | <hr/>       |
|                                | £34,693,451 |                            | £34,693,451 |

There has been a gradual increase of coin in the vaults of the Bank of England since October, 1839, the period at which the *reputed* loan was made to it by the Bank of France, (see page 540.) There has not, however, been a corresponding increase of circulation, as will appear from the following table which our readers will find more in detail at page 233. (October copy.)

| Bank of England. | Coin on hand. | Circulation. | Rate of Interest. |
|------------------|---------------|--------------|-------------------|
| 1839 January,    | 9½ millions   | 18½ millions | 3½ per cent       |
| May,             | 6 " "         | 18½ " "      | 4½ " "            |
| August,          | 3½ " "        | 17½ " "      | 6 " "             |
| October,         | 2½ " "        | 17½ " "      | 6½ " "            |
| 1840 January,    | 3½ " "        | 16½ " "      | 5½ " "            |
| 1841 January,    | 4½ " "        | 16½ " "      | 5 " "             |
| 1842 January,    | 5½ " "        | 16½ " "      | 4½ " "            |
| 1843 January,    | 10½ " "       | 19½ " "      | 2 " "             |
| April,           | 11 " "        | 20½ " "      | 1½ " "            |
| 1844 January,    | 13 " "        | 19 " "       | 2 " "             |
| 1845 January,    | 14½ " "       | 20 " "       | 2 " "             |
| June,            | 16½ " "       | 21½ " "      | 2½ " "            |
| December,        | 13½ " "       | 20½ " "      | 4½ " "            |

The advance in the price of the necessaries of life in London in the last six months of the year, will be fully illustrated by the annexed comparative statement:—

|                                       | Price 1st June, 1846.  | 10th Jan. '47. |
|---------------------------------------|------------------------|----------------|
| Wheat, per quarter, . . . . .         | s. 42 a 42 6 . . . . . | s. 76 a 78     |
| Rice, per cwt. . . . .                | 24 a 30 . . . . .      | 34 a 40        |
| American Flour, per barrel, . . . . . | 25 a 26 . . . . .      | 42             |
| Indian Corn, per quarter, . . . . .   | 32 a 37 . . . . .      | 70             |
| Barley, do. . . . .                   | 28 a 30 . . . . .      | 61             |

This is an alarming comparison; and while these articles of food were thus rising, the price of Cotton, the great staple of manufacture, was also rising almost in like degree: the price of Upland Cotton on 1st June, '46, was 5d.; on 10th Jan. '47, 7½d.

\* It was this condition of affairs which mainly contributed to the rail road speculations of 1845-'6.

**FLOUR.**—The following table gives the receipts at and exports of Flour from the four principal shipping ports for the year ending December 31 :

|                         | Receipts. |           | Exported abroad. |           |
|-------------------------|-----------|-----------|------------------|-----------|
|                         | 1845.     | 1846.     | 1845.            | 1846.     |
| New Orleans, . . . . .  | 599,836   | 1,020,816 | 79,266           | 372,112   |
| Baltimore, . . . . .    | 563,632   | 794,105   | 238,900          | 516,504   |
| Philadelphia, . . . . . | 475,449   | 753,252   | 201,956          | 364,812   |
| New York, . . . . .     | 1,963,150 | 1,548,394 | 469,520          | 1,193,428 |
|                         | <hr/>     | <hr/>     | <hr/>            | <hr/>     |
| Barrels, . . . . .      | 3,602,076 | 5,116,167 | 986,642          | 2,446,666 |

The following is a condensed summary of the English Money market :—

LONDON, Jan. 19—Evening.—Consols have been rather depressed in consequence of the anticipated demand for bullion. It is supposed that £2,000,000 or £2,500,000 in specie will have to be sent to the United States in payment of the large supply of bread stuffs now arriving. Under these circumstances the Bank of England has raised the rate of interest on bills discounted to 3½ per cent., a step immediately followed by the houses in Lombard street, so that the present rate is now 3½ to 4 per cent. for the best class bills. The usual settlements in the Stock markets have taken place this week, and passed over without any mishap, although the differences in some cases were very large. Consols have declined 1¼ to 1½ per cent. or more than we remember for a long time past, and the market is very weak. This is in a great measure owing to the issue of the Bank notice on the 14th instant, the first effect of which is always very depressing; and to which the drain upon the French money market and the continued fall in the Rentes has brought about almost a panic in Paris, and has given to our market, yesterday and to-day, a most gloomy appearance; under which influence Consols, which were at 92¼ previous to the 14th, went down to 91¼, the last quotation being 91¼ to 92 for money, and 92¼ to 92¼ for the account. Bank stock left off at 205½; reduced 3 per cents., 92¼ to 92; 3 per cents. 93¼ to 94: Long Annuities 9½; India Stock 252; and Exchequer Bills 5s. to 8s. premium.

There had been rather more business doing in the foreign stocks until the bank notice appeared, since which the market has been heavy with little doing.

The same writer estimates the increased expenditure that would be occasioned by the rise in wheat, rice, corn, and flour, at *ten millions sterling*; and adding sugar, the increased imports for Ireland; the demands for continental railways; the deficiency in the Indian revenue; together with the Mexican war which threatens to interfere with the ordinary supply of silver; the aggregate excess will not be less than £17,000,000. The necessity for a full currency at home is also beyond all precedent. The storm will soon be felt by those engaged in railway speculations.

About \$1,500,000 was received by the *Hibernia*; \$600,000 by the steamship *Sarah Sands*, \$200,000 by the new packet ship *New World*: and the *Cambria*, it is supposed, has about \$2,000,000. The London Times of the 18th January, says:

“The insurance of gold at Lloyd’s for export to America, continues on a considerable scale. A good deal of business was done to-day in the underwriters’ room at 1 per cent. for the next Halifax steamer, and at 12s. 6d. and 15s. per cent. for the sailing packets.”

Proposals have been invited by the Treasury Department for a new loan to the government, in the sum of eighteen millions of dollars: as will appear by the annexed notice. Within the last month treasury notes have

advanced to 1½ a 2 premium, and there was a few days since a balance of specie in the sub-treasury at New York amounting to two millions.

These proposals from the treasury, accompanied by cotemporary movements in Congress for a tax upon tea and coffee, and increased duties upon other articles, have tended to enhance the price of government securities.

*Treasury Department, Feb. 9, 1847.*

Sealed proposals will be received until the tenth day of April next, inclusive, for a loan of *eighteen millions of dollars*, under the act of 28th January last, authorizing the issue of treasury notes, &c., on treasury notes to be issued under said act, payable two years after the date of said notes, with interest, at the rate of six per cent, per annum, payable semi-annually. The bids in all cases, must be unconditional, and without any reference to the supposed bids of others, or they may not be considered. The bids should state distinctly, in all cases, the premium offered. No bid will be received below par. To give an opportunity to all persons to participate in the investment of funds in these notes—which on account of the privilege of funding, may hereafter be materially enhanced in value—bids will be received for the lowest denomination of notes authorized by the law, as well as for higher sums.

The department reserves the right of fixing the periods when the money must be paid, so as not to be required to anticipate the wants of the government, or allow any interest until the money is actually paid. The money payable on the loan can be deposited with the treasurer of the United States, treasurer of the mint at Philadelphia, or of the branch mint at New Orleans, or with any of the assistant treasurers at Boston, New York, Charleston, or St. Louis.

R. J. WALKER,  
Secretary of the Treasury.

Sales of United States loan of 1856, at New York, on the 20th February at 101.

Another indication of the stricture in the English money market is given in the increased rate of interest by the Bank of England on the 21st of January to four per cent. This never failing barometer thus points most clearly to the increasing scarcity of money in Great Britain.

There is no change in the money market at New York since our last No. The bank statements of that state, condensed at page 518, show that the aggregates of loans and other items have undergone little or no change within a few months past.

At New Orleans, the rates of foreign exchange continue to decline. Sterling bills (on 13th Feb.,) ranged from 4 to 5 premium, with but few transactions at the latter rate. Bills on New York, 60 days, 2 a 2½ discount.

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## BANK FAILURES.

The legislature of New Jersey adopted a summary process in February, against the Plainfield Bank. An injunction was issued against the bank, and receivers appointed to take charge of the institution forthwith.

The accounts as given by the officers to the committee are about as follows:

|                            |                |                                      |                |
|----------------------------|----------------|--------------------------------------|----------------|
| Specie.....                | \$ 9,000       | Circulation.....                     | \$ 115,000     |
| Specie funds.....          | 6,500          | Capital stock.....                   | 100,000        |
| Notes receivable.....      | 85,000         | Depositors and interest accts. about | 2,000          |
| Other assets.....          | 100,000        |                                      |                |
|                            | <u>200,500</u> |                                      | <u>217,000</u> |
|                            |                |                                      | <u>200,500</u> |
| Excess of liabilities..... |                |                                      | \$ 16,500      |

The circulation has been hitherto almost entirely in the city of New York, having been issued at the office of the "Sun," the proprietor of which is the reputed owner of the Plainfield Bank. The following editorial notice appeared in that paper upon the subject:

If the funds thus unconstitutionally taken possession of and now in the hands of the receivers, were transferred to the bank, its officers, we are assured, would pledge themselves to redeem every dollar of its notes in circulation, and prevent all loss to any parties whatever, giving abundant security to that effect.

If the legislature refuse this offer and continue to hold in their hands all the means of the bank, on them must rest the responsibility of all the consequences, if the bills should not be fully redeemed. We know of no possible loss which can occur to the community, unless the means of the bank thus improperly seized, are as improperly squandered by the receivers.

Meantime, the redemption of the notes having been suspended by the receivers, the latter are calling in the assets of the bank at Plainfield, and will soon commence taking up the notes in circulation. This naturally causes delay in the redemption of the notes, but if properly managed by the receivers, every dollar in circulation will be redeemed in specie.

Simultaneously with this movement against the Plainfield Bank, a movement was made in the Pennsylvania legislature against the charter of the "Lehigh Bank," another corporation also owned and controlled in New York city.

## BANK STATISTICS. PENNSYLVANIA.

Abstract of the condition of thirty-four country banks, fourteen Philadelphia banks and three savings institutions, November, 1845, and 1846.

| <i>Liabilities.</i>                     | November, 1845.      | November, 1846.      |
|-----------------------------------------|----------------------|----------------------|
| Capital stock.....                      | \$ 16,154,600        | \$ 20,994,724        |
| Circulation.....                        | 10,107,188           | 10,681,465           |
| Due to other banks.....                 | 3,307,130            | 3,426,662            |
| Due depositors.....                     | 13,748,242           | 13,171,580           |
| Contingent fund.....                    | 1,887,640            | 2,528,533            |
| Discount and exchange.....              | 563,416              | 304,060              |
| Profit and loss.....                    | 304,987              | 674,566              |
| Deposits of the state.....              | 56,435               | 190,746              |
| Relief notes (special circulation)..... | 416,030              | 548,626              |
| Public deposits U. S.....               | 665,150              | 100,958              |
| Miscellaneous Items.....                | 2,481,160            | 200,918              |
| Suspense account.....                   | 12,213               | 23,714               |
| Dividends unpaid.....                   | 229,950              | 414,158              |
| <b>Total Liabilities.....</b>           | <b>\$ 49,934,140</b> | <b>\$ 53,260,711</b> |

| <i>Resources.</i>                    | November, 1845.      | November, 1846.      |
|--------------------------------------|----------------------|----------------------|
| Bills discounted.....                | 27,102,507           | 28,186,285           |
| Specie and treasury notes.....       | 5,802,230            | 5,796,192            |
| Balances due by other banks.....     | 2,676,338            | 2,826,886            |
| Notes and checks of other banks..... | 2,126,504            | 2,316,312            |
| Real and personal property.....      | 1,469,998            | 1,765,266            |
| Bonds, mortgages, &c.....            | 1,208,972            | 1,302,912            |
| Stocks, &c.....                      | 2,368,078            | 2,422,475            |
| Exchange and interest.....           | 710,238              | 685,842              |
| Expense account.....                 | 65,503               | 33,775               |
| Post notes.....                      | 3,200,054            | 928,687              |
| Loans.....                           | 2,234,388            | 2,182,943            |
| Miscellaneous.....                   | 833,842              | 4,795,986            |
| Suspense account.....                | 135,488              | 116,940              |
| <b>Total Resources.....</b>          | <b>\$ 49,934,140</b> | <b>\$ 53,260,711</b> |

☞ The apparent increase in the bank capital since November, 1845, is caused by including in the late report the capital of the Girard Bank, five millions. This institution was not included in the report for 1845, but has recommenced operations within the last eight months.

## NEW YORK.

### ABSTRACT OF THE CONDITION OF THE BANKS OF THE STATE OF NEW YORK.

This exhibit shows the banks to be strong and in a good condition. Notwithstanding the withdrawal of three millions of deposits by the treasurer of the U. S., since May, 1846, the specie of the banks has been increased one million.

The aggregates for 1847 include all in the state, except those of the Bank of Corning, Champlain Bank at Ellenburg, Farmers' Bank of Hudson, Genesee County Bank, and Merchants and Farmers' Bank of Ithaca. These last do not appear to have made their returns for the present quarter.

The business of the city and country banks may be seen by the following comparative statement :

|                                  | City Banks.   | Country Banks. | Total.        |
|----------------------------------|---------------|----------------|---------------|
| Capital, . . . . .               | \$ 23,791,760 | \$ 18,943,577  | \$ 42,735,337 |
| Due depositors, . . . . .        | 25,500,000    | 8,500,000      | 34,000,000    |
| Circulation, . . . . .           | 6,100,000     | 14,900,000     | 21,000,000    |
| Aggregate liabilities, . . . . . | 66,000,000    | 52,000,000     | 118,000,000   |
| Loans, . . . . .                 | 46,000,000    | 38,000,000     | 84,000,000    |
| Specie, . . . . .                | 8,200,000     | 1,000,000      | 9,200,000     |

For a particular account of the comparative condition of the twenty-four banks of New York city, our readers are referred to page 448 of this work.

The specie held by the city banks always exceeds their circulation, and is heavy in proportion to that held by banks elsewhere, because the former act not only for the redemption of a large country circulation, but hold eight millions of deposits, belonging to the interior banks, and to banks of other states. It is thus seen that the country banks, with specie in their vaults amounting to only one million, maintain a circulation of fifteen millions of dollars.

**State Finances.**

**519**

| <i>Liabilities.</i>                     | November 1, 1845.     | May 1, 1846.          | February 1, 1847.     |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|
| Capital.....                            | \$ 42,845,428         | \$ 42,829,014         | \$ 42,735,337         |
| Profits undivided.....                  | 5,018,043             | 5,115,450             | 5,333,757             |
| Circulation (old).....                  | 881,404               | 824,506               | 766,277               |
| Do. registered by comptroller....       | 20,493,965            | 19,991,986            | 20,202,483            |
| Due treasurer of the state.....         | 631,063               | 291,964               | 371,833               |
| Due canal fund.....                     | 1,581,330             | 354,364               | 911,680               |
| Due depositors on demand.....           | 31,773,991            | 31,720,750            | 31,830,595            |
| Special deposits.....                   | 759,259               |                       | 607,029               |
| Bank balances.....                      | 12,829,854            | 11,823,784            | 15,097,808            |
| Due treasurer U. S.....                 | 3,002,649             | 3,493,622             | 342,766               |
| Miscellaneous.....                      | 585,011               | 649,553               | 556,765               |
| <b>Total Liabilities.....</b>           | <b>120,401,997</b>    | <b>\$ 116,994,993</b> | <b>\$ 118,756,335</b> |
| <i>Resources.</i>                       |                       |                       |                       |
| Loans and discounts.....                | \$ 69,164,861         | \$ 66,807,739         | \$ 64,240,213         |
| Loans and discounts to directors.....   | 4,157,716             | 4,876,216             | 4,672,973             |
| Loans and discounts to brokers.....     | 1,457,858             | 907,476               | 893,172               |
| Real estate.....                        | 3,645,684             | 3,515,963             | 3,590,319             |
| Bonds and mortgages.....                | 3,181,746             | 3,033,610             | 3,628,246             |
| Stocks and promissory notes.....        | 10,962,522            | 10,989,417            | 10,222,687            |
| Due from directors other than loans.... | 33,298                | 37,403                | 49,528                |
| Due from brokers other than loans....   | 363,278               | 417,200               | 546,993               |
| Bank fund.....                          | 236,268               | 172,944               | 172,540               |
| Loss and expense account.....           | 425,584               | 383,821               | 277,336               |
| Overdrafts.....                         | 133,242               | 134,722               | 109,623               |
| Specie.....                             | 8,884,515             | 8,171,624             | 9,191,254             |
| Cash items.....                         | 5,947,585             | 5,839,700             | 7,552,068             |
| Notes of solvent banks.....             | 2,268,862             | 2,851,351             | 2,602,740             |
| Notes of suspended banks.....           | 14,482                | 5,162                 | 3,717                 |
| Bank balances.....                      | 9,533,605             | 8,850,645             | 11,102,397            |
| Add for cents.....                      | 561                   |                       | 570                   |
| <b>Total Resources.....</b>             | <b>\$ 120,401,997</b> | <b>\$ 116,994,993</b> | <b>\$ 118,756,335</b> |

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STATE FINANCES.

MASSACHUSETTS.

Receipts and expenditures by the commonwealth of Massachusetts, for the years 1845 and 1846.

<i>Receipts.</i>	1845.	1846.
Auction tax.....	\$ 49,295	\$ 52,584
Bank tax (one per cent. on bank capital).....	304,720	312,000
State tax for 1845.....	8,394	66,606
Do. for 1844, balance.....	62,324	
Hawkers and Pedlars' licenses, for half year.....		4,263
Attorney for Suffolk county.....	9,448	2,036
Alien passengers.....	6,920	11,526
Dividend on Western rail road.....	60,000	50,000
Sales of lands in Maine.....	2,567	848
Total ordinary receipts, 1845 and 1846.....	\$ 505,548	\$ 502,025

Cash on hand, January 1, 1845 and 1846.....	10,877	5,032
Sales of Western rail road scrip.....		2,066
Temporary loans.....	206,800	54,000
Massachusetts school fund, &c. for the year.....	268,046	193,649
Do. cash on hand January 1, previous.....	171,413	94,683
Total receipts from all sources.....	\$ 1,162,484	\$ 852,055
<i>Expenditures.</i>		
	1845.	1846.
Paupers, lunatics, &c.....	\$ 76,831	\$ 80,617
Legislature, session 100 days.....	58,753	66,744
Salaries, Governor.....	\$ 2,500	
“ Secretary of state.....	1,465	
“ Treasurer do.....	1,600	
“ Four judges supreme court.....	12,500	
“ Six judges, common pleas.....	9,572	
“ Attorney for Suffolk county.....	1,750	
“ Fourteen judges of probate.....	5,718	
“ Fourteen registers of probate....	9,250	
“ Adjutant and quartermaster Gen.	1,500	
“ Land agent.....	1,000	
“ Secretary board of education....	1,500	
“ Superintendent lunatic hospital..	1,800	
“ Physician and steward do.....	1,400	
“ Clerks in treasurer's office, &c....	6,690	
“ Sergeant-at-arms.....	1,000	
“ Miscellaneous.....	5,520	70,004
State printing, maps and library.....	9,569	13,708
County treasurers' accounts.....	51,203	40,536
Repairs of, and fuel for state house.....	8,636	8,178
Three commissioners for codification of criminal law	2,500	4,000
D. Webster and Rufus Choate, counsel.....	1,000	2,600
Interest.....	59,336	54,643
Counsellors of state.....	3,055	2,984
Adjutant and quartermaster general department...	3,280	2,000
State prison.....	4,611	
State term reports.....	1,925	962
State pensioners.....	1,363	1,292
Nine agricultural societies.....	5,965	3,440
Asylums for deaf, dumb, blind and lunatics.....	12,987	15,356
Eye and ear infirmary.....	2,000	2,000
Militia bounty.....	28,757	— 28,756
Normal schools, &c.....	7,965	5,165
Miscellaneous.....	11,941	18,149
Total ordinary expenditures.....	416,443	421,125
Five per cent. stock, &c. redeemed.....	46,550	43,140
Temporary loans repaid.....	255,000	90,800
Massachusetts public schools....	844,776	249,501
Cash on hand.....	5,032	8,668
School fund on hand.....	94,683	38,830
Total expenditures for years 1845 and 1846, \$ 1,162,484		\$ 852,055

For particulars of the revenues, expenditures, &c. of the commonwealth of Massachusetts, for each year since 1800, the reader is referred to page 286 of this work.

THE DEFAULTING STATES OF AMERICA.

From the London Times.

SIR—I saw a letter in *The Times*, on the 6th of December, from “A suffering holder of Florida bonds,” who, in stating the hardships of his own case, spoke also of the debts of other states of the American Union. Among them he mentioned Mississippi and Pennsylvania, as having made efforts to restore their credit. Being a severe sufferer by the bad conduct of Mississippi, I was led to hope that something had at length been done by that state, but am sorry to learn, on inquiry, that your correspondent is mistaken.

Pennsylvania has resumed payment of the interest on her debt, and the holders of her stock have received their dividends regularly since February, 1845, but the stain of disgraceful repudiation rests as black as ever upon Mississippi.

I find there is much dispute as to the degree of discredit attaching to the United States generally, from the non-payment of debts by many of the states. Some American gentlemen with whom I have spoken in my recent inquiries, complain loudly of the sweeping condemnation of all for the fault of a few, which appears sometimes in the English papers, and they say that they are unjustly maligned. It certainly appears that there is not in this country, generally, an accurate knowledge of all the facts, and there are really instances in which good faith has been observed under circumstances of considerable difficulty, as in Ohio. It is, therefore, unjust to condemn them all indiscriminately. But, on the other hand, the cases of several are so bad that it is impossible for the good states not to have their credit in some degree injured by the evil conduct of others with which they are so closely associated. Further, it may be asked if the better portion of the nation has made sufficient exertion to induce the others to make efforts to do what they really could to remove the stain which necessarily attaches, in some degree, to all their acts.

To put this matter in a clearer light, I will state the circumstances of the different states, in regard to their debts.

Of the twenty-seven states, which now compose the Union, the following nine have no public debt;—Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Delaware, New Jersey, North Carolina, and Missouri, (at least, none in England.)

The following nine states have regularly paid their interest without interruption: Massachusetts, New York, Ohio, Virginia, South Carolina, Georgia, Kentucky, Tennessee, and Alabama.

Pennsylvania suspended payment in August, 1842, and resumed in February, 1845.

The following eight have failed to pay their debts, and are still in default:—Mississippi failed to pay in May, 1841, Indiana, July, 1841, Illinois, January, 1842, Florida, January, 1842, Michigan, January, 1842, Maryland, January, 1842, Louisiana, (on part of her debt,) Dec. 1842, Arkansas, 1841.

The following is an outline of what has occurred in each state, with respect to the debt:—

Pennsylvania never repudiated her debt, or denied her obligation to pay it in full. She fell into difficulty and discredit from great mismanagement, and for two years and a half was unable to pay the interest to her creditors, but she always gave certificates of debt for the dividends as they became due. By great carelessness and lavish expenditure in the construction of her public works, (canals and railroads,) for which she contracted the debt, and further by borrowing money to pay the interest upon it, she found herself,

in 1842, involved in a debt of about \$ 40,000,000, without revenue to meet the annual claim. A property tax had been put on in 1841 but was at first quite ineffective. Since then she has made real efforts to pay but found great difficulty for a considerable time in collecting the taxes, especially among the farming population of the state. Each succeeding year has improved the collection, and in February, 1845, she resumed payment of dividends, which has since continued. Still there is a small deficiency in the full payment, chiefly arising from a large proportion of the taxes being paid in the state paper, which is at discount of about 2½ per cent. What she has done has proved that she is earnestly endeavoring to pay, and each successive year shows an improvement in her position, such as to give a rational ground for believing that she will fully restore her credit in a short time.

Maryland failed to pay in January, 1842, but she had then put on a property-tax and other taxes. Her debt was contracted chiefly for making a large canal. The regular collection of the property-tax was, as in Pennsylvania, but slowly made efficient. It has improved in each year, but by allowing the taxes to be paid in coupons of interest due, which many of the bondholders were glad to sell at a large discount, very little money has come into the treasury, though much of the arrear of interest has been absorbed. Out of the money which has come in, she has, during the last year, paid the outstanding portion of the dividends due in 1842, and January, 1843. She will soon pay that of July, 1843. By the progress of gradual improvement the revenue is now reported to be in a condition to meet the annual claim, and she is expected to resume regular payment of the interest in July, 1847, and fund the remaining outstanding arrears.

Illinois failed to pay in January, 1842. She contracted her debts for canals and railroads, none of which are finished, and most of them were very injudicious undertakings. A number of her creditors agreed, in 1845, to lend her additional money to complete the large canal from Lake Michigan to the Illinois river, on which \$ 5,000,000 had already been expended, and which is certainly a work of great importance. She has now commenced taxation to pay a part of the interest, and if she perseveres in her efforts, will, before long, greatly improve her condition. At present the taxes realize but a small amount, but it is something to have made a beginning.

Indiana failed in July, 1841. She is in difficulty from undertaking works far beyond her means, and she was defrauded by parties she employed to negotiate her loans to the extent of \$ 3,000,000, chiefly by the Morris canal company. She is now making arrangements with her creditors, and proposes a tax to pay the interest on half of the debt. The measures for this purpose are now under consideration.

Michigan failed in January, 1842. She contracted a debt to the extent of \$ 5,000,000, and after receiving payment for rather more than \$ 1,000,000, she sold the remainder of the bonds authorized by acts of her legislature to the United States Bank and Morris Canal Company upon credit. The bonds were, by agreement, delivered to those companies, with power to sell them; but the state was to be paid by instalments of fixed amounts every three months. Those companies both failed when they had paid rather more than half the amount; but long before their failure they had borrowed money upon the whole of them in Europe. The lenders knew nothing of the terms upon which the bonds had been obtained, or that they had not been fully paid for, and they advanced money to the extent of 88 per cent. upon them. It is clear that those companies had a full right thus to dispose of them; but Michigan now asserts that she is not bound to acknowledge more than she has received money for, and has also set up the most extraordinary pretence, that she has a right to deduct from what she has received 25 per cent.

upon the sum remaining due from the companies, and to deduct this amount (about \$550,000) from the claims of the bondholders. Setting aside all the considerations of the engagements which her bonds contain, she passed an act to offer new bonds for the reduced amount paid in this arbitrary and extraordinary manner, and last year passed a further act to sell the state railroad, and to receive in payment the bonds, with their arrears of interest, at 40 per cent. Such an attempt to violate her faith, pledged under the seal of the state, cannot succeed.

Mississippi failed in May, 1841. This state has the distinction of having first set the example of repudiation; and a case of more flagrant dishonesty has never existed. The debt of the state is \$7,000,000. Of this \$2,000,000 is for the state's subscription, for her portion of the capital of the Planters' Bank. After an attempt on the part of a few to deny this debt, it has been acknowledged, but not the smallest attempt has been made to pay any portion of it. The other \$5,000,000 of the debt were contracted for the state's portion of the capital of the Union Bank. The pretences upon which the repudiation of these bonds has been carried are without the slightest foundation in any principles of law or justice. Mississippi acknowledges to have received the money through the agents appointed by herself, but pretends that some formalities of the law were not observed in issuing them, and this, after the bonds had been more than two years in circulation, and acknowledged by herself. The only circumstance of a better nature in this state is, that there are some of her citizens who have always put themselves forward to urge the payment of the debt, and who have exposed the unprincipled conduct of the repudiators. They are unfortunately the minority.

Louisiana—the greater part of the debt of this state was contracted for the establishment of banks. The state took mortgages upon the estates of planters, who proposed to unite to form banks, and granted them charters, issuing to them bonds of the state to the amount of the mortgages which it held as security. The planters each received on loan half the amount of their mortgages, and the other half of the produce of the bonds formed the working capital of the banks. Two of these banks failed in December, 1842, namely, the Citizens' Bank, for which \$7,000,000 were issued, and the Consolidated Association of Planters, for which the bonds amounted to \$2,400,000. All these bonds have the direct and absolute pledges of the state of Louisiana for payment. The bondholder's claim is in no way conditional upon the solvency of the banks. The state is distinctly bound to the bondholder, and it holds the mortgage as its own counter security. But Louisiana has utterly neglected to redeem its faith, and has made no effort whatever to pay the smallest portion of the direct and clear claim of the bondholders. All it has done is to pass a law enabling the debtors to the bank to take advantage of the discredit which the bad faith of Louisiana has cast upon the bonds. The suspension of payment of interest has depreciated the bonds. Many of the holders have been obliged, by distress, to sell them for what they could get, and thus the debtors, by buying them at reduced rates, have been enabled to make large profits in delivering them at their full nominal rate of both principal and interest due in discharge of their debts.

Florida has set up the same pretences as Mississippi for repudiating her debt. Her case is altogether without excuse or mitigation in her course of dishonesty.

The result of this statement is, that of twenty-seven states of the American republic, eight are still delinquent. If then, on the one hand, it is not true that all are to be condemned, since the greater number have kept their

faith, is it not true, on the other hand, that this large proportion of their number (about one in three of the whole, and just half of those which have contracted debts) is sufficient to justify the general discredit which attaches to all American securities, and to show that there is not that strong feeling against wrong which we may justly demand of a nation which pretends to take a high ground in character? What attempt has there been made by the better states to give an expression of public opinion to influence the others to pursue a better course? Of all that have failed, Maryland alone can show that she has made real endeavors to recover her station. The ill disposed portion of that state has retarded till now the accomplishment of this object; and though the credit is the greater for her good citizens who have persevered in their exertions, the delay inflicts too severe a suffering for her to escape censure, and she is still classed among the wrong doers. In every one of the other delinquent states the evil is without mitigation. Not one of them but could before this have done something, if not all that was wanting; but they have done nothing; while in such cases as Mississippi, Florida and Michigan, the facts show a glaring want of honesty.

It must in truth also be stated, that evil has been exhibited on a great scale by corporations which are not included in the above list of state delinquencies. The United States Bank, the Morris Canal and Banking Company, the North American Trust and Banking Company, and many others were conducted upon a large scale, and by persons who occupied a prominent position in American society. Their history shows how many persons, entirely wanting in right principles, were able to get into situations of great trust and responsibility. The losses of individuals in this country, who were recommended to trust them, amount to several millions sterling, and they have spread ruin far and wide. Can it, then, be otherwise than that the American name and character must suffer from this cause alone? With these cases, and with the large number of the states themselves in default, how is it possible that the general name of America should escape discredit?

There is, moreover, one circumstance which has been frequently mentioned as a proof that the American nation is not alive to the necessity of keeping up its credit or maintaining a high respect for its character. Florida has behaved, in regard to her debt, as ill as Mississippi, and yet, with this fact notorious, she was admitted as a state into the Union, in 1845, without an observation on the subject. With this moral taint upon her character, she was admitted to rank with the rest, among whom are some which, as far as their own conduct has gone, have always shown a true sense of right and wrong. I am not aware that any defence has been attempted for this act, but fear that it has been a matter of indifference to the whole republic.

BANK STATISTICS.

NEW YORK.

From the Report of the Comptroller.

The whole number of associations and individual bankers that have deposited securities with the comptroller, and received circulating notes therefor, under the act to authorize the business of banking, passed April 18, 1838, is one hundred and seventeen. Thirteen of the number have been closed by their own stockholders, and their circulating notes redeemed at par, and returned to the banking department, except the sum of \$4,001, for the redemption of which funds are in the hands of the comptroller.

Thirty of the 117 banks before referred to, have been closed by the comptroller. The aggregate circulation of the 30 banks at the time of failure was, \$ 1,239,345
 Amount redeemed by the comptroller, 1,213,434

Balance, \$ 25,911
 Deduct amount of circulating notes unredeemed of Washington Bank, New York, 703

Leaving the outstanding circulation, and for which funds are on deposit to redeem, \$ 25,208

There are seventy-four associations and individual bankers now in operation, whose aggregate circulation on the 31st December, 1846, was \$ 7,034,898.

The securities of the above banks in the hands of the comptroller consist of

N. Y. St. 4½ per ct.	\$ 227,976 56	Cash deposited,	\$ 38,039 07
" 5 "	2,543,140 94	Bonds & Mortgages,	1,562,266 40
" 5½ "	485,000 00		
" 6 "	601,592 00	Total	1,590,304 47
" 7 "	615,136 00	Circulation on above,	7,034,898 00
		Increase N. Y. state stocks,	667,363 41
Total N. Y. Stock.....	4,472,845 50	" Illinois, "	130,666 67
United S. 5 per ct.	55,000 00	" Cash on deposits,	15,602 97
" 6 "	50,000 00		
		Total	\$ 813,653 05
Total U. S. Stock.....	105,000 00	Decrease Indiana state stks.,	154,000 00
Indiana, 5 per ct.	4,000 00	" Michigan, "	13,260 00
Alabama, 5 "	34,000 00	" Bonds & Mortgages,	103,323 58
Arkansas, 5 "	499,000 00		
Illinois, 6 "	643,666 67	Total.....	\$ 270,583 58
Michigan, 697 "	478,033 60		
Total Miscellaneous.....	\$ 1,667,700 27		

One association and three individual bankers have commenced business during the year, viz.

Chester Bank, Orange Co.; Champlain Bank, Ellenburgh, Clinton Co.; Cuyler's Bank, Palmyra, Wayne Co.; Franklin Co. Bank, Malone.

The Wool Growers' Bank has been closed by its owner, an amount equal to the outstanding circulation deposited to the credit of the comptroller, in the Mechanics' Banking Association, New York.

The Farmers and Drovers' Bank, Erie Co., has been closed by the comptroller, the securities held in trust sold, and the notes are redeemed at par.

The Howard Trust and Banking Co. Troy, has closed business agreeably to the provision of the 8th and 9th sections of the act, to amend the general banking law, passed May 26, 1841, and the sum of \$ 111, being the balance of money deposited with the comptroller to redeem the outstanding circulation of said bank, has been returned.

The Washington Bank, New York, has been finally closed agreeably to chapter 259, laws of the state of New York, entitled an "act for the relief of John E. Foley," passed May 13, 1845. And the balance of monies remaining in the hands of the comptroller July 1, 1846, being \$ 955 60 has been paid to him.

In a report made to the convention, (Doc. 34,) it is shown that 29 banks which have been closed by the comptroller, had deposited securities to the amount of \$ 1,555,338 00
 These produced on sale 953,371 75

Showing a loss on the securities of \$ 601,966 25

The circulation of these banks at the time of their failure, was \$ 1,233,374. On these notes the payments were equal to an average of 76 per cent.; the total loss to bill holders being \$ 292,344 36, while the banks have lost \$ 601,966 25, being the difference between the amount of securities deposited, and the sum for which they were sold, the bill holders having lost only \$ 292,344 36 or a fraction less than 24 per cent.

The Farmers and Drivers' Bank of Erie Co., is not embraced in the above statement; but this bank had only about \$ 6000 in circulation, secured by New York stock, which redeemed all the notes at par.

The following statement shows the capital and the sums contributed to the safety fund by the eleven banks which have failed; also the sums drawn from the safety fund to pay the debts of eight of these banks, viz.

	Capital.	Contribution to fund.	Drawn from fund.
City Bank of Buffalo,.....	\$ 400,000	\$ 4,333 33	\$ 301,449 50
Bank of Buffalo,.....	200,000	6,000 00	584,540 22
Com. Bank of Buffalo,.....	400,000	12,000 00	610,641 87
Com. Bank of New York,.....	500,000	15,000 00	285,937 23
Com. Bank of Oswego,.....	250,000	5,308 21	241,126 63
Clinton Co. Bank,.....	200,000	4,263 00	267,591 42
Watervliet Bank,.....	250,000	5,416 66	134,363 00
Wayne Co. Bank,.....	100,000	3,000 00	113,133 00
Bank of Lyons,.....	200,000	5,208 22	91,669 08
Lafayette Bank,.....	500,000	17,500 00	pays its debts.
Bank of Oswego,.....	150,000	8,250 00	" "
Total,.....	\$ 3 150,000	\$ 86,279 42	\$ 2,630,451 95

The nine banks first named in the foregoing list, with an aggregate capital of \$ 2,550,000, have by the mismanagement and profligacy of their directors and officers, made the safety fund responsible to the amount of \$ 2,569,922,53, beyond the contribution to that fund by the same banks. There is a loss of capital by the failure of eleven banks, of \$ 3,150,000; add to this the loss of the safety fund beyond the contributions, \$ 2,544,172 53, and it makes a total loss of \$ 5,694,172 53. Nearly a million and a half of the loss to the safety fund was caused by the failure of three banks in Buffalo.

KENTUCKY.

NORTHERN BANK OF KENTUCKY AND FOUR BRANCHES.

Liabilities.

	December, 1844.	December, 1845.	Dec. 31, 1846.
Capital stock	\$ 2,237,400	\$ 2,237,600	\$ 2,238,900
Profit and loss	217,958	267,058	287,150
Unclaimed dividends	6,455	6,491	7,748
Deferred interest		7,754	7,613
Circulation	1,935,448	2,453,532	2,336,513
Due to banks	677,637	669,327	903,480
Bills payable		18,450	6,150
Deposits	731,674	674,503	605,330
	<u>\$ 5,806,572</u>	<u>\$ 6,334,715</u>	<u>\$ 6,392,682</u>

Bank Statistics.

527

<i>Resources.</i>	1844.	1845.	1846.
Bills discounted	1,819,614	1,849,698	1,845,272
Bills of exchange	1,370,651	2,007,287	1,927,466
Suspended debt	146,500	123,268	122,006
Bonds of Kentucky	5,000	5,000	5,000
Bonds of Lexington city	35,000	35,000	33,000
Due from banks	1,004,673	928,281	1,061,265
Due by state of Kentucky	26,744	8,750	8,750
Protest account	49	43	83
Real estate	164,987	179,865	135,340
Gold and silver	884,566	909,704	931,806
Notes of other banks	348,798	287,819	322,896
	\$ 5,806,572	\$ 6,334,715	\$ 6,392,882

BANK OF KENTUCKY AND SEVEN BRANCHES.

<i>Liabilities.</i>	January, 1846.	January 5, 1847
Capital stock, original.....	\$ 3,700,000	\$ 3,700,000
Over issue by Schuylkill bank	\$ 1,358,500	
Less amount purchased by this bank	910,200	470,300
Contingent fund reserved by charter.....	100,000	100,000
Fund to cover losses.....	89,262	92,471
Dividends unclaimed.....	7,818	7,108
Stock fund (to purchase over issue).....	55,137	85,708
Dividends, January, 1846 and 1847, 2½ per cent.....	104,256	100,957
Individual deposits.....	733,166	602,100
Bank balances.....	393,814	463,163
Circulation.....	2,586,672	2,434,659
Due treasurer of state of Kentucky.....	53,181	46,882
Profit and loss account.....	50,218	
Total Liabilities.....	\$ 8,343,824	\$ 7,971,348

<i>Resources.</i>		
Notes discounted.....	3,093,840	2,958,060
Bills of exchange.....	1,850,222	1,755,505
Suspended debt, stocks, &c.....	167,429	88,068
Real estate for banking houses.....	87,534	87,534
Do. taken for debt.....	164,671	140,305
Kentucky five per cent. bonds.....	250,000	250,000
City of Louisville six per cents.....	200,000	200,000
Bank balances.....	445,692	676,062
Due from other corporations.....		15,425
Deficiency, for over issue of stock.....	470,300	338,300
Gold and silver.....	1,275,308	1,240,305
Notes of other banks.....	319,388	221,784
Interest due by city of Louisville	\$ 8,800	
Insurance and other stocks, &c.	6,064	
Commissioners' sinking fund.....	4,574	19,438
Total Resources.....	\$ 8,343,824	\$ 7,971,348

BANK OF LOUISVILLE AND TWO BRANCHES.

<i>Liabilities.</i>	January, 1846.	January 1, 1847.
Capital stock.....	\$ 1,082,100	\$ 1,082,000
Profit and loss and surplus.....	77,231	126,829
Balances due to banks.....	109,517	57,092
Dividends unpaid and declared.	34,401	2,600
Circulation.....	1,024,227	939,822
Deposits.....	213,782	161,330
Total Liabilities.....	\$ 2,541,258	\$ 2,369,723
<i>Resources.</i>		
Notes discounted.....	866,433	736,698
Bills of exchange.....	811,570	717,987
Suspended debt.....	89,927	56,825
Bonds of city of Louisville.....	80,000	75,000
Balances due from banks.....	146,772	132,830
Costs of suit, &c.....	1,481	1,618
Real estate.....	111,492	97,271
Specie.....	351,094	445,844
Bank notes and bonds, &c.....	82,489	75,650
Total Resources.....	\$ 2,541,258	\$ 2,369,723

RECAPITULATION—KENTUCKY BANKS, January, 1847.

	Bank of Kentucky and 7 Branches.	Northern Bank and 4 Branches.	Bank of Louisville and 2 Branches.
Circulation.....	\$ 2,434,000	\$ 2,336,000	\$ 940,000
Specie.....	1,240,000	931,000	445,000
Deposits.....	649,000	605,000	161,000
Loans.....	4,713,000	3,772,000	1,454,000

OHIO.

BANKS OF CLEVELAND, January 1, 1847.

<i>Liabilities.</i>	Commercial Br. Bank.	Merchants' Bank.	City Bank.	Canal Bank.
Capital.....	\$ 118,650	\$ 82,894	\$ 60,150	20,000
Circulation.....	195,180	158,220	60,519	39,118
Due other Banks.....	11,235	1,116	2,470	
Profits.....	7,343	8,366	3,903	1,428
Deposits.....	119,005	62,812	46,040	23,086
State treasurer.....			5,476	
Total.....	451,413	313,208	178,558	83,641
<i>Resources.</i>				
Loans.....	199,191	160,290	34,408	62,290
Specie.....	61,806	40,456	16,133	5,468
Eastern exchange.....	115,846	44,807	13,077	10,764
Notes of other banks.....	38,972	36,875	22,898	3,569
Due by other banks.....	19,185	8,246	3,263	
Safety fund.....	23,649	19,825	70,950	
Property and expenses.....	2,764	2,710	1,065	903
Real estate and stock.....			16,764	
Total.....	\$ 451,413	\$ 313,208	\$ 178,558	\$ 83,641

NORTH CAROLINA.

MERCHANTS' BANK OF NEWBERN, N. C.

<i>Liabilities.</i>	November, 1845.	November, 1846.
Capital stock.....	225,000	225,000
Circulation.....	245,951	257,000
Deposits.....	37,262	45,450
Profit and loss.....	16,128	22,032
Dividends unpaid.....	2,023	696
Bank balances.....	16,166	8,014
Total Liabilities.....	542,550	558,192
<i>Resources.</i>		
Bills receivable.....	280,817	279,960
Bills of exchange.....	96,515	99,158
Suspended Debt.....	5,512	3,652
Due by northern banks.....	49,938	47,450
Due by N. Carolina banks.....	438	10,652
Specie.....	82,282	83,021
Bank notes.....	20,078	27,329
Real estate.....	6,970	6,970
Total Resources.....	\$ 542,550	558,192

INDIANA.

State Bank of Indiana, Indianapolis, Dec. 12, 1846.

To the General Assembly of the State of Indiana :

I herewith transmit to the General Assembly a report of the affairs and business of the State Bank of Indiana, and each branch thereof, for the year ending on Saturday, the 21st of November last.

The aggregate profits for the year have been eight and a fourth per centum.

It will be noticed, that the "suspended debt" in several of the branches continues large; and independently of its inconvenience to the branches themselves, it is otherwise injurious—affording occasion for misrepresenting the condition of the bank. In mercantile communities, *suspension* is only another name for *bankruptcy*; but it is believed that by far the greater portion of the suspended debt of this bank, is as well secured as any other debt the bank has.

To obviate, however, the objection which that item presents to the minds of those unacquainted with its real character, the board of directors have resolved to carry an increased portion of the profits of the several branches to the "surplus fund" until the aggregate surplus in all the branches shall equal the amount of the suspended debt, and the amount invested in banking houses. In pursuance of this resolve, an order was made at the last quarterly session of the board, that at least one-sixth part of the then net semi-annual profits of the respective branches should be carried to the surplus fund; that, at the next May session of the board, at least one-fifth part of the profits, and at each half-yearly dividend thereafter, at least one-fourth of the profits should be carried to such fund; and that, when the surplus profits of the whole bank should equal the suspended debt and amount invested in banking houses in the whole bank, no extra dividend should be allowed by which such surplus should be reduced below that point.

Most of the individual stock in the Michigan City Branch has lately been sold to three gentlemen of the state of Illinois; and the circumstance that they

are strangers not only to the officers of this bank, and those of the sister branches, but to our community at large, has naturally excited a lively solicitude in regard to the future administration of the affairs of that branch. The sale had been effected a short time previous to my late semi-annual examination of the branch, and before the annual election of directors. All the information that I had been enabled to collect on the subject was presented to the board of directors of this bank at their last quarterly session, held on the 2d Monday of last month, and received the deliberate and careful attention of the board; and nothing has since been developed in relation to the subject, that would seem to require any further statement to the General Assembly at present.

J. MORRISON, *President.*

CONDITION OF THE STATE BANK OF INDIANA.

From the official report of the President.

<i>Liabilities.</i>	November, 1845.	November, 1846.	
Capital stock owned by the state.....	899,054	935,864	
Do. do. by individuals.....	1,188,840	1,147,970	2,083,824
Circulation under Fives.....		570,950	
Do. Fives and upwards.....	} = 3,527,351	2,962,847	• 3,336,533
Due to the state.....	19,188		89,535
Balances due other banks.....	76,438		47,866
Dividends unpaid.....	23,616	31,832	
Individual deposits.....	359,265	409,989	441,821
Sinking fund.....	41,913		
Surplus fund.....	375,240	413,563	
Profit and loss account.....	76,581	20,954	434,518
Due from branches to other branches....			73,309
Total Liabilities	\$ 6,587,484		\$ 6,510,290
	<i>Resources.</i>		
Bills discounted.....	1,830,181	1,659,358	
Bills of exchange.....	1,197,435	1,359,835	
Suspended debt.....	598,928	577,647	3,596,391
Bank stock, &c.....	68,155		
Suspended items.....	27,105		
Due from other banks.....	690,618		803,065
Banking houses.....		173,952	
Real estate.....	} 348,170	169,893	
Furniture.....		5,945	349,790
Funds in transitu.....	112,523		113,578
Sinking fund and treasury notes.....	513,810		419,310
Bonds of state of Indiana.....	37,000		36,000
Notes of other banks on hand.....	84,188	119,976	
Gold.....	214,262		
Silver.....	865,006	1,003,647	1,123,823
Due to branches from other branches			68,534
Total Resources.....	\$ 6,587,484		\$6,510,290

The above statement includes the operations of the whole thirteen branches. The parent bank, at Indianapolis does no discounting or regular banking business, but issues all the notes and supervises the concerns of all the branches, for whose separate condition see annexed table.

James Morrison, is President of the parent bank, Indianapolis. Salary, \$ 1,300.
James M. Ray, is Cashier of do. do. do. 1,100.

* After deducting notes on hand.

BRANCHES OF THE STATE BANK OF INDIANA, November 21, 1846.

Resources.	Loans.	Suspended Debt.	Real Estate.	Eastern Exchange.	Bank Balances.	Specie.	President.	Salary.
Indianapolis.....	364,255	69,573	30,296	63,324	70,019	70,036	Calvin Fletcher	\$ 800
Laurensburg.....	370,195	35,383	22,584	85,337	50,653	84,222	Levin B. Lewis	500
Richmond.....	300,581	26,343	6,141	40,130	68,817	67,086	Albert C. Blanchard	500
Madison.....	307,048	47,443	18,373	8,374	113,000	82,036	James F. D. Lanier	500
New Albany.....	236,736	14,855	24,363		33,770	53,884	Mason C. Fitch	500
Evansville.....	131,923	39,771	27,666	2,710	8,163	103,155	John Mitchell	
Vincennes.....	155,311	36,732	20,242	60,322	11,962	113,064	David S. Bonner	
Bedford.....	104,362	79,264	9,708	19,234	2,366	75,000	Isaac Rector	500
Terre Haute.....	152,253	54,624	20,070	68,108	9,581	108,504	Curtis Gilbert	700
Lafayette.....	341,057	41,794	39,562	19,800	2,055	62,922	Joseph S. Hanna	
Fort Wayne.....	264,186	52,396	40,596		52,888	76,087	Samuel Hanna	300
South Bend.....	123,615	62,273	67,614	11,590		51,848	Samuel C. Sample	700
Michigan City.....	262,190	17,294	17,671	1,405	256	56,801	Edmund D. Taylor	
Total.....	\$3,018,743	\$577,647	\$343,846	\$ 370,334	\$432,730	\$1,003,645		

Liabilities.	Capital.	Circulation.	Bank Balances.	Deposits.	Sinking Fund.	Surplus.	Cashier.	
Indianapolis.....	\$ 219,900	\$ 376,892	\$ 1,867	\$ 59,291	\$ 6,595	\$ 46,796	Thomas H. Sharp	\$ 1,100
Laurensburg.....	215,000	386,840	1,588	33,977	7,420	28,606	Henry K. Hobbs.	1,000
Richmond.....	167,000	235,478	309	20,248	3,756	31,606	Elijah Coffin	1,000
Madison.....	212,550	363,709	8,992	68,950	28,854	19,567	Joseph M. Moore	1,200
New Albany.....	163,550	193,085	22,421	24,437	1,431	32,946	James R. Shields	1,200
Evansville.....	151,866	224,890	4,296	17,973	1,085	12,984	John Douglass	1,000
Vincennes.....	148,200	257,141	1,887	13,658	2,222	19,169	John Ross	1,000
Bedford.....	91,762	170,724	263	13,957	6,555	23,130	Daniel R. Dumihue.	700
Terre Haute.....	157,900	264,685	4,277	27,678	3,530	37,061	Nathaniel Preston.	1,000
Lafayette.....	187,750	361,117		81,185	8,411	71,980	Cyrus Ball	800
Fort Wayne.....	145,705	280,410	1,725	38,324	6,740	50,000	Hugh McCulloch	1,200
South Bend.....	102,340	187,026	260	6,365	9,827	17,475	Horatio Chapin	
Michigan City.....	120,000	228,900		3,945	2,808	22,240	Daniel Krieger	1,200
Total Liabilities..	\$ 2,063,824	\$ 3,533,797	\$ 47,886	\$ 409,959	\$ 89,535	\$ 413,563		

Bank Statistics.

MISSOURI.—BANK OF THE STATE OF MISSOURI AND BRANCHES, January 1, 1847.

Liabilities.

Location.	Capital.	Deposits.	Profit and Loss.	Circulation.	Bank Balances.	Total.	President.
St. Louis.....	\$ 601,032	\$ 1,228,668	\$ 253,869	\$ 920,680	\$ 43,287	\$ 3,047,436	Robert Campbell.
Branch, Fayette.....	120,069	5,140	9,268	201,480		335,947	John J. Lowry.
Branch, Palmyra.....	120,058	20,936	6,980	204,600	468	353,050	William Blakey.
Branch, Jackson.....	120,069	8,770	5,265	196,600	4,335	335,029	Albert H. Brevard.
Branch, Springfield.....	120,059	8,671	6,627	160,000		295,357	Joseph G. Morton.
Branch, Lexington.....	120,059	27,364	9,806	239,950	5,620	402,800	Lewis Green.
Total Liabilities.....	\$ 1,201,326	\$ 1,299,549	\$ 291,815	\$ 1,323,220	\$ 53,708	\$ 4,769,620	

Resources.

Location.	Loans.	Real Estate.	Suspended.	Bank Balances.	Bank Notes.	Specie.	Cashier.
St. Louis.....	1,373,118	107,525	92,572	65,514	391,941	1,008,028	Henry Shurlds.
Fayette.....	198,345	21,082	10,611	2,663	6,000	95,503	William C. Boon.
Palmyra.....	246,488	14,071	15,151		800	75,252	Samuel D. South.
Jackson.....	165,811	5,105	3,658		3,500	155,854	Thomas B. English.
Springfield.....	175,926	9,379	12,607	260	370	95,953	James R. Danforth.
Lexington.....	257,226	13,240	7,223		360	123,075	E. M. Ryland.
Exp. acct. of Bk. and Branches			14,803				
Total Resources	\$ 2,416,914	\$ 170,403	\$ 156,686	\$ 68,437	\$ 402,971	\$ 1,554,265	

The above exhibit of the bank at St. Louis, is the most favorable yet made by that institution, and is as flattering as the statement of any banks that we have seen. The deposits and circulation are, when compared with its capital, larger than those of any other bank in the U. S., and indicating a highly favorable position for a profitable banking business. The bank of the state of Missouri, supplies a large portion of the bank circulation for Missouri, Illinois, and Iowa. The constitution of Missouri prohibiting the charter of any other banks in that state, while those of Illinois and Iowa, have for several years been extinct.

LOAN TO THE BANK OF ENGLAND.

From the London Banker's Magazine, January, 1847.

Most of our readers are no doubt familiar with the story of the Bank of England having, in 1839, been obliged to obtain a loan from the Bank of France in order to prevent serious consequences—even to the stoppage of cash payments. We have heard the matter related in such a variety of ways, that, although we felt convinced it had lost nothing by its rapid circulation, we did not suppose it was altogether without foundation. Such however appears to be the case. The present editor of the city article of *The Times*, has traced the error to its origin, and distinctly states that the Bank of England has never been indebted to the Bank of France for any loan whatever. We are glad to hear this.

The present editor of the city article of *The Times*, it is generally known, filled a highly responsible and important appointment in the Bank of England before his acceptance of his present office. He had, therefore, ample opportunities of becoming acquainted with the real facts of such a question as that which has so long vexed our currency writers—the loan from the Bank of France; and he has shown to us, quite satisfactorily, that there never was any loan of the kind! The Bank of England, it is true, endeavored, in the exercise of a judicious policy, to restore the equilibrium of the exchanges by operating on the French market for securities; but this adds to the reputation of the directors, and proves their discretion and foresight.

We give below the statement of *The Times* on the subject, and the commentary of the *Morning Chronicle*. Both the writers are men of first rate ability; and their apparent difference of opinion might give rise to further doubt upon the question. But it will be found that their difference is more apparent than real. The city editor of *The Times*, from his former connection with the bank, knows exactly the real state of the matter. The city editor of *The Chronicle*, expresses the general belief. We are sorry for many reasons that the director of the bank did not explain the real state of the case long ago; but it is true, they have not long had so able a writer acquainted with their proceedings and policy, as the present editor of the city article of *The Times*.

The following appeared in that Journal, on the 5th December, 1846:

From various paragraphs during the last few days, both in the London and continental papers, on the present condition of the Bank of France, an impression seems generally to prevail, that in the year 1839 the Bank of England obtained relief from danger by a loan from that institution, and opinions are consequently expressed that if similar aid should now be required in return it could not with propriety be refused. The idea, however, of a loan having at any time been made by the Bank of France to the Bank of England is altogether erroneous. In July, 1839, the bullion of the Bank of England had fallen below £ 3,000,000 sterling, while its rate of discount was as high as 5½ per cent. It was evident that the causes for the existing drain consisted more in distrust abroad, founded on a belief that the Bank of England could not long continue specie payments, than in an unfavorable balance of trade, or a run for sovereigns to hoard at home. Parties on the continent drew out all their balances here, and as much more as their correspondents would give them credit for, discounted the acceptances in London, and, in the absence of foreign bills, took gold from the Bank of England. Under these circumstances it was impossible that exports of produce and manufactures from England could take place immediately to a sufficient extent to counteract the evil; but it was seen that the difficulty would be met if a temporary creation of bills on the continent could be effected. With this view, the Bank of England engaged to transfer English securities as a guarantee to Messrs. Baring, Brothers, and Co., or those whom they should name, and this house arranged to draw three months' bills for 40,000,000*fr.* on various houses in Paris.

These bills, which Baring, Brothers, and Co. negotiated upon 'change, (paying the proceeds into the bank, so as gradually to act upon the circulation,) fully supplied the trade demand for remittances hence, and equally served to meet all paper on England remitted here for returns, as they proved a better return than gold. At the end of three months, when the acceptances fell due, the same amount was re-drawn, so as to cover each acceptor by bills on his neighbor, thus prolonging the operation to six months; but, before the expiration of this period, the supply of the regular remittances of commerce had been such as to enable Messrs. Baring to liquidate all the engagements in Paris, and to restore the pledged securities to the Bank of England.

From this statement, the Bank of France will appear to have had nothing to do with the operation; but a mode by which they facilitated its progress, and which, doubtless, gave rise to the erroneous suppositions which have since been entertained on the subject, remains to be mentioned. The drafts drawn by Messrs. Baring on the various French houses were, of course, liable to be presented for discount to the Bank of France, and as these firms, respectively, had credits only to a certain limit with that institution, there was a possibility that their rejection might become necessary, owing to such limits being exceeded. This difficulty was calculated to produce an injurious effect, and application was therefore made to the Bank of France in order that it might be overcome. An understanding was accordingly entered into by the Bank of France, that the drafts, in case they should make their appearance, should be discounted, without regard to the limits in question. This precautionary arrangement, however, proved to have been scarcely essential, for the drafts being of the first character, and the rate of discount at the Bank of France being somewhat higher than the market rate, they were readily discounted out of doors, and hence it is believed that but a very small proportion found their way into that establishment.

The only claim, therefore, that can be urged upon the Bank of England in the way of reciprocity is, that supposing the Bank of France should now, for the purpose of purchasing silver from us, adopt a method analogous to that just described, the same facilities of discount should be afforded with regard to the parties upon whom they might procure bills. These would, doubtless, consist of leading houses, whose acceptances would at all times be received with avidity by the ordinary money-lender, and such an engagement on the part of the Bank of England would therefore involve no great stretch of generosity.

From the present aspect of affairs it seems by no means improbable that some measure of this description will be resorted to by the Bank of France, and it is important to recognize, that if such should be the case it must cause an immediate rise in the discount market. A demand from a new source for two millions, or even for one million, could not come suddenly upon us without producing a decided increase in the prevailing rates, and thus another is added to the numerous reasons which already exist to call for the exercise of caution.

To the above statement of *The Times*, the editor of the city article of *The Morning Chronicle* makes the following remarks:—

The version about the Bank of England, or rather the inference to be drawn from the *new* account now given of the transaction, is erroneous. Mr. Loyd, in his able pamphlet, in the spring of 1840, and other writers intimate with the bank transactions, did always treat it as a loan, and nothing but a loan, from the one bank to the other. It is true, the mere *modus operandi*, by which it was accomplished gave some coloring to the version given by *The Times*. A negotiation took place, as was then understood and generally admitted, between the two banks. The loan, or accommodation, was asked, and it was granted. Then, as to the way of carrying it into effect. It would have been a clumsy mode to have sent the gold direct from the coffers of the one bank to the other; besides, we believe there were some objections, according to the practice, if not the regulations, of the Bank of France, which prevented this mode; as there was also against their accepting the drafts of the Bank of England, even though the bank would have drawn them, which is highly improbable; and therefore another plan, more consistent with the practice and regulations of the two national establishments, was resorted to. The bank of

England employed the house of Messrs. Baring and Co. to draw upon parties in Paris, as arranged by the Bank of France to the required amount, the Bank of France undertaking to advance the money necessary to pay these bills, and to remain in advance a certain time. But it was not on the credit of Messrs. Baring and Co. (though it might have been enough,) but on the guarantee of the securities deposited by the Bank of England, that the advance was made. The bills drawn by Baring and Co., and paid in Paris by the Bank of France, were sold on the Exchange, and taken to pay the large balance against us caused by the corn importations, and thus arrested the further export of bullion. Messrs. Baring and Co. here, and the bankers in Paris, were the mere agents by which the transaction was managed between the two banks. It is, moreover, most likely, if the Bank of France were to borrow from the Bank of England, that a similar operation would take place in the reverse way. The Bank of France would employ an agent in Paris to draw upon an agent in London, whose acceptances would be discounted to the required amount, by previous agreement with the bank, and the bills so drawn in Paris would raise the exchanges and arrest the drawn bullion and perhaps cause its importation. When bullion is sent direct, it is done with the private means of the parties, and when the etiquette of business allows it to be done, which was not the case with the Bank of France, it is less expensive probably than having recourse to the payment of commissions, as the Bank of England had. The operation was most expensive, as it had the commissions of Messrs. Baring and Co. and the bankers in Paris to pay, as well in the first drawing as in the re-drawing finally to return the loan.

COINS.

From Haydn's Dictionary.

EAGLE.—An ancient coin of Ireland, made of a base metal, and current in the first years of Edward I, about A. D. 1272; it was so named from the figure impressed upon it. The American gold coinage of eagles, half-eagles, and quarter eagles, began December 6, 1792. An American eagle is of the value of or about two guineas English.

The standard of the eagle was first borne by the Persians; and the Romans carried figures of the eagle, as ensigns, in silver and gold, and sometimes represented with a thunderbolt in its talons, on the point of a spear; they adopted the eagle in the consulate of Marius, 102 B. C. When Charlemagne became master of the whole of the German empire, he added the second head to the eagle for his arms, to denote that the empires of Rome and Germany were united in him, A. D. 802. The eagle was the imperial standard of Napoleon; and is that of Austria, Russia, and Prussia.—**WHITE EAGLE**, an order of knighthood instituted in 1325, by Uladislaus, king of Poland, on the marriage of his son Casimir with a daughter of the great duke of Lithuania; the knights of this order wore a gold chain on the breast, to which hung a silver eagle crowned. **BLACK EAGLE** was an order of the same kind instituted in 1701, by the elector of Brandenburg, Frederick I, on his being crowned king of Prussia.

FARTHING.—One of the earliest of the English coins. Farthings in silver were coined by king John; the Irish farthing of his reign is of the date 1210, and is valuable and rare. Farthings were coined in England in silver by Henry VIII. First coined in copper by Charles II, 1665; and again in 1672, when there was a large coinage of copper money. Half-farthings first coined in the reign of Victoria, 1843.

GROATS.—This name has been proverbial for a small coin.—*Shakspeare*. It is from the Dutch *groot*, and is a coin of the value of four pence.—*Roy*. Groats were the largest silver currency in England until after 1351, and were coined in almost all reigns. The modern four pence is the diminutive groat. Of these there were coined, in 1836, to the value of 70,884; in 1837, 16,0384.

MARK.—This coin originated among the Northern nations, and the name mark-lubs is still retained in Denmark, as money of account. In England, the mark means the sum of thirteen shillings and fourpence; and here the name is also retained in particular cases of fines being adjudged against infractors of the law in criminal courts.—*Ash.*

STANDARD.—First fixed by law for gold and silver in England, A. D. 1300. Standard gold is 22 parts out of 24 of pure gold, the other two parts or carats being silver or copper. The standard of silver is 11 oz. 2 dwt. of fine silver alloyed with 18 dwts. of copper or 37 parts out of 40 of pure silver, and 3 parts copper. In A. D. 1300, these 12 oz. of silver were coined into 20 shillings. In 1412 they were coined into 30 shillings; and in 1527 into 45 shillings. In 1545, Henry VIII coined 6 oz. of silver and 6 oz. of alloy into 48 shillings; and the next year he coined 4 oz. of silver and 8 oz. of alloy into the same sum. Elizabeth, in 1560, restored the old standard in 60 shillings; and in 1601 in 62 shillings. It is now 66 shillings. The average proportions of silver to gold at the Royal Mint are 15½ to 1. The standard of plate and silver manufactures was affirmed, 6 George I, 1719, *et seq.*

GUINEA.—An English gold coin, so named from their having been first coined of gold brought from the coast of Guinea, A. D., 1673. They were then valued at 30s. and were worth that sum in 1696. They were reduced in currency from 22s. to 21s. by the English parliament in 1717. Broad pieces were coined into guineas in 1732. The original guineas bore the impression of an elephant, on account of their having been coined of this African gold.

SOVEREIGN.—The name of an ancient as well as a modern gold coin of England. In the reign of Henry I, a coin of this denomination was issued, of the value of 22s. and one twenty-fourth part of the weight of a pound of gold. In 34 Henry VIII, sovereigns were coined of the value of 20s. which afterwards passed for 24s. and 30s. By 56 George III, sovereigns of the new coinage were directed to pass for 20s. and they were issued from the English Mint the same year, 1816.

FLOREN.—A coin first made by the Florentines. A floren was issued by Edward III, which was current in England at the value of 6s. in 1337. This English coin was called *florin* after the Florentine coin, because the latter was of the best gold. The floren of Germany is in value 2s. 4d.; that of Spain 4s. 4½d.; that of Palermo and Sicily 2s. 6d.; that of Holland 2s.

CROWN and HALF-CROWN.—These were coined in England very near to the present standard in the last year of Edward VI, by whom the coinage (which had been very much alloyed and debased by Henry VIII) was in some degree restored and purified, 1553.

DUCAT.—First coined by Longinus, governor of Italy. First struck in the duchy of Apulia. Coined by Robert, king of Sicily, in 1240. The ducat is so called because struck by dukes. It is of silver and gold, the value of the first being 4s. 6d. and that of the gold 9s. 6d.

SHILLING.—The value of the ancient Saxon coin of this name was five pence, but it was reduced to four pence about a century before the conquest. After the conquest, the French *solidus* of twelve pence, in use among the Normans, was called *shilling*. The true English shilling was first coined, but in small quantity, 18 Henry VII, 1503 or in 1505. A peculiar shilling, value nine pence, but to be current at twelve, was struck in Ireland, 1560: and a large but very base coinage in England for the service of Ireland, 1598. Milled shilling was coined 13 Charles II, 1662.

LOUIS-D'OR.—The Louis of gold, a French coin of 24 francs, was first struck by Louis XIII, in 1640. The value of this coin was originally about

20s. Its value has fluctuated with the storms of revolution and the incidents of time, between 15s. 4d. and 22s. 8d.

PENNY.—The ancient silver penny was the first silver coin struck in England, and the only one current among the Anglo-Saxons. The penny, until the reign of Edward I, was struck with a cross, so deeply indented that it might be easily parted into two for half-pence, and into four for farthings, and hence these names. Penny and twopenny pieces of copper were coined at Birmingham, in 1797.

TOKENS.—These were silver pieces issued by the Bank of England, of the value of 5s., Jan. 1, 1798. They were raised to the value of 5s. 6d., Nov. 14, 1811. Bank tokens were also current in Ireland, where those issued by the bank passed for 6s. and lesser sums until 1817. They were called in on the late revision of the coinage.

BILLS OF EXCHANGE, &c.

BILLS OF EXCHANGE—Invented by the Jews, as a means of removing their property from nations where they were persecuted, A. D. 1160. Bills were used in England, 1307; and were the only legal mode of sending money from England, 4th Richard II, 1681. Regulated 1598; first stamped, 1782; duty advanced, 1797; again, June, 1831; and since. It was made capital in 1734 to counterfeit bills of exchange. In 1825, the year of disastrous speculations in England, it was computed that there were 400 millions of pounds sterling represented by bills of exchange and promissory notes. The present amount is not supposed to exceed fifty millions. The many statutes regarding bills of exchange were consolidated in 1828.

INTEREST OF MONEY.—It was twenty per cent. in Europe in the twelfth century. Fixed at twelve per cent. in Spain, Germany, and Flanders, by Charles V, in 1560. Till the fifteenth century, no Christians were allowed to receive interest on money, and Jews were the only usurers, and, therefore, often banished and persecuted. Interest was first settled by law in England, at ten per cent., 37 Henry VIII, 1546. This law was repealed by Edward VI; but it was restored by Elizabeth. In those days the monarch could not borrow without the collateral security of the metropolis. Interest was reduced to eight per cent. and the word first used instead of usury, 21 James I, 1624. Reduced by the "Rump-parliament," (so designated at the period of the civil war in England,) in 1649, to six per cent., and so confirmed at the restoration, in 1660. Reduced to five per cent., 13 Anne, 1714, at which rate it remains. The rate in Ireland is six per cent.; regulated 14 George III, 1773. In the United States, by law, from six to twelve per cent. In England, all interest above the legal standard is usury, and punishable by the English statute. The law, however, does not now apply to bills having only 60 days to run.

PLATINA.—This is the heaviest of all the metals, and harder than silver and gold. The name which is given to it originated with the Spaniards, from the word *Plata*, signifying silver, it would seem on account of its silvery color. It was unknown in Europe until the year 1748, when Don Antonio Ulloa announced its existence in the narrative of his voyage to Peru.

PLATING.—The art of covering baser metals with a thin plate of silver, either for use or for ornament, said to have been invented by a spur-maker in England. Till then spurs were made of solid silver; and, from the flexibility of that metal, they were liable to be bent into inconvenient forms from the slightest accident. To remedy this defect, a workman at Birmingham contrived to make the branches of a pair of spurs hollow, and to fill that hollow with a slender rod of steel. Finding this a great improvement,

and desirous to add cheapness to utility, he continued to make the hollow larger, and the iron thicker, till at last he so coated the iron spur with silver, as to make it equally elegant with those made wholly of that metal. The invention was quickly applied to other purposes.

EXCHANGE.—One called the *Collegium Mercatorum*, existed at Rome, 493, B. C. The Exchange at Amsterdam was reckoned the finest structure of the kind in the world. Many edifices of this name in Great Britain are magnificent. The Exchange of London was founded in 1566, and was called *Royal* by Elizabeth, on her visit to it, in 1571. This edifice was totally destroyed by fire in 1666, with the custom-house, and many other public buildings, besides 13,200 houses, laying waste 400 streets. It was rebuilt in 1668; repaired and beautified in 1769. Again burnt and made a pile of ruins, in 1838. Its rebuilding was commenced in 1840, and opened in 1844.

NOTARIES.—They were first appointed by the primitive fathers of the Christian church, to collect the acts or memoirs of the lives of the martyrs, in the first century. This office was afterwards changed to a commercial employment, to attest deeds and writings, so as to establish their authenticity in any other country. An important statute to regulate notarial transactions was passed 40 George III, 1800, and some statutes on the same subject have been enacted since.

From M'Culloch's Commercial Dictionary.

CIRCUMSTANCES WHICH LED TO THE INTRODUCTION AND USE OF COINS.—When the precious metals first began to be used as money, or as standards by which to measure the value of different articles, and the equivalents for which they were most commonly exchanged, they were in an unfashioned state, in bars or ingots. The parties having agreed upon the quantity of metal to be given for a commodity, the exact amount was then ascertained by weight. But it is obvious that a practice of this sort must have been attended with a great deal of trouble and inconvenience. There can, however, be little doubt that the greatest obstacle to the use of unfashioned metals as money would be found in the difficulty of determining their quality, or the degree of their purity, with sufficient precision. The operation of assaying is one of great nicety and difficulty; and could not be performed in the early ages otherwise than in a clumsy, tedious, and inaccurate manner. It is, indeed, most probable, that when the precious metals were first used as money, their quality would be appreciated only by their weight and color. A very short experience would, however, be sufficient to show the extreme inexactness of conclusions derived from such loose and unsatisfactory criteria; and the devising of some method, by which the fineness of the metal might be easily and correctly ascertained, would very soon be felt as indispensable to the general use of gold and silver as money. Such a method was not long in presenting itself; it was early discovered, that to ascertain the purity of the metal, and also to avoid the trouble and expense of weighing it, no more was necessary than to mark each piece with a *stamp* declaring its weight and fineness. This invention was made at a very early period. According to Herodotus, the Lydians were the first who coined money.—Lib. i. c. 94. Other ancient authors say that the art of coining was invented during the period when Saturn and Janus reigned in Italy; that is, in a period antecedent to authentic history.

METAL USED IN THE MANUFACTURE OF COINS.—Before the art of metallurgy was well understood, the baser metals were frequently used as money.

Iron was the primitive money of the Lacedæmonians, and copper of the Romans. But both iron and copper deteriorate by being kept; and besides this defect, the rapid improvement of the arts, by lowering their price, rendered their bulk too great in proportion to their value to permit of their continuing to be used as money. Copper, indeed, is still used in the form of tokens, convertible into silver in very small payments. In England copper pence and halfpence are rated at about 72 per cent. above their real value; but as their issue is exclusively in the hands of government, and as they are only legal tender to the extent of *one shilling* in any one payment, this over-valuation is not productive of any bad effect. The use of copper in other countries is limited in much the same way; gold and silver being every where the only metals made use of in the manufacture of the coins used in considerable payments.

SILVER COINS.—A pound Troy, or 12 ounces, of the metal of which English silver coins are made, contain 11 oz. 2 dwts. pure silver, and 18 dwts. alloy. This pound is coined into 66 shillings; so that each shilling contains 80.727 grains fine silver, and 87.27 standard silver; and the *money pound*, consisting of 20 shillings, contains 1614.545 grains pure silver, and 1745.454 grains standard silver. From 1600 down to 1816, the pound weight of standard silver bullion was coined into 62 shillings. All the English silver coins have been coined out of silver of 11 oz. 2 dwts. fine, from the Conquest to this moment, except for the short period of 16 years, from the 34th Henry VIII to the 2d Elizabeth.

GOLD COINS.—The purity of gold is not estimated by the weights commonly in use, but by an Abyssinian weight called a *carat*. The carats are subdivided into four parts, called grains, and these again into quarters; so that a *carat grain*, with respect to the common divisions of a pound Troy, is equivalent to 2½ dwts. Gold of the highest degree of fineness, or pure, is said to be 24 carats fine. When gold coins were first made at the English mint, the standard of the gold put in them was of 23 carats 3½ grains fine and ½ grain alloy; and so it continued, without any variation, to the 18th of Henry VIII, who, in that year, first introduced a new standard of gold of 22 carats fine, and 2 carats alloy. The first of these standards was called the old; and the second the new standard, or crown gold; because crowns, or pieces of the value of 5s. were first coined of this new standard. Henry VIII made his gold coins of both these standards under different denominations; and this practice was continued by his successor until 1633. From that period to the present, the gold of which the coins of this kingdom have been made has been invariably of the *new* standard, or crown gold; though some of the coins made of the old standard, previously to 1633, continued to circulate till 1732, when they were forbidden to be any longer current.

The purity of our English gold coin is, therefore, 11 parts fine gold and 1 part alloy. The sovereign or 20 shilling piece, contains 113.001 grains fine gold and 123.274 standard gold. The pound Troy of standard gold is coined into 46 89-120 sovereigns, or into 46l. 14s. 6d. The mint or standard price of gold is, therefore, said to be 46l. 14s. 6d. per lb. Troy, or 3l. 17s. 10jd. an ounce.

The alloy in coins is reckoned of no value. It is allowed, in order to save the trouble and expense that would be incurred in refining the metals, so as to bring them to the highest degree of purity; and because when its quantity is small, it has a tendency to render the coins harder, and less liable to be worn or rubbed. If the quantity of alloy were considerable, it would lessen the splendor and ductility of the metals, and would add too much to the weight of the coins.

VARIATIONS OF THE STANDARD.—The value of all sorts of property being estimated, and the stipulations in almost all contracts for its purchase, sale, or hire, being made in money or coins, it is plain that no change can take place in the value of such money or coins, without virtually subverting these estimates and contracts, and enriching the debtor portion of society at the expense of the creditor portion, or *vice versa*. As the cost of producing all commodities is liable to vary from improvements in the arts, the exhaustion of the present or the discovery of new sources of supply, none can be selected to serve as money or coin, that may not vary in its real value. It is believed, however, that the precious metals vary less than any material that could be suggested. And with the exception of the extraordinary fall in their value caused by the discovery of the American mines, it seems to have been remarkably constant at other periods.

But in addition to the fluctuations naturally inherent in the value of coins, arising from variations in the cost of the metal of which they are made, their standard has been repeatedly changed. Notwithstanding that money or coin, from its being universally used as a scale by which to compute the value of all commodities, and as the equivalent for which they are commonly exchanged, is by far the most important of all the measures used in society; and should, consequently, be preserved as invariable as possible; there is none that has been so frequently altered. The necessities or extravagance of government have forced them to borrow; and to relieve themselves of the incumbrances thus contracted, they have almost universally had recourse to the disgraceful expedient of degrading the coin; that is of *cheating* those who lent them money, to the extent of the degradation, and of enabling every other debtor in their dominions to do the same.

The ignorance of the public in remote ages facilitated this species of fraud. Had the names of the coins been changed when the quantity of metal contained in them was diminished, there would have been no room for misapprehension. But, although the weight of the coins was undergoing perpetual, and their purity occasional, reductions, their ancient denominations were almost uniformly preserved; and the people who saw the same names still remaining after the substance was diminished; who saw coins of a certain weight and fineness circulate under the names of florins, livres, dollars, and pounds; and who saw them continue to circulate as such, after both their weight and the degree of their fineness had been lessened; began to think that they derived their value more from the *stamp* affixed to them by authority of government, than from the quantity of the precious metals they contained. This was long a very prevalent opinion. But the rise of prices which invariably followed every reduction of the standard, and the derangement that was thereby occasioned in every pecuniary transaction, undeceived the public, and taught them, and their rulers, the expediency of preserving the standard of money inviolate.

The standard may be reduced by simply raising the denomination of the coin; by ordering, for example, that a half-sovereign should pass for a sovereign, and the latter for a double sovereign, &c. If injustice be resolved upon, this is the least mischievous way in which it can be perpetrated, inasmuch as it saves all the trouble and expense of a recoinage. But as it renders the fraud obvious and glaring, it has rarely been resorted to; and most reductions have been effected either by diminishing the weight of the coins, or by increasing the proportion of alloy in the metal of which they are made, or both.

Originally the coins of all countries seem to have had the same denomination as the weights commonly used in them; and contained the exact quantity of the precious metals indicated by their name. Thus, the *talent*

was a weight used in the earliest period by the Greeks, the *as* or *pondo* by the Romans, the *livre* by the French, and the *pound* by the English and Scotch; and the coins originally in use in Greece, Italy, France, and England, bore the same names, and weighed precisely a talent, a pondo, a livre, and a pound. The standard has not, however, been preserved inviolate, either in modern or ancient times. It has been less degraded in England than any where else; but even here the quantity of silver in a pound sterling is less than a *third* part of a pound weight,—the quantity it contained in 1300. In France, the *livre* current in 1789 contained less than *one sixty-sixth* part of the silver implied in its name, and which it had actually contained previously to 1103. In Spain, and some other countries, the degradation has been carried still farther.

From 1296 to 1355, the coins of England and Scotland were of the same weight and purity; but at the last mentioned epoch the standard of Scotch money was, for the first time, sunk below that of England; and by successive degradations, the value of Scotch money, at the union of the crowns in 1600, was only a *twelfth* part of the value of the English money of the same denomination. It remained at this point till the union of the kingdoms cancelled the separate coinage of Scotland.

The gold and silver coins of Ireland have been for a considerable period the same as those of Great Britain; but, until 1825, they were nominally rated 8; per cent. higher. This difference of valuation, which was attended with considerable inconveniences, was put an end to by the act 6 Geo. 4, c. 79., which assimilated the currency throughout the empire.

MINT, OR GOVERNMENT VALUATION OF GOLD AND SILVER COINS.—If both gold and silver coins be made legal tenders, it is obviously indispensable that their value with respect to each other should be fixed by authority; or that it should be declared, that individuals shall be entitled to discharge the claims upon them by payments, either of gold or silver coins, according to some regulated proportion. The practice of making both metals legal tenders was long adopted in England. From 1257 till 1664, the value of gold coins was regulated by proclamation; or which is the same thing, it was ordered that the gold coins, then current, should be taken as equivalent to certain specified sums of silver. From 1664, down to 1717, the relation of gold to silver was not fixed by authority; and silver being then the only legal tender, the value of gold coins fluctuated, according to the fluctuations in the relative worth of the metals in the market. But in 1717, the ancient practice was again reverted to; and it was fixed that the guinea should be taken as the equivalent of 21 shillings, and conversely.

But the value of each of the precious metals is liable to perpetual changes. And hence, how accurately soever their proportional value, as fixed by the mint regulations, may correspond with the proportion which they actually bear to each other in the market when the regulation is made, the chances are 10 to 1 that it will speedily cease to express their relation to each other. But the moment that such a change takes place, it becomes the obvious interest of every one who has a payment to make, to make it in the *overvalued* metal: which, consequently, becomes the sole, or nearly the sole, currency of the country. Hence the reason why the coins of some countries are almost wholly of silver, and others almost wholly of gold. It is estimated, for example, that when it was fixed, in 1717, that the guinea should exchange for 21 shillings, gold was overvalued as compared with silver to the extent of 19-31 per cent.; and as the real value of silver with respect to gold continued to increase during the greater part of last century, the advantage of paying in gold in preference to silver became more decided, and ultimately led to the universal use of gold in all large payments, and to the fusion or exportation of all silver coins of full weight.

In France a different valuation of the metals has had a different effect. Previously to the recoinage in 1785, the *Louis d'or* was rated in the mint proportion at only 24 livres, when it was really worth 25 livres 10 sols. Those, therefore, who should have discharged the obligations they had contracted by payments of gold coin instead of silver, would plainly have lost one livre 10 sols on every sum of 24 livres. In consequence, very few such payments were made; gold was almost entirely banished from circulation, and silver became almost the only species of metallic money used in France.

In 1816, however, a new system was adopted in this country; it being then enacted (56 Geo. 3. c. 68) *that gold coins only should be legal tender in all payments of more than 40 shillings*. The pound of silver bullion, that had previously been coined into 62 shillings, was then also coined into 66 shillings, the additional *four shillings* being retained by government as a *seignorage* or duty (amounting to 6 14-31 per cent.) upon the coinage. To prevent the silver coins from becoming redundant, government has retained the power to issue them in its own hands. Under these regulations, silver has ceased to be a standard of value, and forms merely a subordinate or subsidiary species of currency, or change, occupying the same place in relation to gold that copper occupies in relation to itself. This system has been found to answer exceedingly well.

A good deal of difference of opinion has existed as to whether gold or silver coins are best fitted for being made a legal tender. It does not seem that the one possesses any very striking advantage over the other; none, certainly, that would justify a change, after a selection had been made, and acted upon for any considerable period.

Down to 1626, a seignorage or duty upon the coinage was usually charged upon the gold and silver coins issued by the mint; and it may be easily shown that the imposition of such a duty, when it is not carried to an undue height, is advantageous. A coin is more useful than a piece of uncoined bullion of the same weight and purity; the coinage fitting it for being used as money, while it does not unfit it for being used for any other purpose. When, therefore, a duty of seignorage is laid upon coin equal to the expense of coinage, it circulates at its real value; but when this charge is defrayed by the public, it circulates at *less* than its real value, and is consequently either melted down or exported whenever there is any demand for bullion in the arts, or any fall in the exchange. It is, indeed, true, that were a seignorage to be laid on gold coins, it would be necessary to prevent an enhancement of the value of the currency, that their weight should be proportionally reduced; and it is on this account better, perhaps, to let them remain on the present footing. But when a seignorage was laid on the silver coins, in 1816, it was not necessary to take the circumstance now alluded to into consideration; for as they were made subordinate to gold, and were intended to serve as change merely, its imposition had no tendency to raise the value of the currency, at the same time that it was calculated effectually to prevent the fusion of the coins, and to yield a small revenue to government.

It will be seen from official accounts, that gold coin to the amount of 47,000,000*l.* has been coined at the mint between 1817 and 1831, both inclusive. It is not easy to form any very precise estimate of the portion of this immense sum now in circulation. In consequence of the exemption of our gold coin from any seignorage, large quantities of the coins carried abroad during an unfavorable exchange find their way to the foreign mints, where they are melted and recoinage. We are not, however, wholly destitute of the means of approximating to the quantity of coin in circulation. The mint

works wholly, or almost wholly, for the Bank of England, so that by comparing the issues of coin by the Bank with the coin paid to her, and allowing for the export, we are able to get at a tolerably accurate result. We are indebted to Mr. Horsley Palmer for valuable estimates, made up on this principle, of the gold coin in circulation in February, 1833. It may not be quite accurate, but we are sure that it is as accurate as it is possible to make any estimate of the sort.

THE EXPORTATION AND IMPORTATION OF GOLD AND SILVER COINS WAS formerly prohibited; but in 1819 it was enacted (59 Geo. 3. c. 49) that they might be freely exported and imported, without being liable to any charge or duty whatever; and they may be imported without being either reported or entered at the custom-house. This regulation has rendered it next to impossible to ascertain the value of the bullion imported.

FORGERY OF COIN. ISSUE OF FORGED OR SPURIOUS COINS.—The forgery of coin is an offence that is practised more or less at all periods. The most effectual means of preventing it is to improve the fabric of the genuine coins, to cut the dies with great delicacy, and occasionally to vary the form of the coins. During the lengthened period from 1770 down to 1816, the genuine silver coins in circulation were so much worn and defaced, that it was very difficult to distinguish between them and counterfeits, which, in despite of the severest penalties, were thrown into circulation in immense quantities. But since the issue of the new coins, in 1816, forgery has been comparatively rare. There has, however, been a considerable increase of forgery during the last 7 years, as compared with the previous 7. Sufficient time has not yet been afforded for determining the influence of the law exempting the offence of counterfeiting from the punishment of death.

ORIGIN OF GOLD COINS.—The first coinage in England was under the Romans at Camulodunum, or Colchester. English coin was of different shapes, as square, oblong, and round, until the middle ages, when round coin only was used. Groats were the largest silver currency until after A. D. 1351. Coin was made sterling in 1216, before which time rents were mostly paid in kind, and money was only found in the coffers of the barons.

Gold coin was introduced in six shilling pieces by Edward III and nobles followed, at six shillings and eight pence, and hence the lawyer's fee; afterwards there were half and quarter nobles. Edward IV coined angels with a figure of Michael and the dragon, the original of George and the dragon. Henry VIII coined sovereigns and half sovereigns of the modern value. Guineas were of the same size; but being made of superior gold from sovereigns, guineas passed for more. English and Irish money were assimilated Jan. 1, 1826.

This operation was originally performed by the metal being placed between two steel dies, struck by a hammer. In 1553, a mill was invented by Antonio Brucher, and introduced into England, 1562. An engine for coining was invented by Balancier, in 1617. The great improvements of the art were effected by Boulton and Watt, at Soho, 1788, and subsequently. The art was rendered perfect by the creation of the present costly machinery at the mint, London, commenced in 1811.

Homer speaks of brass money as existing 1184 B. C. The invention of coin is ascribed to the Lydians, who cherished commerce, and whose money was of gold and silver. Both were coined by Phidon, tyrant of Argos, 869 B. C. Money was coined at Rome under Servius Tullius, about 578 B. C. The most ancient known coins are Macedonia, of the fifth century B. C.; but others are believed to be more ancient. Gold was coined in 206 B. C.

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CONTENTS.

ARTICLE.	PAGE.
I.—THE PROSPECT BEFORE US,	513
II.—BANK FAILURES,	516
III.—STATE FINANCES: Massachusetts, 1845 and 1846,	519
IV.—BANK STATISTICS:	
Pennsylvania and New York,	517
Kentucky,	526
Ohio. Indiana,	528
North Carolina,	529
Missouri,	532
V.—THE DEFAULTING STATES OF AMERICA: (<i>From the London Times,</i>)	521
VI.—THE ALLEGED LOAN OF THE BANK OF FRANCE TO THE BANK OF ENGLAND: (<i>From the London Bankers' Mag.</i>)	533
VII.—COINS, &c.	
1. Historical Notices of the Eagle, Guinea, Sovereign, Ducat, Louis d'or, Floren, Crown, Groat, Farthing, Penny, Mark, Shilling and Token.	
2. Bills of Exchange, Interest, Platina, Plating, Exchange and Notaries.	
3. Circumstances which led to the use of Coins; Origin of Silver and Gold Coins; Forgery of Coin; Exportation and Importation of Coin; Metal used in the Manufacture of Coin.	
4. Engravings of two hundred and twelve Gold and Silver Coins of Europe, America, Africa and Asia,	535

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EDITORIAL CORRESPONDENCE.

To the Editor of the Bankers' Magazine.

SIR:—In a late number of your publication, I read with pleasure the great and beneficial results from a reduction in the *rate* of travel, both to shareholders of the road and the public, even when that reduction was one half of previous rates. I have no idea of proposing so sweeping a reduction in bank rates of interest, or, rather discount, though that would not bring them down to the present rate at which the Bank of England is loaning money. Banking as practised in this country, or the medium of banking more properly expresses the idea, consists of two parts—capital furnished by the individual fundholder, and credit given by the state or community using its circulation. Now this combination of capital and credit is not so valuable as *cash*, and introduces a dangerous instability into every department of business dependant upon it for the necessary facilities for its transaction. And why this diluted medium should by law be authorized to be loaned at higher rates than individuals are allowed to charge for cash in hand, is more than I can understand. Let the legislature charter a bank to be limited to five per cent. discount, and set it on a solid basis, and entrust it to able men, and in a very short time Maryland repudiation will be forgotten. I have no doubt this rate will pay better than six, and four would do better still, but it is too strong for the time. Bank discount at six per cent. will keep any thing down. It ruins thousands who do not know what it is that contributes to their overthrow. The hundreds of millions cancelled by the bankrupt law would make handsome dividends on the banking capital of the country and restore many lost fortunes to their proper proprietors into the bargain. How can a Baltimore merchant pay as much more for his business facilities, as in a large concern, would make the fortunes of similar parties, in a like trade, if they happened to live in Liverpool, Bremen or Havre. Depend upon it, your Journal will gain many readers if you procure a temperate and thorough discussion of this subject, which, as Lord Bacon expresses it, comes home to men's business and bosoms. For while it interferes with no engagements or contracts now

subsisting, a reduction of the rate of money and credit mixed, will send a ray of hope to many an honest and hard pressed heart. Let the monumental city have a fair chance and she will raise herself to be a monument of pride to all mankind, upon which may be written six per cent. discount is bankruptcy, ——— is solvency. The blank may be filled in a few years.

Let this subject have some of your attention, and promote the morals and fortunes of all your countrymen.

FAYETTEVILLE.

REMARKS.—Much has been said and written upon the subject of interest and upon the usury laws. We must confess that we have arrived at conclusions entirely different from those of the above writer. The subject of interest is one which should be meddled with as little as possible by legislators, and should, we think, be left to be governed by circumstances in various communities.

Money is a mere commodity. It has a different value at various points, and even at the same point its value is affected at certain periods by the law of supply and demand. We cannot distinguish why *money* should be regulated by certain rates by law, while flour, produce, merchandise, &c., are to be left free. Why should a ten dollar gold piece, or a ten dollar bank note, be restricted by law in its circulation from hand to hand, while a barrel of flour equally in demand, and an article of necessity is allowed to circulate at four, eight or twelve dollars, according to the same principles which actually govern money, viz.—*supply and demand*. We consider all laws upon the subject of interest as not only superfluous, but as injurious in their tendency. They are superfluous because they are gratuitous and uncalled for: they are injurious not only because they constitute an unjust interference with trade, but because they are *unheeded*. Like all laws that are not respected by the community, they *deadens* that nice regard for the statutes of the commonwealth which actually should exist among the people.

It is perfectly well known by all persons who have paid any attention to the subject, that the usury laws are violated every day in the year; and it *must always be so*. Money is worth at times six per cent. and again it may be worth ten or twenty per cent. per annum, and respectable merchants will submit to the exaction of twenty per cent. rather than suffer their credit to be destroyed. This sacrifice does, it is true, occasionally lead to annihilation of a merchant's assets, but where this occurs in one case, there are ninety-nine instances where it braces up and sustains a man.

In fact, the usury laws are utterly set at nought in every community. There is not one man in five hundred who does not at some period or another pay usurious rates of interest, and it is done too without any consideration that it is fraudulent.

There is another view of this matter which should not be lost sight of, viz. that an advanced legal rate of interest has a tendency to attract capital from points where lower rates exist to those points where a more liberal system is allowed. It is well known that the state of New York has at

tracted to it large amounts of capital from Pennsylvania, from New England and from Europe, because its lawful rate of interest is *seven per cent.* instead of six. It is well known to the writer, from actual observation, that the rate of interest hitherto existing in Illinois, Missouri and some other western states, has had a tendency to accumulate vast capital from the eastern states. Loans have been made in the western states, on bond and mortgage, at ten and twelve per cent. At these rates capital seeks investment in that quarter and always will. A capitalist will place his money at the same point where he places his produce, viz. *where it will yield the best price.*

With these views we consider it perfectly useless to attempt creating banks whose operations shall be narrowed down to a rate of interest less than exists throughout the Union. Five per cent. will not pay a bank or a capitalist for its money, and stock would not be taken in a new institution established for this end. On the contrary, if our North Carolina correspondent will induce the creation of an institution which shall be authorized to charge eight per cent. instead of five, he will soon find money more abundant in his state.

Our correspondent mistakes the causes of insolvency. Merchants are not ruined by illegal interest. They are generally ruined by imprudent and extended credits, by want of caution, unnecessary expenditures, and by inattention to that *main-spring* of a merchant's business—*his balance sheet.* We have had our attention of late drawn to the exhibits of insolvency in Maryland, and we must say that in ninety-nine cases out of every hundred the above causes brought about the disastrous results.

If merchants would confine their business to its legitimate ends—buy and sell on short credits, and examine closely into the business capacities more than to the money means of their customers, their losses would be fewer. We have known frequent failures among men of fair original capital, but whose disasters were brought about by store expenses and family expenses not commensurate with their sales, and who were actually *eating into their capital* year after year, without moral courage enough to examine into the rottenness which was spreading at the core. Others by creating distant business agencies and branches which could not by any possibility be under their own eyes or supervision, lose more than their own profits at home will cover.

A competent writer in Hunt's Merchants' Magazine attributes mercantile failures to the following causes:—

1. The leading cause is an ambition to be rich—by grasping too much it defeats itself.

2. Another cause is aversion to labor.

3. The third cause is an impatient desire to enjoy the luxuries of life before the right to them has been acquired in any way.

4. Another cause arises from the want of some deeper principle for distinguishing between right and wrong, than a reference merely to what is established as honorable in the society in which one happens to live.

We repeat that money, alike business, should be allowed to find its own level, and not be trammelled by law. *It should not be encumbered, when it cannot be controlled, by statutes.*

PUBLIC DEBT OF MARYLAND.

Addressed to a Landholder of Baltimore County, by J. J. Speed, Esq., of Baltimore.

BALTIMORE, *March 17th, 1847.*

MY DEAR SIR:—A proud day has dawned upon Maryland. The legislature of '46 have shown themselves worthy of the fathers of '76; the latter laid the foundations of the republic, the former have effected its deliverance from dishonor. The great resumption bill has finally passed the senate, by a majority of two-thirds of that body, and it now goes into the statute book, with all the authority and emphasis that such a vote can give it, as a law of the land. Its guards are admirable; it rests upon the most prudent and sure financial arrangements. The fruit provided from so many and such various sources will be sure to come into the treasury. The resumption law will be perpetual; there will be no further defalcation. There is, moreover, a jaded and weary feeling in the public mind on this head; it would flinch at any symptom of the re-appearance of dishonor. But, as an additional guarantee, it is known that the state possesses a large fund in the banks, which is pledged by the careful provisions of this law, to meet any possible temporary deficiency in the earlier periods of resumption; and we shall soon, very soon, be seen moving firmly and proudly on in the path in which we have been placed by our wise and most honorable legislature. And then the misfortunes of Maryland will soon be forgotten; she will have atoned to the world for her inevitable delinquency; and the nations will greet her—more cordially, perhaps, because she has overmastered misfortune. May we not then say, a proud day has dawned upon Maryland! Should we not exult and indulge in rejoicings—not as over a fallen foe, nor for successes in war, nor for the rude achievements of the sword—but for a nobler triumph—the deliverance of our country from dishonor!

And since, at a moment of great improvidence, but with the intent of doing good, Maryland encumbered herself with a great debt, and since she is now resolved to look that debt manfully and honestly in its face, is it not incumbent upon every citizen to lend his country his best aid, and, by personal example and exertion, to infuse into the whole community, and through all the branches of its government, a tone of resolute patriotism and becoming frugality. He, who is not willing to serve the state now, in all the departments of civil duty, for the most moderate and reasonable compensations, is no patriot; he, who is willing, in this day of trial, to receive immoderate emoluments, is unworthy of the public regard;

and the public confidence should be withdrawn and withheld from him who is not willing to aid in crowding into the treasury all possible succor and supply.

The tax gatherer will now be abroad under the provisions of our multiplied revenue laws; and while the landholder and the laborer, the artisan and those in the professions, are giving over to the treasury large portions of their earnings for the redemption of the public faith, the officials and servants of the people should be forced to the lowest compensations, and into the most active sympathy and co-operation in the promotion of the public aim, or at once relieved from their places. At a season like this, when the husbandman is turning the furrow, the mechanic is driving his daily and nightly toil, and all are addressing their limbs and faculties to labor, that something may be earned for the republic, all extravagance of office and presumptuous claims of compensation should be put down. The public servants should be dismissed from their places, or forced into a becoming humility and submission to the circumstances and straights in which the finances of the country have fallen. From your own prominence in the great country where you reside, and your experience, not only in agricultural pursuits, but in the general affairs of life, you will well understand the encouragement it will give to the husbandman to submit to the impositions of the land tax, if he perceives in the community a general spirit for contribution, and the prevalence around him of rigid systems of frugality.

You will have observed, that while this law passed the senate with much unanimity, the minority vote in the lower house of the legislature was both large and respectable, and that it was by no means confined to either of the political parties of the country. Indeed, the vote, so opposite to my own view, embraced some of my warmest personal and political friends. But I have regarded their vote with profound respect and satisfaction; for, from prolonged personal conferences with them, I know they were animated by a pure love for the honor of the state, but acted upon an extreme caution as to the time of resumption. They had felt so deeply the stain, in all its aggravating influences, they wished to reserve the blow for its removal till it gained such power they might be sure it would be effectual. They wished no mistake about the matter; and, from superabundant caution, declined, at this juncture, the espousal of a measure that lay nearest their hearts. The desires and ideas upon which they acted were, that the accumulations of another year might place the treasury in the impregnable position that I consider it already occupies; and they were only led into an error, to which the best judging minds are constantly prone, in their resolutions to avoid precipitancy. Now that the law is passed, it will receive their resolute and firm support. They will not love the fruit the less for its premature birth. The favorite measure, as it has come upon them, is received with content and blandishment. I will, at least, be sponsor that they will not withhold from it their cordial support.

The closest scrutiny had satisfied me that we were in a state of perfect preparation, and I thought it high time the universal expectation and wish was gratified. My prophecies, in a very dark and discouraging hour have proven true; sentiments, then only prevalent, have become universal; my exposition of the nature of our error is now obvious, and has been verified to the letter. We were delinquent from accident, and casualty—we are upright upon premeditation, and from ancient habit.

But, looking beyond our own border, a more comprehensive view of this great measure of Maryland is, that the thirteen original states of this Union are now all restored to their true positions. And the clustering republics that formed themselves round this parental band will now be admonished each to return to its duty and to its purity. The silent command of our great and eloquent example will pass among them with resistless authority; and each state, with its standards, and emblems of sovereignty, and all the badges of its pride, will rapidly fall in the train, and we shall soon again be as united in our justice and virtue as we are in our government. Their errors, like the perturbations of the planets, will retard them but for a moment in their courses. Order and harmony will soon be restored; and this great company of republics will move on in its course of useful example, ceaseless in its operations upon the destinies of mankind. And the great moral power of the mind acting upon mind—the examples of friends upon friends, of neighbors upon neighbors—indeed, that sound tone of national morals and dignity, which is so characteristic of the Anglo-Saxon race, will soon force the delinquent members of this confederacy into new positions, and set them to rights with themselves—and Indiana and Illinois, and Florida and Michigan, and even perverted Mississippi, will soon effect their own reformation. Their errors are all of very modern date—since 1840. Mississippi, and Indiana, and Arkansas suspended in 1841; Pennsylvania, Maryland, Florida, Michigan, Louisiana, and Illinois, in 1842. Several of these have already resumed. And when we remember that the last delinquency of the Bank of England, her suspension of specie payments, lasted for twenty-five years—from 1797 to 1822—though in fact a political corporation, and backed by the power of the government—may we not feel sure that all will yet go right with us. My word for it, none of the states will ask as long indulgence as did that great corporation. Maryland six per cent. stocks, now at 85, may be considered at the full par; for, in the present state of the country, the best annuities may be purchased at that rate. War existing in a remote region, the drain of coin is incessant; and, in the face of the enormous influx of wealth for the purchase of our bread-stuffs, money is worth much more than the ordinary rates of interest. The stocks of Maryland are, therefore, upon a level with the other securities of the country. And so, my dear sir, our house is again put in order; the fallen pillars are set up; the edifice is restored to its grandeur; its proportions are as beautiful as ever; and no blemish remains to attract the attention, or challenge the censure of mankind. Yours, very sincerely,

J. J. SPEED.

STATISTICS OF FRANCE.

We are indebted to the reports of Mr. M'Gregor on the commerce and industry of European and American States, now publishing by the board of trade, for the following interesting facts.

Area, Population, &c.	
The area of France in hectares	52,760,296
Ditto in English acres	130,401,127
Houses inhabited in 1832	6,642,416
Average number of inhabitants in each house for all France	5
Ditto ditto ditto for department of the Seine	23
Marriages per annum	270,215
Births per annum	968,249
Deaths per annum	809,768
Average increase per annum	160,000
Population on the 1st of January, 1842, calculating increase at this ratio	34,160,934

Political Classes of Population.	
Persons enrolled as national guards	5,722,462
As contingent militia	80,005
Qualified as jurors	129,000
Enrolled to vote for the election of deputies	100,638
Members to represent the departments in the chamber of deputies	460

Cultivation of Lands.		
Lands paying direct taxes:—		
	Hectares.	Sq. Leagues.
Arable lands	25,559,151	12,939
Meadows	4,834,621	2,447
Vineyards	2,134,822	1,080
Forests	7,422,314	3,757
Orchards, nurseries, and gardens	643,698	325
Osieries, willow, and reed plots	64,489	32
Ponds, cattle and horse ponds, fens, and canals of irrigation	209,431	106
Wild pastures, barrens, heaths, &c.	7,799,672	3,948
Navigable canals	1,631	0
Grounds under divers cultivations	951,934	481
Grounds under buildings	241,842	122
Total paying direct taxes	39,863,609	25,243

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PARIS.—At the time of the Roman invasion, Paris was only a miserable township. It began to be called the city of the Parisii, A. D. 380. Clovis fixed upon it as the capital of his states in 507. This city was several times ravaged by the Normans; and in 1420 was taken by the English, who held it fifteen years. More than 50,000 persons died of famine and plague in 1438, when the hungry wolves entered the city and committed, we are told, great devastation.

## COLONIES OF GREAT BRITAIN.

In the following table will be found enumerated the several colonies belonging to the British empire, together with the date at which each colony was captured, ceded, or settled. The white and the free-colored population, as far as it has been ascertained, amounts to about 2,500,000, and the slaves at the period of their emancipation, were 770,280. The number of convicts in New South Wales and Van Diemen's Land, is 33,573; the aborigines of the latter place have not been ascertained. The act for abolition of slavery throughout the British colonies, and for compensation to the owners of slaves (£20,000,000 sterling) was passed 3 and 4 William IV, 1833.

| Colony or Possession.        | Date of Settlement, &c. | White Population.             |
|------------------------------|-------------------------|-------------------------------|
| Anguilla.....                | Settlement.....         | 1666<br>365                   |
| Antigua.....                 | Settlement.....         | 1632<br>1,980                 |
| Bahama Islands.....          | Settlement.....         | 1629, <i>et seq.</i><br>4,240 |
| Barbadoes.....               | Settlement.....         | 1605<br>14,950                |
| Berbice.....                 | Capitulation.....       | Sept. 1803<br>552             |
| Bermudas.....                | Settlement.....         | 1609, <i>et seq.</i><br>3,905 |
| Canada, Lower.....           | Capitulation.....       | Sept. 1759<br>423,630         |
| Canada, Upper.....           | Capitulation.....       | Sept. 1760<br>188,558         |
| Cape Breton.....             | Settlement, in.....     | 1584<br>40,222                |
| Cape Coast Castle.....       | By cession.....         | 1672<br>no return.            |
| Cape of Good Hope.....       | Capitulation.....       | Jan. 1806<br>55,675           |
| Ceylon.....                  | Capitulation.....       | Sept. 1795<br>6,414           |
| Demerara and Essequibo.....  | Capitulation.....       | Sept. 1803<br>3,006           |
| Dominica.....                | Ceded by France.....    | 1763<br>840                   |
| Gambia.....                  | Settlement, in.....     | 1631<br>24                    |
| Gibraltar.....               | Capitulation.....       | Aug. 1704<br>17,024           |
| Goza.....                    | Capitulation.....       | Sept. 1800<br>15,480          |
| Grenada.....                 | Ceded by France.....    | 1763<br>801                   |
| Honduras.....                | By treaty, in.....      | 1670<br>250                   |
| Jamaica.....                 | Capitulation.....       | 1665<br>no census taken       |
| Malta.....                   | Capitulation.....       | Sept. 1800<br>104,489         |
| Mauritas.....                | Capitulation.....       | Dec. 1810<br>8,844            |
| Montserrat.....              | Settlement, in.....     | 1632<br>330                   |
| Nevis.....                   | Settlement, in.....     | 1628<br>700                   |
| New Brunswick.....           | Settlement, in.....     | 1622<br>72,932                |
| Newfoundland.....            | Settlement, about.....  | 1500<br>60,088                |
| New South Wales.....         | Settlement, in.....     | 1787<br>20,930                |
| Nova Scotia.....             | Settlement, in.....     | 1622<br>102,326               |
| Prince Edward's Island.....  | Capitulated, in.....    | 1745<br>23,473                |
| Prince of Wales' Island..... | Settlement, in.....     | 1786<br>no return.            |
| Sierra Leone.....            | Settlement, in.....     | 1787<br>87                    |
| St. Christopher's.....       | Settlement, in.....     | 1623<br>1,612                 |
| St. Helena.....              | Capitulated, in.....    | 1600<br>no return.            |
| St. Lucia.....               | Capitulation.....       | June, 1803<br>972             |
| St. Vincent.....             | Ceded by France.....    | 1763<br>1,301                 |
| Swan River.....              | Settlement, in.....     | 1829<br>830                   |
| Tobago.....                  | Ceded by France.....    | 1763<br>322                   |
| Tortola.....                 | Settlement, in.....     | 1666<br>477                   |
| Trinidad.....                | Capitulation.....       | Feb. 1797<br>4,201            |
| Van Diemen's Land.....       | Settlement, in.....     | 1803<br>9,421                 |

**THE COST OF COLONIES.**—The direct expenditure incurred by Great Britain for her colonies amounts to 2,606,482*l.* 18*s.* 1*d.*, being 876,230*l.* 5*s.* 2*d.* for military and maritime stations, 533,501*l.* 8*s.* for penal settlements, and 1,196,751*l.* 4*s.* for plantations and settlements. Such is the acknowledged *direct* cost of our colonies. Their *indirect* cost, in the shape of high prices of sugar, timber, and other colonial produce, caused by "protective" duties, it is not so easy to ascertain. It is generally estimated at between four and five millions sterling. In the evidence before the select committee on import duties, (Q. 635,) Mr. M'Gregor estimated that the effect of abandoning the protective duty on sugar would be an increase of revenue of 3,000,000*l.* to the state, in addition to all the comforts arising from reduced prices and increased consumption. In the same evidence, (Q. 1,771,) Messrs. Moore and Saunders, and (Q. 1,346,) all merchants at Liverpool estimate that coffee could be bought at half the price in this country in the absence of protecting duties; and as Sir R. Peel, in his tariff reform, estimates our annual consumption at about 28,000,000 lbs., it would appear probable that another 1,500,000*l.* might be added on this account to the cost of keeping colonies. And (Q. 924) Mr. M'Gregor estimates that we also lose a million sterling of revenue by the protecting duties in favor of colonial timber. Even this, however, would not be sufficient to give an adequate idea of the general cost of colonies to the mother country. A large portion of the interest of the national debt is an annual and permanent charge for loans spent in obtaining colonies by conquest or cession, and in afterwards defending and preserving them during war. Moreover, if we ask ourselves the question whether, if we had no colonies, we should experience much necessity for keeping up our ordinary military and naval establishments to the tune of fourteen millions sterling, for the mere purpose of being ready to defend our insular homes when a war did happen to break out, the thought may with some reason cross our minds that most of this immense sum is really expenditure incurred by Great Britain on account of colonies. Taking this into account it is very probable that our colonies directly and indirectly cost us **TWELVE MILLIONS** per annum. One large colony—the East Indies—it will be observed, has been omitted from the account. The East India Company had then a surplus revenue. It has now a deficiency, which the Premier has hinted that the nation will have to make good.—*Facts and Figures*, London, 1842.

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## SAVINGS' BANKS.

From the London Bankers' Magazine, February, 1847.

The excess in amount of sums withdrawn from the Paris Savings' Bank for some time past, over sums paid in to that institution, having recently excited attention among our own journalists, as well as among those in the French capital, the present is a most suitable occasion for recurring to the subject of the French savings' bank law of 22nd June, 1845, a translation of which will be found in our third volume, page 288, and to the operation of which the circumstance that the withdrawals have recently exceeded the receipts, as regards the Paris Savings' Bank, at least, may in some measure be attributed.

During the last few years apprehensions have been pretty generally entertained in France that the rapidly increasing amount of the deposits in

savings' banks—nearly 400,000,000 of francs, or 16,000,000 sterling—would some day be a source of embarrassment to the government, at the time of a political or financial crisis. Whilst it was feared, on the one hand, that the demand for the withdrawal of deposits might be greater in amount than could be met on the instant, it was thought, on the other, that these fears were exaggerated, and that such demands coming only gradually, and at periods when they might be anticipated, the government would be suitably prepared for them, and find no difficulty, with its immense resources, in providing means for satisfying them.

The French government, however, anxious to secure the entire confidence of the public generally upon the subject, and particularly of that portion of the community who had confided their savings to the several banks, thought it absolutely necessary to take some decisive and effectual measures for reducing the maximum of the single payments, and also of the total amount of the deposits, and for requiring a longer period of notice for the withdrawal of sums than had been previously deemed necessary.

The minister of finance, actuated by the most friendly and patriotic feelings for the prosperity of the savings' banks, then appointed a commission, of which several active and experienced managers of those institutions were members, for the full consideration of the subject, and after a protracted but earnest investigation, a bill was introduced into the French chambers during the session of 1845.

The reports made by *M. Felix Real* and by *Count Pelet de la Lozere* (by the former to the chamber of deputies, and by the latter to that of the peers,) treated the question, in all its difficult bearings, with extreme perspicuity and intelligence, and pointed out the many benefits which the establishment of provident institutions had afforded, and how highly they ought to be prized and appreciated. *M. Real* considered that their value was infinitely greater in a moral than in any other point of view, being, both for the parent and for the child, an inciting cause of rectitude and propriety; and that they were not only a source of prosperity to the whole community, but an effectual guarantee for the maintenance of public tranquillity and order. A deposit book becomes, to the individual possessing it, a fruitful source of self-satisfaction and pleasure, and in the eyes of others, whether in a higher or in a lower sphere than his own, an undeniable certificate of good character and conduct. It is by the establishment of savings' banks that the laboring population have been taught to nurture habits of economy and regularity, and that they have been made to understand and estimate the advantages of forethought and providence. The savings' bank is the means of attaching them to the property which they have acquired by their skill and industry, and which they have been enabled, by the observance of public order, to obtain and preserve; and while it has freely held out to them the many advantages it offers, it has separated them from all the inducements to dissipation and excess, and so rescued them from the baneful influence of such powerful and destructive vices. *Count Pelet de la Lozere* closed his report to the chamber of peers with the following sentence:—"A savings' bank is one of the finest institutions of modern times, and one which reflects the greatest honor upon the age. It has been the means of introducing economy and providence into the habits of the people; it improves their morals, increases their means, and engages their interest in the support of public order; it effects as much good for those who direct it as for those who profit from it, by encouraging friendly feelings towards each other, and by establishing relations of good will between the two classes of society."

All the provisions of the bill having been carefully discussed in both chambers, and a few modifications of them made, such as suppressing the

proposed extension of the period between the notice for withdrawals and the payment of the sums demanded, the law was passed and promulgated on the 22nd June, 1845.

According to one of the articles, the maximum amount of deposits was reduced from 3,000 francs, or £120 sterling,—which was the maximum amount allowed by the previous law of 5th June, 1835—to 1,500 francs, or £60 sterling; and it is worthy of remark that the sum of 3,000 francs, or £120 sterling, had always been deemed too high by the directors of the *Paris Savings' Bank*, as they had never allowed more than 2,000 francs, or £80 sterling, as a maximum sum, to be received at their institution from any individual depositor. But the most important provision of the new law is, probably, that which allows depositors to convert their deposits, free of expense, directly into government stock, and this provision, which is calculated, for many reasons, to effect much good, both in a financial and moral point of view, had been so highly appreciated by the depositors in the *Paris Savings' Bank*, that the directors of that institution had, even, from the 21st July up to the 31st December, 1845, only six months after the promulgation of the new law, converted deposits amounting to 2,559,811 francs, or £102,392 sterling, into government stock, which would produce to the depositors, 1,678 in number, an annual revenue of 106,100 francs, or £4,244 sterling. It is confidently expected that this measure of conversion will materially tend to familiarize the laboring classes, at first in Paris and afterwards in the provinces, with the security and other advantages of the public funds; from which great benefit will be derived.

The comptroller and secretary of the *Paris Savings' Bank*, thinking it would be interesting to ascertain to what classes of the depositors those who had converted their deposits into government stock belonged, had caused a statistical analysis of such operations to be prepared. The most striking circumstance in this synoptical table is found to be, the large proportion of journeyman workmen in all the various trades. Placed in a less favorable condition, in many respects, than domestic servants, and with fewer opportunities of seeking for and obtaining the opinion and advice of persons conversant with the subject, they have, of their own accord, displayed a perfect confidence in the safety of the public funds, and have given them a preference over every other investment for the employment of a portion of their earnings, by which also they are not precluded from continuing their connection with the savings' bank, as that institution is still open to them for the receipt of small periodical sums.

There can be little doubt, that in addition to the effect produced lately upon the amount of withdrawals from the *Paris Savings' Bank*, by the opportunity afforded under the 6th article of the new law to the depositors for the direct conversion of their deposits into government stock, the 3rd article of the new law has not been altogether inoperative, because, according to this article, those depositors whose accounts may, at the present time, be between 2,000 and 3,000 francs, or £80 and £120 sterling, will, from the 1st January, 1847, receive interest only upon the former sum. The policy of withdrawing a portion of their deposits, for direct conversion into government stock, or other investment, cannot therefore fail to be evident to those depositors who may be in the category alluded to. Hence, the probability that the excess in amount of withdrawals from the *Paris Savings' Bank* over the amount of payments into that establishment is, in a great measure, to be attributed to those provisions in the law of 22nd June, 1845, to which we have more particularly alluded.

## THE NATIONAL DEBT OF ENGLAND.

From the London Bankers' Magazine.

Possibly many of your readers are unacquainted with the meaning of the first item in our national debt, viz. "Debt to Bankers," £664,263. I therefore propose to give you, from my unpublished "History of Banking," some account of its origin.

In the early part of the year, 1672, king Charles the Second, being much in want of money, and averse to apply to parliament for supplies, having recently received considerable grants from the house of commons, declared, in a private meeting with his ministers, that "if any one of them could invent a method how to raise about £1,500,000, without the necessity of applying to parliament, he should have the "White Staff;" or, in other words, the lord treasurer's place.

On the day following, lord Ashley told sir Thomas Clifford in confidence, "that there was a way to supply the king with such a sum, but it was hazardous to put it in practice, and might draw a train of ill-consequences along with it, by inflaming both the parliament and the people."

Sir Thomas Clifford being entirely in the popish interest, and pleased with anything that might render the king unpopular with the parliament, endeavored to discover the project; he therefore invited lord Ashley to dinner, and plied him with wine to excess, led the conversation to the subject of the king's wants, when lord Ashley unguardedly dropped the important secret of shutting up the exchequer.

Sir Thomas immediately took the hint, left his lordship, and went directly to the king, when, falling on his knees, he demanded the white staff according to promise; the king cried out, "God's fish," his favorite exclamation; "I'll be as good as my word if you can find the money." Sir Thomas Clifford then said, "If your majesty will shut up the exchequer you can secure £1,500,000." The king readily acquiesced in this nefarious project; and sir Thomas Clifford, after it was effected, was made *lord high treasurer, and a peer!*

If this wholesale robber had picked the pocket of a private individual of his purse, he would possibly have been imprisoned, if not hung; but for robbing the bankers of thousands, he was by a dissolute and depraved monarch, rewarded with a lucrative office and a peerage.

At a privy council, held on the 2d of January, 1672, his majesty being present, sir Thomas Clifford proposed, "that as the king must have money to carry on the war against Holland, in which his honor was engaged, that he knew of no other means at present than shutting up the exchequer." He desired none would speak against it without proposing some method more certain and expeditious.

The king, after many apologies to his council for this bold step, declared that it "should only be for the space of the whole year ending the last day of December next; that then, no new orders should be permitted to intervene to break the course of such payments."

This imprudent conduct of the king filled every one with consternation and dismay; many hesitated not to say that the crown had published its own bankruptcy; in short, it was an act far more disastrous in its consequences than the previous seizure, by his father, Charles the First, of the bankers' money lodged in the mint.

The money thus forcibly seized, did in point of fact, belong to the trading community; and the consequent inability of the bankers to meet the demands on them caused a general suspension of all monetary transactions.

In the course of a few days after, the king summoned the bankers before him at the treasury, and with many kind and flattering assurances, told them that he would punctually pay the money out of what the parliament should give him next session, or out of his own revenues. He added, "I likewise require of you, that you immediately pay the engagements of the merchants, who have refused to pay the custom dues on the plea of their money being in the hands of the bankers!" The bankers, on the faith and word of the king, consented to pay the merchants in preference to all other parties.

To understand fully this act of injustice, it is necessary to state that the bankers were in the habit of depositing in the exchequer the surplus of their floating capital, not required in their ordinary transactions, for which they received interest at the rate of *eight per cent. per annum*, allowing the parties who had deposits in their hands a lower rate of interest; and as the payments to the bankers were usually made out of the exchequer weekly, the bankers were, until the closing of the exchequer, enabled at all times, to meet the demands of their customers.

When, however, the exchequer was closed, all the money which had been deposited by the bankers, and not withdrawn, was then seized by the king. Numerous addresses and petitions were presented to the king by the sufferers, nearly all of them filled with the most fulsome flattery. We extract from one of them, which was by an officer in the army, the following passage:

"I am confident his majesty's royal bowels yearn with compassion towards us, for the delay of payment is not any defect in his majesty's innate justice, but an excrescence, and an unhappy superfatation of the first pernicious counsel of shutting up the exchequer; to think otherwise, were to blaspheme the greatest sweetness of nature in the world, and to profane that illustrious prince, of whom no man ever yet formed a thought but his mind was presently filled with the idea of all that is *great and just*; for the king's honor and justice, like a rock of diamonds, remains still impenetrable."

None of these appeals made any impression on the king, or his worthless ministers, who could scarcely be prevailed on to listen to the complaints of so many ruined families.

At last, at a council held at Whitehall, at which the king was present, the following declaration was agreed upon, and printed and circulated among the bankers:

"Whereas his majesty in council was graciously pleased, in the month of February, last past, to declare that he would assign and set apart so much of that branch of his revenue, as by act of parliament is made hereditary and perpetual, to the payment and satisfaction of the goldsmiths' debt: And whereas, in pursuance thereof, his majesty has secured to the goldsmiths their debts on the said revenues, by letters patent, granted to them respectively under the great seal of England; and his majesty having, in the said letters patent, provided for the security of such of his subjects as have trusted the said goldsmiths, doth think fit to order, and it is hereby ordered, that the said letters patent shall be forthwith printed and made public, for the information and satisfaction of all those who are concerned."

The gross sum of which the bankers were defrauded amounted to £1,358,520, and the letters patent referred to in the declaration of the king, charged his hereditary revenue with the payment of interest on the sum at the rate of *six per cent. per annum*, which interest was paid for a few years, and then entirely suspended; the unfortunate bankers were thus deprived

of both principal and interest, and were compelled to maintain their rights in a court of justice.

The suit was protracted for about *twelve years*, when, in the year 1697, judgment was obtained against the crown. The decision, however, was set aside by lord chancellor *Sommers*, though ten out of the twelve judges, whom he had called to his assistance, were of a different opinion! The chancellor's judgment was a most elaborate affair—his principal argument went to show that the nation was not bound to fulfil the engagements of the monarch—a doctrine little in accordance with our present view of public faith.

The following are the names of the principal goldsmiths or bankers, as they now were first called, to whom the letters patent were granted:

|                                         | Principal. |    |    | Interest. |    |    |
|-----------------------------------------|------------|----|----|-----------|----|----|
|                                         | £          | s. | d. | £         | s. | d. |
| Sir Robert Vyner, of London, goldsmith, | 416,724    | 13 | 1½ | 25,003    | 9  | 4  |
| Edward Barkwell do. do.                 | 295,994    | 16 | 6  | 17,759    | 13 | 8  |
| Gilbert Whitehall do. do.               | 248,866    | 3  | 5  | 14,931    | 19 | 4  |
| Joseph Hornby do. do.                   | 22,548     | 5  | 6  | 1,352     | 17 | 10 |
| George Snell do. do.                    | 10,894     | 14 | 5  | 653       | 13 | 6  |
| Bernard Turner do. do.                  | 16,275     | 9  | 8  | 976       | 10 | 6  |
| Jeremiah Snow do. do.                   | 59,780     | 18 | 8  | 3,586     | 17 | 0  |
| John Lindsey do. do.                    | 85,832     | 17 | 2  | 5,149     | 17 | 4  |
| Robert Welstead do. do.                 | 11,307     | 12 | 1  | 678       | 9  | 0  |
| Thomas Rowe do. do.                     | 17,615     | 17 | 8  | 1,056     | 19 | 0  |
| John Portman do. do.                    | 76,760     | 18 | 2  | 4,605     | 13 | 0  |
| John Collier do. do.                    | 1,784      | 6  | 4  | 107       | 1  | 1  |

The cause was at last carried by appeal to the house of lords, by whom the decision of the chancellor was reversed, on which occasion the patentees naturally expected that justice would be done to them; they were, however, doomed to be disappointed, as appears by an act of parliament passed in 1699, by which, in lieu of satisfying their demands, it was enacted that after the 25th of *December*, 1705, the hereditary revenue of the excise should stand charged with the annual payment of *three per cent.* on the principal sum contained in such letters patent, subject, however, to redemption, upon the payment of a moiety thereof, or £664,263.

The loss the bankers ultimately sustained in consequence of these proceedings may be stated thus:—

|                                                       |                 |
|-------------------------------------------------------|-----------------|
| To the original sum stopped in the exchequer in 1672, | £ 1,328,526 0 0 |
| To twenty-five years' interest, at six per cent.      | 1,992,750 0 0   |
|                                                       | <hr/>           |
|                                                       | £ 3,321,276 0 0 |

As by the above act, the demand of the bankers was reduced to the sum of £664,263, it follows that their losses amounted to about £2,700,000.

The above sum of £664,263 is the first item in our present national debt; and, indeed, is the only portion of it that was contracted prior to the revolution, at which period there was no national debt, no funds or stock guaranteed by the government in which parties might make secure investments; neither was there any national bank, consequently such as had saved money, and wished to improve it, either embarked their capital in trade, or lodged it with such houses as professed to allow interest for money.

Thus have I shown that the national debt originated in fraud and robbery; and if the schemes of some of our modern empirics were to be adopted, these would end in like manner.

W. J. LAWSON.

COMMERCE OF THE UNITED STATES.

Statement showing the amount of Exports of Domestic and Foreign Produce, and the amount of Imports, from and to each State and Territory, in the year ending 30th June, 1846.

EXPORTS.

|                           | Domestic Produce.     | Foreign Produce.  | Total.             |
|---------------------------|-----------------------|-------------------|--------------------|
| Maine.....                | \$1,318,099           | \$ 10,269         | \$ 1,328,368       |
| New Hampshire.....        | 4,997                 | 75                | 5,072              |
| Vermont.....              | 215,316               | 188,504           | 403,820            |
| Massachusetts .....       | 7,837,015             | 2,476,103         | 10,313,110         |
| Rhode Island.....         | 220,019               | 4,345             | 224,364            |
| Connecticut.....          | 765,912               | 10,000            | 775,912            |
| New York.....             | 29,585,866            | 7,349,547         | 36,935,413         |
| New Jersey.....           | 4,087                 |                   | 4,087              |
| Pennsylvania. ....        | 4,157,918             | 593,087           | 4,751,005          |
| Delaware.....             | 144,045               | 2,177             | 146,222            |
| Maryland.....             | 6,744,110             | 124,945           | 6,809,055          |
| District of Columbia..... | 913,701               | 1,213             | 914,914            |
| Virginia.....             | 3,528,963             | 336               | 3,529,229          |
| North Carolina.....       | 414,398               |                   | 414,398            |
| South Carolina.....       | 6,829,535             | 18,942            | 6,818,477          |
| Georgia.....              | 2,708,003             |                   | 2,708,003          |
| Florida.....              | 137,509               | 38,909            | 176,448            |
| Alabama.....              | 5,260,317             |                   | 5,260,317          |
| Louisiana... ..           | 30,747,523            | 528,171           | 31,274,704         |
| Ohio.....                 | 352,630               |                   | 352,630            |
| Michigan.....             | 251,890               |                   | 251,890            |
| <b>Total.....</b>         | <b>\$ 102,141,893</b> | <b>11,346,623</b> | <b>113,488,516</b> |

IMPORTS.

|                    | In American vessels. | In Foreign vessels. | Total.     |
|--------------------|----------------------|---------------------|------------|
| Maine.....         | \$ 674,146           | \$ 112,946          | \$ 787,092 |
| New Hampshire..... | 10,936               | 4,549               | 15,485     |
| Vermont.....       | 127,223              |                     | 127,223    |
| Massachusetts..... | 9,256,942            | 4,834,021           | 24,193,963 |
| Rhode Island.....  | 208,045              | 2,444               | 21,489     |
| Connecticut.....   | 403,775              | 9,703               | 413,478    |
| New York.....      | 65,903,763           | 8,350,520           | 74,254,283 |
| New Jersey.....    |                      | 635                 | 635        |
| Pennsylvania.....  | 7,519,545            | 469,851             | 7,989,396  |
| Delaware.....      | 11,215               |                     | 11,215     |
| Maryland.....      | 3,777,086            | 265,829             | 4,042,915  |

|                           | In American vessels  | In Foreign vessels. | Total.                |
|---------------------------|----------------------|---------------------|-----------------------|
| District of Columbia..... | 72,338               | 7,432               | 79,770                |
| Virginia.....             | 202,884              | 6,120               | 209,004               |
| North Carolina.....       | 239,333              | 3,526               | 242,859               |
| South Carolina.....       | 833,294              | 69,242              | 902,536               |
| Georgia.....              | 158,218              | 47,277              | 205,495               |
| Florida.....              | 96,419               | 44,165              | 140,584               |
| Alabama.....              | 119,368              | 140,239             | 259,607               |
| Louisiana.....            | 6,027,281            | 1,195,809           | 7,223,090             |
| Mississippi.....          | 831                  |                     | 831                   |
| Tennessee.....            | 3,412                |                     | 3,412                 |
| Missouri.....             | 73,569               |                     | 73,569                |
| Ohio.....                 | 98,985               | 3,729               | 102,714               |
| Kentucky.....             | 32,958               |                     | 32,958                |
| Michigan.....             | 154,406              | 522                 | 154,928               |
| Texas.....                | 2,201                | 15,065              | 17,266                |
| <b>Total.....</b>         | <b>\$106,088,173</b> | <b>\$15,633,634</b> | <b>\$ 121,691,797</b> |

Statement showing the amount of Tonnage Entered and Cleared in each State, distinguishing between American and Foreign, in the year ending 30th June, 1846.

## TONNAGE ENTERED.]

|                           | American.    |                  | Foreign.     |                | Total.        |                  |
|---------------------------|--------------|------------------|--------------|----------------|---------------|------------------|
|                           | No.          | Tons.            | No.          | Tons.          | No.           | Tons.            |
| Maine.....                | 324          | 60,109           | 901          | 70,938         | 1,225         | 131,047          |
| New Hampshire.....        | 6            | 2,153            | 53           | 3,385          | 59            | 5,898            |
| Vermont.....              | 304          | 76,125           |              |                | 304           | 76,125           |
| Massachusetts.....        | 1,178        | 297,683          | 1,738        | 154,537        | 2,966         | 422,220          |
| Rhode Island.....         | 84           | 17,884           | 3            | 221            | 87            | 18,105           |
| Connecticut.....          | 122          | 25,494           | 54           | 6,017          | 176           | 31,511           |
| New York.....             | 3,969        | 1,198,734        | 1,963        | 431,366        | 5,932         | 1,630,100        |
| New Jersey.....           |              |                  | 1            | 132            | 1             | 132              |
| Pennsylvania.....         | 346          | 78,843           | 53           | 9,268          | 399           | 88,111           |
| Delaware.....             | 5            | 593              |              |                | 5             | 593              |
| Maryland.....             | 319          | 65,563           | 111          | 24,343         | 430           | 89,906           |
| District of Columbia..... | 32           | 5,923            | 25           | 2,981          | 57            | 8,814            |
| Virginia.....             | 72           | 11,945           | 17           | 2,967          | 89            | 14,912           |
| North Carolina.....       | 185          | 26,474           | 24           | 3,029          | 209           | 29,503           |
| South Carolina.....       | 162          | 33,096           | 76           | 25,622         | 238           | 58,718           |
| Georgia.....              | 59           | 13,444           | 77           | 44,516         | 136           | 57,960           |
| Florida.....              | 101          | 8,078            | 80           | 1,071          | 181           | 9,149            |
| Alabama.....              | 69           | 24,722           | 89           | 52,468         | 158           | 77,190           |
| Louisiana.....            | 656          | 203,913          | 266          | 111,874        | 922           | 315,787          |
| Ohio.....                 | 90           | 7,866            | 41           | 4,818          | 140           | 12,684           |
| Michigan.....             | 16           | 1,327            | 122          | 26,694         | 138           | 28,021           |
| Texas.....                | 3            | 785              | 13           | 3,552          | 16            | 4,337            |
| <b>Total.....</b>         | <b>8,111</b> | <b>2,151,114</b> | <b>5,707</b> | <b>959,739</b> | <b>13,818</b> | <b>3,110,853</b> |

ARCHBISHOPS AND BISHOPS OF ENGLAND.

With the dates of their consecration and translation to the see, and the annual value of each see, as reported by the commissioners for inquiring into Ecclesiastical revenues. (From the Royal Calendar of 1847.)

To which is now added the number of benefices and the gross income from each see. (From the American Almanac 1847.)

|                 |      | <i>Archbishops.</i>              |                              | Value.  | No. of     | Gross    |
|-----------------|------|----------------------------------|------------------------------|---------|------------|----------|
|                 |      |                                  |                              |         | Benefices. | Income.  |
| 1813            | 1828 | Rt. Hon. William Howly, D. D.    | Canterbury,                  | £17,000 | 346        | £129,946 |
| 1791            | 1808 | Rt. Hon. Edw. Harcourt, D. C. L. | York,                        | 10,000  | 891        | 223,220  |
| <i>Bishops.</i> |      |                                  |                              |         |            |          |
| 1824            | 1828 | Rt. Hon. C. J. Bloomfield, D. D. | London,                      | 11,700  | 640        | 267,662  |
| 1831            | 1836 | Edward Maltby, D. D.             | Durham,                      | 8,000   | 192        | 74,557   |
| 1826            | 1827 | Charles Richard Sumner, D. D.    | Winchester,                  | 10,500  | 419        | 153,995  |
| 1820            | 1827 | John Kaye, D. D.                 | Lincoln,                     | 4,000   | 1,251      | 373,976  |
| 1824            | 1830 | Christopher Bethell, D. D.       | Bangor,                      | 4,000   | 123        | 35,064   |
| 1827            |      | Hon. Hugh Percy, D. D.           | Carlisle,                    | 3,000   | 124        | 22,487   |
| 1827            |      | George Murray, D. D.             | Rochester,                   | 5,000   | 94         | 44,565   |
| 1827            |      | Edward Copleston, D. D.          | Llandaff,                    | 1,000   | 192        | 36,347   |
| 1828            |      | John Bird Sumner, D. D.          | Chester,                     | 3,250   | 630        | 120,310  |
| 1829            | 1845 | Hon. Richard Bagot, D. D.        | Bath and Wells,              | 5,000   | 430        | 120,310  |
| 1830            |      | James Henry Monk, D. D.          | Gloucester and<br>Bristol,   | 3,700   | 563        | 158,608  |
| 1830            |      | Henry Phillpotts, D. D.          | Exeter,                      | 2,700   | 613        | 194,181  |
| 1836            |      | Charles Thomas Longly, D. D.     | Ripon,                       | 4,500   |            |          |
| 1837            |      | Edward Denison, D. D.            | Salisbury,                   | 5,000   | 397        | 134,255  |
| 1837            |      | Edward Stanley, D. D.            | Norwich,                     | 4,465   | 1,026      | 331,750  |
| 1837            |      | Thomas Musgrave, D. D.           | Hereford,                    | 4,200   | 321        | 93,552   |
| 1839            |      | George Davys, D. D.              | Peterborough,                | 4,500   | 293        | 98,381   |
| 1840            |      | Connop Thirlwall, D. D.          | St. David's,                 | 2,500   | 409        | 60,553   |
| 1840            | 1841 | Henry Pepys, D. D.               | Worcester,                   | 5,000   | 223        | 73,255   |
| 1842            |      | Ashhurst Turner Gilbert, D. D.   | Chichester,                  | 4,200   | 267        | 82,673   |
| 1843            |      | John Lansdale, D. D.             | Litchfield,                  | 4,500   | 610        | 170,104  |
| 1845            |      | Thomas Turton, D. D.             | Ely,                         | 5,500   | 150        | 56,495   |
| 1845            |      | Samuel Wilberforce, D. D.        | Oxford,                      | 5,000   | 196        | 51,896   |
| 1846            |      | Thomas Vowler Short, D. D.       | St. Asaph,<br>Sodor and Man, | 5,300   | 143        | 42,592   |
|                 |      |                                  |                              | 2,000   | 23         | 3,727    |

**BISHOPS.**—The name was given by the Athenians to those who had the inspection of the city. The Jews and Romans had also a like officer; but now it means only that person who has the government of church affairs in a certain district. In England, the dignity is coeval with Christianity. St. Peter, the first bishop of Rome, was martyred A. D. 33. The bishops of Rome assumed the title of pope in 138. The rank was anciently assumed by all bishops; but it was afterwards ordained that the title of pope should belong only to the occupant of St. Peter's chair.—*Warner.*

**BISHOPS OF ENGLAND.**—The first was appointed in A. D. 180. They were made barons, 1072. The *Congé d'Elire* of the king to choose a bishop originated in an arrangement of king John with the clergy. Bishops were elected by the king's *Congé d'Elire*, 26 Henry VIII, 1535. Seven were deprived for being married, 1554. Several suffered martyrdom under queen

Mary, 1555-6. Bishops were excluded from voting in the house of peers on temporal concerns, 16 Charles I, 1640. Twelve were committed for high treason, in protesting against the legality of all acts of parliament passed while they remained deprived of their votes, 1641. Regained their seats, Nov. 1661. Seven were sent to the tower for not reading the king's declaration for liberty of conscience, contrived to bring the Catholics into ecclesiastical and civil power, and were tried and acquitted, June 29-30, 1688. The archbishop of Canterbury, (Dr. Sancroft,) and five bishops were suspended for refusing to take the oath to William and Mary, 1689, and were deprived, 1690.—*Warner's Eccles. Hist.* The sees of Bristol and Gloucester were united, and that of Ripon created, in 1836; and by an order in council, issued in October, 1838, the sees of Bangor and St. Asaph are to be united on the next vacancy in either, and Manchester, a new see, is to be created thereupon.

**BISHOPS OF IRELAND.**—Bishops are said to have been consecrated in this country as early as the second century. The bishopric of Ossory, first planted at Saiger, was founded A. D. 402, thirty years before the arrival of St. Patrick. The bishopric of Trim has been named as the first by some writers, although not erected before *anno* 432. Prelacies were constituted, and divisions of the bishoprics in Ireland made, by cardinal Paparo, legate from pope Eugene III, A. D. 1151. Several prelates were deprived by queen Mary, 1554. One suffered death ignominiously, 1640. Two were deprived for not taking the oaths to William and Mary, 1691. One was deprived, (*Clogher*), in 1822. The Church Temporalities Act, for reducing the number of bishoprics in Ireland, 3 and 4 William IV, August, 1833. By this statute, of the four archbishoprics, of Armagh, Dublin, Tuam and Cashel, the last two were abolished on the decease of the then archbishops, which has since occurred; and it was enacted that eight of the then eighteen bishoprics should, as they became void, be thenceforth united to other sees. Since the passing of the above act, six bishoprics have fallen in, and have been united to the respective sees, in compliance with it—namely, Raphoe, Clonfert, Killala, Ossory, Waterford and Cloyne—up to 1845.

**BISHOPS OF SCOTLAND.**—They were constituted in the fourth century. The see of St. Andrew's was founded by Hergustus, king of the Picts, who, according to a legendary tale of this prelacy, encouraged the mission of Regulus, a Greek monk of Patræ, about A. D. 370. The bishops were deprived of their sees, and episcopacy abolished in Scotland, at the period of the revolution, 1688-9.—*Warner's Eccles. Hist.* There are now, however, six bishops belonging to the Scotch Episcopal Church, viz. Aberdeen, Brechin, Edinburgh, Glasgow, Moray and St. Andrew's.

**PRECEDENCY OF BISHOPS**, was settled by statute 31 Henry VIII, to be next to viscounts, they being barons of the realm, 1540; and they have the title of *Lord*, and *Right Rev. Father in God*. The archbishops of Canterbury and York, taking place of all dukes, have the title of *Grace*. The bishops of London, Durham and Winchester have precedence of all bishops; the others rank according to the seniority of consecration. A late contest in Ireland, between the bishops of Meath and Kildare, for precedence, was decided in favor of the former, who now ranks after the archbishop of Dublin. The others rank according to consecration.

**BISHOPRIC OF MANCHESTER.**—An order in council was published in the *London Gazette*, in October, 1838, declaring that the sees of St. Asaph and Bangor shall be united on the next vacancy in either, and that upon the occurrence of that event the bishopric of Manchester shall be immediately created within the jurisdiction of the archiepiscopal see of York; and that the county of Lancaster shall form the see of the new bishop.

## LEGAL MISCELLANY.

From Robinson's Reports of Decisions in the Supreme Court of Louisiana, vol. xii, 1846.

## BANK.

1. The seventh section of the statute of Mississippi, of February 21, 1840, prohibiting the banks of that state from transferring, by endorsement or otherwise, any note, bill receivable, or other evidence of debt, and the second section of the statute of February 22, 1840, requiring that they shall at all times, receive their own notes at par, in payment of any debts due them by bill or otherwise, are constitutional and do not impair the obligation of any contract; and where a judgment obtained by a Mississippi bank, has been seized by a creditor of the bank, the debtor is still entitled to discharge it in notes of the bank, at par. *Williams v. Planters' Bank*, 125.

2. Interrogatories propounded to a bank, as a party to an action, should be answered by the president of the bank; answers by the cashier alone, are insufficient.—*Commercial Bank of Natchez, v. Grice* 181.

3. The statute of Mississippi of February 21, 1840, which prohibits (37) the banks of that state from transferring, by endorsement, or otherwise, any note, bill receivable, or other evidence of debt, renders any general assignment by a bank so far as such choses in action, are concerned, illegal, *Per curiam*. The remedy would not have been co-extensive with the evils, if, while the assignment of a particular chose in action was forbidden, a bank should make a general assignment, of all such property possessed by it.—*Marshall v. Grand Gulf Rail Road and Banking Co.* 198.

4. The illegality of an assignment made by a bank in the state of Mississippi, in violation of the seventh section of the statute of February 21, 1840, prohibiting the transfer of any note, bill, or other evidence of debt, may be set up by a creditor of the bank, who has attached its property, where the assignment is pleaded as a means of defeating the attachment. The provision of that section, that any action on a bill, note, or other evidence of debt, so transferred, shall abate on the plea of the defendant, does not restrict to a debtor of the bank, the right to plead the illegality of such a transfer.—*Ibid.*

5. Commissioners appointed under the act of March 14, 1842, ch. 98, to liquidate a bank, may maintain an action against the late officers and directors for damages, for maladministration of its affairs.—Sections, 12, 24, *Per curiam*. Any action against bank directors, for maladministration may be maintained by their successors, and any action which the directors might have maintained while the corporation was in existence, to increase the fund out of which the debts of the body corporate, are to be paid, may be instituted by the commissioners, after its dissolution.—*French v. Landis*, 633.

## Transfer.

1. Parol proof that a promissory note payable to the order of the donor, and by him endorsed in blank, was delivered to plaintiff as a gift, is insufficient to enable her to hold it as a gratuitous donation *inter vivos*. Such a donation must be by an act before a notary, in the presence of two witnesses. C. C. 1523.—*Morres v. Compton*, 76.

## Accommodation Endorsers.

2. An accommodation endorser of a note is not a surety in the meaning of art. 3518 of the civil code, which declares, that a citation served on the principal debtor, or his acknowledgment, interrupts prescription as to the

surety, *Per curiam*. The suretyship between an accommodation endorser, and the maker of a note exist only as between themselves, as to the holder, their liability depends on the rules applicable to negotiable instruments in general.—*Jacobs v. Williams*, 183.

*Presentment for Payment and Protest.*

3. Notice, orally delivered, to an endorser of a note on the day of its maturity, but after business hours, that the note would be protested on that day unless it were paid, or some arrangement made, is insufficient to bind the endorser. An endorser can only be made liable where the note has been duly protested for non-payment, after demand and presentation at the place where it was made payable, and written notice of the non-payment and protest.—*Union Bank v. Fontaineau*, 120.

4. Notice of the non-payment and protest of a note, given to an endorser, residing in the town in which the note was payable, two days after the protest, is insufficient.—*Ibid.*

5. The holder of a bill protested for non-payment, is not bound to send a notice directly to all the parties to it. If such notice be sent, it will enure to the benefit of any endorser who may pay the bill, in an action against previous endorsers or the drawer. It is sufficient for the holder to give notice to his immediate endorser, leaving it to the latter to notify the next endorser, and so on to the drawer, one day being allowed to each party to notify his immediate endorser or the drawer. The rule is the same where a note or bill is sent by the holder to his agent for collection. If the latter give timely notice of dishonor to his principal, it is sufficient; and a notice from the principal, timely sent, will suffice to charge any prior party. The agent's knowledge of the endorser's residence, does not make it necessary for him to send a notice directly to the endorser.—*Grand Gulf Rail Road and Banking Company v. Barnes*, 127.

6. A notice of protest sent to an endorser at the post-office at which he usually received his letters and papers, at the time of the protest, and which was in the parish in which he resided, is sufficient; though it be proved that there was another office in an adjoining parish nearer to his residence, at which the endorser, at a previous period, had been in the habit of receiving his letters and papers, there being no evidence to show that he continued to receive any letters or papers there at the date of the protest.—*Ibid.*

7. The drawer of a bill, on the face of which there was a waiver of acceptance, is not entitled to notice of its dishonor and will not be discharged by its omission, where he had no funds in the hands of the drawee, but was to place the latter in funds to pay the bill at maturity, and it was not expected that the drawee would pay without such deposit; but the bill must be presented for payment on the last day of grace or he will be released.—*English v. Wall*, 132.

Money placed in the hands of a cashier of a bank, to be transmitted to a branch, having been lost through his negligence, to protect himself from suspicion, he gave his notes for the amount, endorsed by a third person, the surety on the bond given by the cashier, for the faithful discharge of his official duties. The notes having been paid by the endorser, in an action by the latter to recover the amount paid on the ground of error and illegality or want of consideration. *Held*, that the consideration for which the notes were given, was not illegal; and that the obligation of the cashier to make good any loss occasioned by his neglect, if not a legal obligation, was, at least, a natural one, and sufficient to prevent the endorser from recovering back the amount paid by him.—*C. C. 2281, 2288.*

A promise to pay pre-supposes a consideration. It is for the party seeking to avoid the promise to show that there was no consideration. The burden of proof is on the party affirming.

Fraud will not be presumed, like other allegations, it must be proved; but it may be proved by circumstantial, as well as by direct evidence; by simple, as well as by legal presumptions.—C. C. 1842.

The verdict of a jury must be set aside where evidently wrong.—*Bernard Mangins v. the Union Bank of Louisiana.*

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#### BILLS OF EXCHANGE AND PROMISSORY NOTES.

John Brouwer, receiver to the Croton Insurance Co. *v.* J. Leander Starr.

This was an action on a note for \$ 5228, given by the defendant as his subscription to the above named company. The defence set up was that under the company charter, the defendant was not liable for this note, as it had never been passed by the company in payment of any of their liabilities, nor had the defendant received any consideration for it.

The court said that the defendant could not set up a want of consideration. The defendant had given his note as his subscription to a public company with a view of making money by it, and received 5 per cent. interest on it. This was a consideration for the note, and if the company was unfortunate, or he acted imprudently in paying his subscription, that did not alter the case. The public had dealt with the company on the faith of this and similar subscriptions, and the court had no doubt but that in all such cases the makers of the notes were liable for them. Verdict for the plaintiff, \$ 5248. For plaintiff, J. N. Taylor. For defendant, J. Hone. *Superior Court of New York, Oakley, Judge, 1847.*

Joseph Cowperthwaite *v.* George E. Sheffield, impleaded with Newton St. John.—This was an action on two bills of exchange (the plaintiff representing the Bank of England) for £1000 each, dated Mobile, Feb. 28, 1837, drawn by Jas. & Joseph Reid, at 60 days, on Messrs. Kelly & Co. of Glasgow, and endorsed by Jos. E. Sheffield & Co. J. R. St. John & Co. and Thomas Wilson & Co. The facts in the case are, that the bills were drawn on the faith of shipments of cotton to Messrs. Kelly, who received and sold the cotton, but apprehending that the proceeds of the cotton might not cover all the bills drawn against it, they did not accept these, and the bills went in to the Bank of England. The Messrs. Reids failing, one of them went on to Glasgow to have a settlement with Messrs. Kelly, and it was ascertained that there was a balance due Messrs. Reid of £ 4,500 exclusive of the bills now in suit which had not been accepted—and it appeared that all the bills drawn by Reid & Co. on Messrs. Kelly amounted to less than this sum of £ 4,500. As several of the bills drawn against this cotton were out in other hands, Messrs. Kelly declined paying the money to them, but it was deposited in the Bank of Liverpool to meet them as they came due.

The bills in suit, as well as others not drawn on Messrs. Kelly, were in the Bank of England, and not being paid at maturity, suit was commenced, and the money in the Bank of Liverpool was attached, and was applied to the payment of other bills drawn by Messrs. Reid, leaving those in suit unpaid. The bills were then sent to this country for collection, and this action was instituted. The defendants claim that the bills being drawn against shipments of cotton, the proceeds of that cotton were to be considered as assigned specially to meet them, and they deny the right of the Bank of England to appropriate them to any other than the payment of these bills.

Various questions were mooted, as to the sufficiency of the notice to the endorsers—the absence of the bills—the neglect of a formal demand, &c; but the principal question was as to the right of the Bank of England to appropriate the balance due to Messrs. Reid, and set it apart to meet bills drawn against specific shipments to any other payments. They further insisted that Messrs. Kelly, being in possession of funds to meet all the bills drawn against this specific shipment, by Messrs. Reid, the endorsers were discharged from their liability.

All these questions were reserved for the consideration of the full bench, and a verdict was taken by consent for the plaintiff for \$ 17,817 56, subject to the opinion of the court, with leave to turn the case into a bill of exceptions. For plaintiff—Mr. Blatchford and J. Prescott Hall. For defendant—Messrs. John Anthon and S. W. Clerke.—*Superior Court of N. Y., Oakley, Judge, 1847.*

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#### BILLS OF EXCHANGE—BANKRUPTCY, ETC.

The following decision in the "Court of Review," June 17th, 1846 is derived from the London (Eng.) Morning Herald, of June 18th :—

*Ex parte Chamberlain, in re Giro.*—This was a petition, the object of which was to obtain the restoration to the petitioners of four bills of exchange, amounting to £ 8,650. The petitioners were Messrs. Chamberlain, Phelps, and Lawrence, merchants, of New York. The respondents were the assignees of James Giro, a merchant, in London, who had formerly been largely connected with Spanish houses. It appeared that Messrs. Chamberlain & Co. had been engaged extensively in business with one Piera, of Sicily, and with other firms in the Mediterranean, and had arranged with Giro for the purpose of giving the Mediterranean consigners the necessary credits. The course of business between Mr. Giro and Messrs. Chamberlain & Company was, that the former, from time to time, gave his acceptances in payment for the consignment forwarded from the Mediterranean houses to England; that Giro advised the petitioners of the dates and amounts of such acceptances and the petitioners remitted to him funds and acceptances necessary to meet the sums from time to time paid. Giro received £ 1 per cent. commission for his trouble. The bills in question were remitted from New York on the 26th February last, and were received by Giro on the 16th of the following month. On the 18th of March, Giro had advised Messrs. Chamberlain & Co. of his intention to stop payment in consequence of the failure of a house in Cadiz. The fiat in the present bankruptcy was issued on the 21st of March. The acceptances of Giro, which he had given to the Mediterranean consigners, when dishonored, were taken up by the house of Baring & Co. on behalf of the petitioners. These were the only dealings between the parties.

Mr. Russell and Mr. Cairns, in support of the petition, upon the authority of "*Jombart v. Wollett*," (See p. 230, Bank. Mag.) and other cases, as also upon the facts disclosed upon the petition and by affidavits, contended that the bills ought not to be allowed to go to the creditors at large, but ought to be delivered up by the assignees to the petitioners.

Mr. Swanston and Mr. Rogers, on behalf of the assignees, insisted that the property in the bills had passed by delivery, there being mutual debts and credits between the parties at the time. They read the affidavits of merchants, for the purpose of showing that, according to the custom of merchants in London, Giro was justified in treating the remittances, made by the petitioners from time to time, as general remittances, and using the pro-

ceeds for the general purposes of his business as a merchant, and that he was not bound to make a specific appropriation of them.

The chief judge said the question before him was one simply of fact, the law being clear. He was satisfied upon the evidence that the nature of the contract between the American house and the London house was such, that the bills remitted from the former to the latter did not, when received, become absolutely, in all senses, and for all purposes, the property of the latter. By the contract between the parties, Mr. Giro acquired only a limited and qualified property in them, subject to this qualification—that Messrs. Chamberlain & Co. discharged all the obligations and liabilities of Mr. Giro on their behalf. The bills in question, therefore, passed to the assignees in the same state, in point of right, as that in which the bankrupt held them. The petitioners were, therefore, entitled to have their bills on discharging all obligations between them and the bankrupt. The general creditors, by their assignees, had entered into this contest upon insufficient grounds, although properly and without blame; and failing, they must pay the costs.

#### BROKER'S COMMISSION ON HOUSES SOLD FOR AN ADVANCE ON MORTGAGE.

In the Superior Court, New York city, June 16, 1846, Judge Jones presiding. *W. C. Atwell v. J. G. Wilson.*

This was an action, to recover commission, at the rate of 1 per cent. on \$30,000, being the price of three houses and lots on the third avenue, sold by plaintiff for defendant. It appeared that this property was sold subject to a previous mortgage, amounting to \$15,000, and it was contended that the broker should not charge commission except on the amount for which the property sold, over and above the mortgage. The court was of opinion that the broker was entitled to charge commission on the full amount for which the property sold, including the amount of the mortgage. Verdict for plaintiff, \$300.

#### PROMISSORY NOTES.

In the High Court of Errors and Appeals, State of Mississippi, November, term, A. D. 1844. *Payne, Green and Wood v. Baldwin, Vail and Hufty.*

Chief Justice Sharkey delivered the opinion of the court.

Baldwin, Vail and Hufty instituted this suit against the plaintiffs in error on two promissory notes, each for the sum of \$6,253 75, payable at the Merchants' Bank in New Orleans, one at sixty, and the other at ninety days from the 14th of December, 1839.

The jury returned a special verdict, by which it appears that the two notes were made on the 4th of December, 1839, by James Payne, Abner E. Green, and Robert Y. Wood, and on the same day delivered to the Mississippi Railroad Company, for and on account of Payne; and that the notes were discounted by the company under their banking powers on the same day, at the instance of Payne, who received the proceeds, and the company became thereby the holders of the notes, which were presented for payment at maturity, and on payment being refused, were protested, and remain unpaid. The Mississippi Railroad Company being indebted to Baldwin, Vail and Hufty, on the 1st day of April, 1841, transferred to them the notes in payment of the debt. If upon these facts, the law was for the plaintiffs, then they found for them, but if the law was for the defendants, then they found

for them. The court gave judgment for the plaintiffs, and the defendants brought up the case by writ of error, and the sole question is, had the bank, at the time mentioned, a right to transfer its negotiable securities, in the face of an act of the legislature, previously passed, prohibiting such a transfer?

The language of the prohibition is as follows: "That it shall not be lawful for any bank in this state to transfer, by endorsement or otherwise, any note, bill receivable, or other evidence of debt, and if it shall appear in evidence upon the trial of any action upon any such note, bill receivable, or other evidence of debt, that the same was so transferred, the same shall abate upon the plea of the defendant." This, it is insisted, is in violation of that provision in the constitution of the United States which declares that no state shall pass any law impairing the obligation of contracts, and therefore void, inasmuch as it impairs a right conferred upon the bank by its charter to transfer promissory notes.

Government is designed for the happiness and safety of the people; for their security in the enjoyment of whatever right they may have acquired; and it is immaterial whether the right has been acquired by grant from the state or from an individual. The state must observe good faith as well as individuals; and she can no more withdraw what she has granted than can an individual, unless she has reserved the power to do so. She may grant upon condition express or implied, and the right may be forfeited; but it cannot be withdrawn at pleasure. The parliament of Great Britain claims to be omnipotent, and may possess the right to annul corporate rights; but it does not exercise it. Our constitutional provisions were designed as checks against the exercise of any power which is destructive of private vested rights.

A bank charter is as good an example of a contract within the meaning of the constitution, as any that could be given. The state either voluntarily tenders, or grants on the application of individuals, it is immaterial which, individuality and immortality to an artificial or legal person, and confers upon it certain powers, on the condition of acceptance and investment, for the purpose of carrying out the objects of the charter. When it is accepted and acted under, the privileges secured or granted, are irrevocable; as much so as if the grant had been made to a private individual; and it is immaterial whether the benefit to the state is actual or ideal; it may even prove injurious; but this will not alter the irrevocability of the contract. The state must always keep its proffered faith.

These views accord with the decision of the Supreme Court of the United States in the case of the Providence Bank v. Billings & Petman. 4 Peters, 514. The bank insisted that it was exempt from the operation of a law subsequently passed, imposing a tax on bank stock. It was held that the taxing power was important to the government, and that nothing but an express exemption would exonerate property of the bank from the general power of the legislature to impose taxes on it. This may be said with truth of all the legitimate subjects of legislation; they are important to the government, some, it is true, more so than others; and we cannot assume that any branch of it has been abandoned, without an express declaration to that effect. "The power of legislation," said the Supreme Court, "and consequently of taxation, operates on all persons and property belonging to the body politic. This is the original principle which has its foundation in society itself. It is granted by all, for the benefit of all. It resides in government as a part of itself, and need not be reserved when property of any description, or the right to use it in any manner, is granted to individuals or corporate bodies." Another portion of the opinion in the case referred to,

which was delivered by Chief Justice Marshall, will apply to the present case with still greater force. "The great object of an incorporation is to bestow the character and properties of individuality on a collective and changing body of men. This capacity is always given to such a body. And privileges which may exempt it from the burthens common to individuals do not flow necessarily from the charter, but must be expressed in it, or they do not exist." For this corporation is claimed a privilege—the privilege of exemption from legislative action, one of the legitimate subjects of legislation. Such a privilege is not expressed in the charter, and, therefore, does not exist. They claim that the law regulating the negotiability of promissory notes shall remain as it stood when the charter was given. The alteration of the law does not deprive the corporation of any granted franchise; it does not take away from it any of its property or effects; it does not impair the obligation of any contract that had been made. The assignment of a note is a new contract, the power to make which was derived from the law; and the new law simply takes this power from the corporation. It amounts, at most, to a mere modification of the use that may be made of a promissory note, leaving the corporation full power to use their notes according to their legal effect. The obligation of the contract, in this instance, is the duty the state is under to secure to the corporation the full enjoyment of all that was granted; but it is no part of the obligation that the state should withdraw its power of legislating on proper subjects for legislative action, because by such legislation a particular kind of property, which the corporation may hold, may be rendered less useful.

For these reasons, we think the law on the special verdict was for the defendants, and there is nothing in the pleadings which can change the judgment. Judgment reversed, and judgment for the defendants.

#### BILLS OF EXCHANGE AND BILLS OF LADING.

*Held*, that as a general rule, where a bill of exchange is accompanied by a bill of lading, the holder of the bill of exchange, upon the acceptance of the bill, is bound to surrender to the acceptor the bill of lading. The right to retain the bill of lading is analogous to that of stoppage in transitu, and is subject to the same modifications.

Mere suspicion is no ground to justify the withholding the bill of lading; there must be manifest embarrassment in the affairs of the drawee.

The right to withhold the bill of lading is exercised at the risk of damages, in case it should turn out that the drawee was not insolvent, or in failing circumstances.

A custom or usage of trade is a rule in relation to contracts, adopted by parties having opposite interests; it must be known, recognized, and assented to by both parties: it is absolute, imperative, and universal, in favor of and against all parties to the contract, when there is no express agreement to the contrary.

Where a correspondent in a commercial transaction clearly violates his orders, and a loss ensues, the loss is thrown upon him, without any inquiry whether the loss would have been greater or less, if the instructions had been followed.—*Lanfear et al. v. Blossam*, Commercial Court of N. O. January, 1847.

Where a promissory note has been mutilated of its signature, if the facts shown explain the mutilation, it is not necessary, in Massachusetts, that the party suing on it should first apply to a court of equity for a complete instrument.—*Spencer v. Bemis*, Massachusetts Court of Common Pleas.

A negotiable note payable to order, is transferable by delivery merely, so that the party receiving it may be authorised to demand payment of it and deliver it up to the maker, though it is undorsed.—*Ibid*.

Possession of a negotiable note is *prima facie* evidence of title and ownership in the holder. Therefore, where the makers of a note, payable to order, took it up in good faith from a party presenting it for payment, the note bearing on it an endorsement alleged to be forged, it was *held*, on the question of rightful payment

by the makers, that the party presenting it was to be presumed to have authority to receive payment for it and deliver it up; and that proof of forgery of the endorsement would not be conclusive against his right to bind the payee by his acts. If a negotiable promissory note be stolen or lost, and paid by the makers in good faith on a forged endorsement, it seems that a delay of eighteen months and upwards by the payee to notify the makers of his loss, (it not being shown when he first discovered it,) is not such absolute evidence of negligence on his part, as to prevent his recovering the value of the note from the makers.—*Ibid.*

To prove forgery of a party's hand-writing, other specimens of it, though not belonging to the case, or admitted to be genuine, may be introduced in evidence on collateral proof of their genuineness.—*Ishi Spencer v. Seth Bemis et al*, Mass. Reports Common Pleas, 1846.

A bank that receives from another bank, for collection, a note endorsed by the cashier of that bank, is bound to present the note to the maker for payment, at maturity, and, if it is not paid, to give notice of non-payment to the bank from which the note was received; is not bound, unless by special agreement, to give such notice to the other parties to the note.—*Phipps v. Milbury Bank*, 8 Metcal's Massachusetts Reports, p. 79.

A party who brings an action against a bank, that is afterwards restrained by injunction, from further proceeding in its business, and whose property and effects are put into the hands of receivers, does not, by proving his claim before the receivers, but without receiving a certificate thereof, or taking a dividend, bar his right to proceed in the action.—*Watson v. Phenix Bk.* *Ibid.*

In a suit on a demand due from a bank, the plaintiff is entitled to recover interest thereon from the time of action brought, although the bank is afterwards restrained, by injunction, from proceeding in its business, and its property is put into the hands of receivers.—*Ibid.*

When the drawee of a bill of exchange, who resides in New York, writes a letter there to the drawer, who resides in this state, accepting the bill, which was drawn in this state, the contract of acceptance is made in New York, and is governed by the law of that state; and the bill must be presented there to the acceptor for payment.—*Worcester Bank v. Wells*, 8 Metcal's Massachusetts Reports, p. 107

By the law of New York, an acceptance of a bill of exchange, "written on a paper other than the bill, shall not bind the acceptor, except in favor of a person to whom such acceptance shall have been shown, and who, on the faith thereof, shall have received the bill for a valuable consideration." A. drew a bill on B. in New York, and procured it to be discounted at a bank: B. afterwards wrote a letter to A. accepting the bill, and A. exhibited the letter to the officers of the bank. *Held*, that the bank could not maintain an action against B. on his acceptance.—*Ibid.*

A promise to accept a bill of exchange is a chose in action, on which no one besides the immediate promisee can maintain a suit in his own name. *Ibid.*

*Malicious Arrest, Execution, &c.*—This was an action for a malicious arrest on execution. The first question which arose was, whether a corporation aggregate can be charged with malice; which was not decided, as the cause went off on other grounds. The plaintiff was a surety on a cashier's bond given to the defendants. Two of the co-sureties paid a certain sum on another bond for the default of the same cashier, and took a writing, in which it was agreed that they should not be called on by the creditor for any portion of the execution on which the plaintiff in this action was arrested. It was contended that this settlement between the creditor and the co-sureties discharged the execution, and that the arrest was therefore without probable cause and malicious. But the court decided that the facts proved were not a discharge of the execution; and the plaintiff was non-

sued.—*McLellan v. Bank of Cumberland*, Supreme Judicial Court of Maine, April, 1846.

The defendant having in his possession a promissory note payable to the plaintiffs, a banking corporation, or order, made by three persons, two of whom, whose names stood last, had added the word "surety" to their signatures, endorsed his own name on the back and procured it to be discounted at the plaintiff's bank; there being no proof of the origin of the note, *held*, that although among the makers the last two were sureties for the first, yet *all* the makers were the primary debtors of the plaintiff, and the defendant stood in the light of *their* surety, and was therefore entitled to show in his defence that the plaintiffs had, by an arrangement with the makers, extended the time of payment.—*Bank of Orleans v. Barry*, Denio's N. Y. Supreme Court Reports, vol. 1, p. 116.

A bill of exchange, drawn by one resident of this state upon another resident, is an inland bill of exchange.—*Kaskaskia Bridge Co. v. Shannon*, Gilman's Illinois Reports, vol. 1, p. 15.

2. In the case of inland bills of exchange, the notarial protest is not evidence of a demand of payment on the drawee, nor of notice of non-payment to the drawer.—*Ibid.*

3. The drawer and the drawee may be the same person in a bill of exchange; but, in such case, though a demand on the drawee is necessary, notice of non-payment to the drawer is unnecessary.—*Ibid.*

4. In a suit by endorsees against their immediate endorser for non-payment, proof of non-payment and notice are sufficient to sustain it.—*Bradshaw v. Hubbard*, *ibid.* 390.

5. In an action between an endorsee and his immediate endorser, the bill of exchange is evidence under the common count.—*Ibid.*

A. and B. gave a joint and several note. B. paid the note, after which his name was cut off, and suit commenced in the name of the payee, for the use of B. against A. At the request of the defendant, the court instructed the jury, that if they "believe from the evidence, that the note sued upon has been paid, the plaintiffs cannot recover:" *Held*, that the instruction was properly given.—*Gillett v. Sweat*, Gilman's Ill. Reports, vol. 1, p. 475.

1. A promissory note is subject to the *lex loci* where it is given.—*Dow v. Rowell*, 49, New Hampshire Reports, vol. 12.

2. Where a note is endorsed in a different government from that in which it was given, the endorsement is a new and substantive contract; and, as betwixt the endorser and endorsee, is subject to the laws of such government; but such endorsement cannot change the original liability of the promiser.—*Ibid.*

3. By the present statute of Vermont, the liability of parties to negotiable notes is subject to the ordinary rules of the common law.—*Ibid.*

4. Where a conveyance of land has been made by a deed, executed with covenants of warranty, and a note has been received in consideration of the conveyance, a partial failure of title will not constitute a defence to the note, but the remedy of the party must be by suit on the covenants of his deed.—*Chase v. Weston*, *ibid.* 413.

5. Where a promissory note is made payable generally, without any designation of the place of payment, the law of the place where it is made must determine the construction to be given to it, and the obligation and duty it imposes.—*Bank of Orange County v. Colby*, *ibid.* 520.

6. A note was made and dated at Boston, payable in twelve months. It was endorsed, and held by a bank in Vermont. At the end of the twelve months, a demand was made upon the maker, residing in Maine, and notice given to the endorser in this state. By the law of Massachu-

setts, the maker was entitled to grace. *Held*, that the demand was premature, and that the endorser was not liable.—*Ibid*.

If a note be made payable to a bank, for the purpose of being discounted there, but is discounted by an individual, with the assent of all the makers; the party receiving it may declare upon it as a note made payable to the bank, giving the bank an indemnity against costs; or he may declare upon it as made payable to himself, by the name of the bank. And it *seems* that he may, also, at his election, declare on it in his own name, as a note payable to the bearer, regarding the name of the payee as fictitious. If he can obtain a valid endorsement of it, by the bank, he may maintain an action as endorsee.—*Elliot v. Abbot, ibid, 549.*

8. The cashier of a bank, for the purpose of collection, may endorse notes belonging to the bank, and those lodged there for collection, or as collateral security.—*Ibid.*

9. But where a note made payable to a bank, is discounted and taken by a third person, the cashier cannot make a valid endorsement of the note, without authority from the directors, or from the corporation. And the separate assent of a majority of the directors, (without any meeting,) that he should make an endorsement, confers no authority upon the cashier for that purpose.—*Ibid.*

Where a note was made payable to "E. Moore, assignee of J. K. Van Ness," *held* that an endorsement by the payee, of his name without the addition, was sufficient, and passed the whole interest of the payee in the note.—*Bay v. Gunn, Denio's N. Y. Reports, vol. 1, 1846, p. 108.*

2. Where the endorsee and holder of a promissory note endorsed it to the plaintiff as collateral security for a debt of a less amount, due at a future day, and took the plaintiff's receipt for it, by which he agreed to return it upon payment of the debt, for which he took it as security, and to use all legal means to collect it ~~if~~ so directed by the party who transferred it to him; *held*, that the plaintiff could sue the maker on the note before the debt, for which he received it, had become due, without the direction of the party who transferred it to him, *ibid.*

3. The legal presumption is, that a promissory note is given in the course of business and for value, and that it is to be paid by the maker as the primary debtor.—*Bank of Orleans v. Barry, ibid. 116.*

4. The holder of a note made by a principal debtor and sureties, by an arrangement with the principal suffers the signature of one of the sureties to be erased; the note is still valid against such principal.—*The People v. Call, ibid. 120.*

5. Where, in a suit by the payee of a bill or note, the paper had been specially endorsed by the plaintiff to another, and there was no re-transfer by such other person, but the endorsement had been stricken out before the paper was offered in evidence; *held*, that the plaintiff was entitled to recover without explaining the endorsement or showing that they were made to create an agency for the purpose of collection.—*Dolfus v. Frosch, ibid. 367.*

6. Commercial paper payable in France, on a certain day named, will, in the absence of any proof respecting the law of that country, be held payable on the third day of grace—*Ibid.*

7. Where the drawer of a bill of exchange had no funds in the hands of the drawee, but was on the contrary indebted to him at the maturity of the bill; *held*, that the drawer, in an action on the bill, could not object the want of a due presentment of it for payment, and of notice of its dishonor, though there had been prior transactions between the drawer and drawee, and the former had before drawn on the latter, it appearing that

when the bill in controversy matured the accounts between the parties were unsettled and in litigation.—*Ibid.*

8. The endorsee of negotiable paper given to the payee for a simple contract debt, by a corporation whose stockholders are by its charter personally liable for its debts contracted while they were such stockholders, can maintain an action upon the statute in his own name for the debt against one who was a stockholder when it was contracted.—*Freeland v. McCullough, ibid.* 414.

9. The defendant for the accommodation of the plaintiff, made a promissory note payable to him in one year, without words of negotiability, and at the same time took from him an agreement to indemnify him against it; and the maker and payee then left it with a third person to be delivered to C., which was done; but there was no evidence upon what account or for what consideration it was delivered to C.; *held*, in an action on the note at the suit of the payee, that the defendant was not responsible for the want of proof that C. received it for a valuable consideration.—*Lee v. Swift, ibid.* 565.

10. Where a promissory note endorsed by the payee, for the accommodation of the maker, is negotiated by the latter in violation of an agreement between them, the holder cannot recover against such endorser unless he received the note in good faith, for a valuable consideration and without notice of the arrangement.—*Small v. Smith, ibid.* 583.

11. Where the holder of a note received it from the maker with notice that the endorser had become such under some arrangement or condition which had not been complied with; *held*, that he took it subject to such arrangement; and it appearing that the endorsement was made on condition that it should not be used until a particular act beneficial to the endorser had been performed, which had not been done; *held further*, that the holder could not recover against the endorser.—*Ibid.*

12. A bank at which a promissory note was made payable, received it from the holder for collection, and having an account with the maker, which was not however good for the amount, charged it to him and paid it to the holder, at the same time placing upon it a cancelling mark, which by the practice of the bank only denoted that it was charged. In a suit on the note by the bank as endorsee against the maker, *held*, that it was a subsisting security in the hands of the plaintiff, and authorized a recovery.—*The Waterliet Bank v. White, ibid.* 608.

13. So *held* where the note was made for the accommodation of an endorser upon it, who was *cashier* of the bank at which it was payable, and had promised the maker to provide for it.—*Ibid.*

14. Where a note is endorsed *in blank* by the payee, and is afterwards transferred by an endorsement *in full*, it is still transferrable by delivery, and a party to whom it is so transferred may make title by filling up the blank endorsement to himself, and striking out the subsequent ones.—*Ibid.*

15. An endorsement of a note in full, made to create an agency for its collection, may be stricken out by the holder.—*Ibid.*

16. An endorsement of a note by the holder in these words, "Pay to E. O., cashier, or order," made upon the purchase of it by the bank of which E. O. was cashier, is a legal transfer of the note to the bank.—*Per Jewett, J., ibid.*

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#### BANKRUPTS IN MASSACHUSETTS.

We have been favored, by the clerk of the circuit court of the United States for this district, with a statement, exhibiting the number and amount

of applications for relief, under the bankrupt law in Massachusetts, from which we gather the following interesting particulars:—

|                                                                          |                 |
|--------------------------------------------------------------------------|-----------------|
| Number of applicants for relief, under the act, . . . . .                | 3349            |
| Number proceeded against, <i>in invitum</i> , . . . . .                  | 40              |
| Discontinued by leave of court, . . . . .                                | 48              |
| Dismissed, for want of prosecution, . . . . .                            | 91              |
| Number who received a discharge, . . . . .                               | 3114            |
| Aggregate number of creditors given in by applicants, . . . . .          | 99619           |
| Aggregate amount of debts, given in by the applicants, . . . . .         | \$34,648,396 69 |
| Aggregate amount of property surrendered by the applicants, . . . . .    | 16,834,459 10   |
| Aggregate cost of the judicial proceedings, had under the law, . . . . . | 98,330 52       |

About five millions of debts were secured by mortgages, and other liens upon the property of the bankrupts, not including in the aggregate amount of property surrendered.

Of the property surrendered, after deducting liens and securities, there was received and distributed the sum of \$ 1,085,722 38 in cash, being about twenty per cent. on the claims actually proved against the estates of the bankrupts.

We understand that there is no petition now pending in court; the whole of this immense amount of business having been nearly brought to a conclusion. When it is recollected, that almost the whole of this labor has been done in a court with a single judge, it will be acknowledged that here is an instance of “judicial despatch” worthy of imitation, and almost without a parallel. It also shows, beyond all possibility of contradiction, that there is no necessary connection between proceedings in equity and those interminable delays, which are so generally regarded as a part of it.

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## THE PROSPECTS OF THE MONEY MARKET.

From the London Bankers' Magazine, February, 1847.

We do not remember any month, for many years past, so full of important events, relating to banking affairs, as the one which has just concluded. Although every prudent man has been expecting, for the last three or four months, that money would increase in value, and that a decided change must take place in the prospects of the money market, few, we apprehend, were prepared for the unexpected activity of the bank directors, in raising their rate of interest *twice* within a fortnight, or for the absolute panic, on a small scale, which followed the publication of their notices. The condition of the continental markets was also so far unknown, that the announcement of the Bank of France having sent to this country to negotiate a loan for silver bullion, was as surprising to the regular frequenters of the stock exchange as it was to any provincial banker, who might well feel astonished that he had received no intimation of the great events in progress from the usual organs of information. In fact, every one appears surprised at the effect which has been produced on monetary affairs by the influences that have been in operation; and those who predicted unforeseen calamities have been as much perplexed at the sudden part-fulfilment of their prophecies, as those who treated their warnings as unfounded and dismal predictions unworthy of attention.

The excitement of the month may be traced to one great fact: the exchanges have decidedly turned against this country; and there is a steady and increasing demand for bullion for exportation, as the cheapest method of settling our debts with the Continent and America.

It is of great importance to bankers, in order to ascertain the rules by which their future operations are to be governed, that they should, as far as possible, understand the causes which have given rise to this sudden alteration in the condition of the exchanges, and be able to appreciate the force with which they will act. If the demand for bullion is likely to be of long continuance, and heavy, it is clearly the interest, as well as the duty, of every one who has a part in the management of the monetary affairs of the kingdom, to prepare for the pressure on the money market which must inevitably ensue. At the same time, it is equally important that he should not mistake the true difficulties of the crisis, and, by injudicious restrictions, impede the progress of events to a favorable conclusion, and jeopardise his profits, by assisting to bring about that most destructive of all banking enemies—a panic!

The change in the character of the money market may be very clearly traced to at least three influential causes: the potato failure; the scarcity of food on the continent, and our diminished exports, in consequence; and the commencement of the railway calls. On these points we shall offer a few remarks, which, even if not important in themselves, may be useful, by directing the attention of our readers to matters which might otherwise, perhaps, escape their notice.

The present adverse state of the exchanges is unanimously attributed to the failure of the potato crop in Ireland, and the large and extraordinary imports of corn and provisions from America and the North of Europe received into this country. Of course, the demand for our manufactures could not keep pace with the sudden and heavy amount of our imports;—the supply of bills upon America was, therefore, soon exhausted, and gold came to be the cheapest, and, indeed, the only means for settling our balances. Hence the demand for specie at the bank; the decline of its stock of bullion, and the rise in its rate of discount. All this seems very clear, and easily understood; but the questions which it is highly important that bankers and merchants should receive a satisfactory answer to, are—"What is likely to be the amount of bullion exported before the Exchanges again come to *par*, or incline in our favor? and what are the demands which the stock of bullion will have to meet?" On these points the most contrary opinions have been expressed. Some parties, whose opinions are generally entitled to consideration, assure us, that the drain of bullion will be unexampled; that its only limit will be the prostration of our trade, and the depression of prices to the point at which goods are always desirable for export; and, that, before this takes place, the commercial world may expect to have to undergo all the distress attendant upon a forced contraction of credit, and diminished banking accommodation. In proof of this view of the matter, the most extraordinary accounts have been published of the loss which the country has sustained by the failure of the potato crop; and the ministry itself has made an official announcement, which would almost justify the most melancholy view that could be taken of the probable course of commercial affairs for some time to come.

The following is the statement of Mr. Labouchere, in the House of Commons, of the estimated loss by the failure of the potato crop. He says, that by estimating the area of the productive land of Ireland at 14,000,000 statute acres, the annual produce, under ordinary circumstances, has hitherto been nearly as follows:—

|                                                                                           |              |
|-------------------------------------------------------------------------------------------|--------------|
| Potatoes, 1,500,000 acres, at the average value of £10 per statute acre.....              | £ 15,000,000 |
| Oats, 4,000,000 acres, at the average value of £3 10s. per statute acre.....              | 14,000,000   |
| Wheat, flax, and green crops, 2,000,000, at the average value of £7 per statute acre..... | 14,000,000   |
| Pasture and meadow, 6,500,000, at the average value of £1 5s. statute acre                | 8,125,000    |

*Estimated loss of Produce for the year 1847.*

Potato crop, ordinary produce, £15,000,000; loss, say three-fourths.....£ 11,250,000  
 Oat crop, ordinary produce, 14,000,000; loss say one-third..... 4,666,000

Total loss.....£15,916,000  
 or say £16,000,000. It is the mere money value of the produce which is estimated in this statement; but another calculation of the loss of produce, by weight and measure, received from Mr. Griffith, an eminent statician, gives the following as the

*Loss of Produce calculated by weight and measure.*

|                                                                     | Tons.      | Tons.     |
|---------------------------------------------------------------------|------------|-----------|
| Potatoes, 1,500,000 acres, produce.....                             | 11,250,000 |           |
| Loss three-fourths.....                                             |            | 8,487,500 |
| Oats, 4,000,000 of acres, produce 23,000,000, barrels, of 14 stone. |            |           |
| Loss, one third—8,000,000 barrels: in quarters, 5,227,000.          |            |           |

A correspondent of *The Times*, taking the above for his data, gives the following as an estimate of deficiency of grain, and other crops reduced to grain, in the United Kingdom, for the year ending September 1, 1847:—

|                                                                                                                                                                                | Quarters.  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1. Ordinary annual deficiency.....                                                                                                                                             | 2,000,000  |
| 2. Loss of potatoes in Ireland, value £12,000,000, to be supplied by grain, (a food of double the cost of potatoes,) value £24,000,000, representing, at 50s. per quarter..... | 9,800,000  |
| 3. Loss of oats in Ireland, stated by Mr. Labouchere to be one-third the crop, or.....                                                                                         | 5,227,000  |
| 4. Loss of potatoes in England and Scotland, say one-tenth only the loss in Ireland.....                                                                                       | 1,000,000  |
| 5. Loss of oats in Scotland and England.....                                                                                                                                   | 1,000,000  |
| 6. Loss of barley in the United Kingdom.....                                                                                                                                   | 1,000,000  |
| 7. Extra seed for the increased cultivation of grain.....                                                                                                                      | 300,000    |
| 8. Extra consumption of railway laborers.....                                                                                                                                  | 300,000    |
|                                                                                                                                                                                | 20,627,000 |
| Deduct economies made by starvation and non-feeding of pigs.....                                                                                                               | 4,627,000  |
| Total deficiency.....                                                                                                                                                          | 16,000,000 |
| Money value of the deficiency, at £3 per quarter, £48,000,000.                                                                                                                 |            |

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## THE POSITION OF THE BANK OF FRANCE.

From the London Bankers' Magazine, February, 1847.

When noticing, last month, the explanation which had recently been published of the circumstances under which the Bank of England obtained a supply of bullion from France, in 1829, we did not expect so soon to have to record in our pages a similar occurrence for the accommodation of the Bank of France. In consequence, however, of the continued drain on that bank for specie, it has been obliged to make arrangements with Messrs. *Baring, Brothers*, of London, who have procured for its immediate use a sum of £800,000 in silver, to be repaid hereafter, in the mode least calculated to disturb the par of exchange. We are very glad that the monetary

interest here has been enabled to return the favor conferred by the French capitalists on us in 1829, and shall be glad if the transaction leads to other measures for regulating the exchanges between this country and the continent when they become temporarily disturbed—an arrangement which, if practicable, would be beneficial to all parties concerned.

In consequence of the continued drain on the Bank of France, she has been obliged to resort to measures of the most stringent character for checking the demand for specie, by limiting her discounts, and raising her rate of interest from *four to five per cent.* This event has caused a great sensation, not having been adopted before for a very lengthened period; but it seems to have been attended with the desired effect, as the bullion, at the time we write, appeared to be returning again to the bank's coffers, or at least the drain was checked.

We hoped to have been able to present our readers this month with an examination of the causes which have led to this extraordinary state of affairs, drawn up by a gentleman fully conversant with the subject. In order to render it more complete, however, we defer it until our next publication; and, in the meantime, present the following statement of the affairs of the bank at the date of its last report, with a comparison of its condition at the same period of last year.

The following remarks on the policy of the bank, by the editor of the *Economist*, will be found interesting, and may usefully precede the accounts to which we refer. He says:—

“What has the Bank of France done, and what does it propose to do? The Bank of France has a special pride in maintaining its rate of discounts without change; of charging *four per cent.* whether money is really worth *two or six per cent.* It would be as reasonable if a retail grocer were to pursue the rule of selling sugar at a fixed price, for twenty-five years, without change, say of *nine francs* the lb., whether it was worth seven francs or eleven francs; the only effect would be, that at one time his stock would be drained as fast as he could bring it in, and, at another time, he would be left without customers. But the Bank of France has one favorite mode by which it has hitherto attempted to keep away an inconvenient number of customers, at a time when its fixed rate of discount was below the market value of money. This plan has been by reducing the *echeance*, or the period which bills have to run, which it will discount. Thus, if it has been accustomed to take bills of *ninety days*, a sudden order being issued, that no bills having more than *sixty days* to run will be discounted by the bank, will unquestionably have the effect of greatly reducing the demand for discounts, by diminishing the amount of paper which can be carried to the bank. But a very little consideration will show how injurious, and even how futile, such a check must prove. The bank takes bills at sixty days at four per cent., but suddenly refuses bills of a longer date, though equally good, altogether. The unfortunate holder of the latter class of bills, thus excluded from the bank, must seek discounts in private channels, at any rate at which he can obtain them. The consequence is, a pressure among the commercial classes of the most severe kind. It has often become not a question of the rate to be paid, but of the possibility of obtaining discounts at all. How does this act upon the bank? It continues to give money to certain parties at four per cent.; others who hold bills equally good, but out of date for the bank, are giving rates of five, six, seven, and eight per cent. out of the bank. The holders of short bills discount more than they would otherwise have done, in order to obtain the high profit of re-discounting longer dated bills; those who have deposits in the bank withdraw them, in order to obtain the enormous profits arising from private discounts; and lastly, bills

are drawn by parties in Paris, or from their correspondents in London and Brussels, of the necessary date, instead of the usual date, in order to evade the bank regulation. In every way the bank is defeated. The pressure on the public is greater; the drain upon the bank funds is greater; and the regulation is easily evaded; while the Bank of France obtains no share of the advantages which a higher value of money offers.

Without some such stringent measures by the Bank of France—without a diminution of its securities by sale or otherwise—and without a very decided rise in the rate of its discount, the loan of £800,000, obtained from hence, will have no perceptible effect whatever in restoring it to a condition of safety. In less than a month hence, if it take no other steps, its condition will be worse than ever."

The following is the quarterly account of the Bank of France for the three months ending the 26th December last; with a comparison of its present position with that of the same period in December, 1845, in regard to the principal items.

| On the debit side of the account :—                                                        | Dec., 1845.        | Dec., 1846.        |
|--------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                            | Francs.            | Francs.            |
| Bank notes outstanding.....                                                                | 269,498,980        | 259,459,801        |
| Treasury account.....                                                                      | 81,849,739         | 48,296,647         |
| Private accounts current.....                                                              | 118,470,005        | 61,565,281         |
| Pieces of 1f. 50c. and 75c.....                                                            | 13,300,000         |                    |
|                                                                                            | <u>483,118,724</u> | <u>369,321,729</u> |
| On the credit side of the account :—                                                       | Dec., 1845.        | Dec., 1846.        |
|                                                                                            | Francs.            | Francs.            |
| Cash in hand.....                                                                          | 187,334,862        | 72,734,792         |
| Commercial bills discounted, including those on Paris dis-<br>counted by branch banks..... | 229,741,471        | 223,159,287        |
| Advanced on deposits of bullion.....                                                       | 6,013,100          | 6,741,100          |
| Advanced on public securities.....                                                         | 16,888,691         | 14,553,010         |
| Private accounts current.....                                                              | 46,387,542         | 50,021,564         |
| Capital of the branch banks.....                                                           | 22,000,000         | 28,000,000         |
|                                                                                            | <u>508,365,666</u> | <u>395,209,753</u> |

From this statement it appears, that while the amount of bank notes in circulation have only diminished about 10,000,000f., the stock of bullion has been decreased by about 114,000,000f. And this great disparity between the amount of notes and stock of bullion, has principally taken place during the last quarter: for, according to the return of the three months ending September 25th, 1846, the amount of bank notes in circulation was 258,296,059f., being only about 1,150,000f. less than at present; while the stock of bullion was then 174,565,906f., or upwards of 101,000,000f. more than it is now.

This is a very different position from what has ever been previously exhibited by the Bank of France. In the quarter ending March, 1845, the amount of notes in circulation was about 256,000,000f., against a stock of specie of about 266,000,000f.; and in the quarter ending June, 1845, the amount of specie then held still slightly exceeded the notes in circulation.

The balance in the hands of the bank, belonging to the government, has also experienced a remarkable decrease. At present it amounts to only 48,000,000f., against about 82,000,000f. in December, 1845; and this latter amount, it may be observed, is very small when compared with many of the preceding returns.

The balances due on private accounts current have also considerably decreased, being about 61,000,000*f.*, against 118,000,000*f.*, or very little more than half what they were in December, 1845.

The remaining items require no particular remark; but, taking the whole of the above comparative statement, it shows a decline in the position of the Bank of France, equally remarkable for its extent and the rapidity with which it has been effected.

The *Commerce*, Paris newspaper, has the following remarks on the above accounts:—

The public were especially impatient to ascertain the official amount of the reserve in bullion. It is 71,040,259*f.* 29*c.* It is through a mistake, no doubt, that the bank adds thereto the amount of the effects which remained to be paid in on the day of the 26th, amounting to 1,694,533*f.* 21*c.*, only a part (and that certainly the most insignificant) being about to enter in the shape of notes. It is pretended, that since the 16th, that reserve has still further diminished, and this, we believe, is the cause of M. Hottinguer's journey to London, for the purpose of negotiating a loan for the transmission of bullion to Paris. Last year, at the same period, the reserve in specie in the coffers of the Bank of France amounted to 187,334,863*f.* 63*c.*; thus showing a reduction of more than 116,000,000*f.*

On examining the state of the bank, we see that this diminution does not arise from the facilities which it has afforded to commerce; for its loans or discounts, its advances on public securities and on bullion, only form, taken altogether, a sum of 244,000,000*f.*, whereas these items amounted, in 1845, to 252,000,000*f.* Neither can the reduction of its specie be attributed to the decrease of its circulation, for that circulation is only 10,000,000*f.* less than that of the preceding year, and it is nearly balanced by the decrease of the loans to commerce. It follows, from the balance-sheet of the bank, that three causes have contributed to the withdrawal of specie:—1st. The diminution of the credits of the accounts current, which, from 118,470,003*f.* (which they were on the 26th of December, 1845,) have fallen to 61,565,271*f.* in 1846. 2nd. The diminution of the credit of the treasury account, which is found reduced to 48,296,647*f.*, on the 26th December, 1846; whereas it was still 95,149,737*f.* on the 26th of December, 1845; and, lastly, the constitution of the capitals of the new *comptoirs*, and the advances which it has been necessary to make to them. The purchases of grain abroad, and even at home, explain the withdrawal of the funds of the accounts current.

But this withdrawal would present no source of uneasiness as regards the reserve, had not the treasury been obliged to withdraw a great part of the funds which it had placed at the disposal of the bank. It was, no doubt, very convenient for this establishment to dispose of a sum of more than 100,000,000*f.* for which it paid no interest, whilst more than 50,000,000*f.* of its capital, of 67,900,000*f.* were invested in rentes.

But this state of things cannot last for ever, and the present crisis shows, at length, what a dangerous course has been adopted. Let the treasury take back the 48,000,000*f.* that the bank still owes it, and the latter will see its specie reduced to less than 23,000,000*f.* This is only a tenth part of the value of the notes in circulation.

**NOTE.**—The preceding article from the London Bankers' Magazine will afford a competent explanation of the recent friendly operations between the two great national banks at Paris and London. The circumstances attending the loan of the Paris bank to that of London, in 1839, will be found in our March number, page 533, and both instances demonstrate that a good feeling exists towards each other, and that they both feel the necessity of a liberal disposition on the part of monied institutions to each other.—*Editor Bankers' Magazine.*

## POPULATION OF THE WORLD.

The population of the world may now, according to the best and latest authorities, Balbi, Hanneman, the *Almanac de Gotha*, &c. be stated in round numbers at 1050 millions. Of these, Europe is supposed to contain 207 millions; Asia, 565 millions; Africa 115 millions; America, 75 millions; and Australasia, 25 millions. The population of England in A. D. 1377 was 2,092,978 souls. In a little more than a hundred years, 1483, it had increased to 4,689,000. The following tables of the population of the United Kingdom are from official returns:—

*Population of England and Wales decennially for one hundred years.*

| Year 1700 | Population | 4,575,000 | Year 1750 | Population | 6,467,000 |
|-----------|------------|-----------|-----------|------------|-----------|
| 1710      | ditto      | 5,240,000 | 1760      | ditto      | 6,736,000 |
| 1720      | ditto      | 5,565,000 | 1770      | ditto      | 7,428,000 |
| 1730      | ditto      | 5,796,000 | 1780      | ditto      | 7,953,000 |
| 1740      | ditto      | 6,064,000 | 1790      | ditto      | 8,675,000 |

*Population of Great Britain at decennial periods to the present time.*

| Division.        | 1801.      | 1811.      | 1821.      | 1831.      | 1841.      |
|------------------|------------|------------|------------|------------|------------|
| England.....     | 8,331,434  | 9,551,888  | 11,261,437 | 13,089,338 | 14,965,138 |
| Wales.....       | 541,546    | 611,788    | 717,438    | 805,236    | 916,619    |
| Scotland.....    | 1,599,068  | 1,805,688  | 2,093,456  | 2,365,807  | 2,620,154  |
| Army, Navy, &c.. | 470,598    | 640,500    | 319,300    | 277,017    | 312,493    |
| Total.....       | 10,942,646 | 12,609,864 | 14,391,631 | 16,537,398 | 18,844,434 |

*Population of Ireland, Roman Catholic and Protestant, in the year 1731.*

| Provinces.     | Roman Catholics. | Protestants, | Totals.   |
|----------------|------------------|--------------|-----------|
| Connaught..... | 221,780          | 21,604       | 243,384   |
| Leinster.....  | 447,916          | 203,087      | 651,003   |
| Munster.....   | 482,044          | 115,130      | 597,174   |
| Ulster.....    | 158,028          | 360,632      | 518,660   |
| Total.....     | 1,309,768        | 700,453      | 2,010,222 |

*Population, Catholic and Protestant, in 1831, one hundred years after.*

|                |           |           |           |
|----------------|-----------|-----------|-----------|
| Connaught..... | 989,720   | 193,870   | 1,183,590 |
| Leinster.....  | 1,684,484 | 510,855   | 2,195,339 |
| Munster.....   | 1,965,870 | 249,457   | 2,215,327 |
| Ulster.....    | 837,724   | 1,352,964 | 2,190,678 |
| Total.....     | 5,477,798 | 2,307,136 | 7,784,934 |

In 1841, the total population of the United Kingdom was 27,019,672 of which 18,844,434 were in Great Britain, including the islands of the British seas, and 8,175,238 were in Ireland.

*Population returns of the City of London at five decennial periods.*

| Districts.        | 1801.   | 1811.     | 1821.     | 1831.     | 1841.     |
|-------------------|---------|-----------|-----------|-----------|-----------|
| Within the Walls  | 75,171  | 55,484    | 56,174    | 57,695    | 54,636    |
| Without the Walls | 81,688  | 65,425    | 69,260    | 67,878    | 70,332    |
| Southwark         | 67,448  | 72,119    | 85,905    | 91,501    | 98,098    |
| Westminster       | 158,210 | 162,085   | 182,085   | 202,080   | 222,721   |
| Within the Bills  | 364,526 | 498,719   | 616,828   | 761,343   | 907,160   |
| Adjacent          | 117,802 | 155,714   | 215,642   | 293,567   | 520,639   |
| Total             | 864,845 | 1,009,546 | 1,225,894 | 1,474,069 | 1,873,676 |

*Population of the principal towns in Great Britain at decennial periods.*

| Towns.                   | 1801.  | 1811.   | 1821.   | 1831.   | 1841.   |
|--------------------------|--------|---------|---------|---------|---------|
| Manchester, &c.....      | 94,876 | 115,874 | 161,635 | 237,832 | 242,583 |
| Glasgow, &c.....         | 77,385 | 100,749 | 147,043 | 202,426 | 274,533 |
| Liverpool.....           | 79,722 | 100,240 | 131,801 | 189,244 | 286,487 |
| Edinburgh.....           | 82,560 | 102,987 | 138,235 | 162,403 | 168,182 |
| Birmingham.....          | 73,670 | 85,753  | 106,721 | 142,251 | 182,922 |
| Leeds and Liberties..... |        |         | 83,697  | 123,393 | 152,064 |
| Halifax Parish.....      |        |         | 112,628 | 109,899 | 130,743 |
| Bristol, &c.....         | 63,645 | 76,433  | 87,779  | 103,886 | 122,296 |
| Sheffield.....           |        |         |         | 91,692  | 111,091 |
| Plymouth.....            | 43,194 | 56,060  | 61,212  | 75,534  | 80,059  |
| Portsmouth.....          | 43,461 | 52,769  | 56,620  | 63,026  | 63,032  |
| Norwich.....             | 36,832 | 37,256  | 50,288  | 61,116  | 62,344  |
| Aberdeen.....            | 27,608 | 36,370  | 44,796  | 58,019  | 63,288  |
| Newcastle.....           | 36,963 | 36,369  | 46,948  | 57,937  | 49,660  |
| Paisley.....             | 31,179 | 36,722  | 47,003  | 57,466  | 60,457  |
| Nottingham.....          | 28,861 | 34,253  | 40,415  | 50,650  | 53,091  |
| Hull.....                | 34,964 | 32,467  | 41,874  | 49,461  | 41,629  |
| Dumdee.....              | 26,084 | 29,616  | 30,575  | 45,355  | 62,794  |
| Brighton.....            | 7,339  | 12,012  | 24,429  | 40,634  | 46,661  |
| Bath.....                | 30,113 | 32,214  | 36,811  | 38,063  | 38,304  |
| York.....                | 23,692 | 26,422  | 29,527  | 34,461  | 38,321  |
| Preston.....             | 11,887 | 17,066  | 24,575  | 33,112  | 50,131  |
| Cambridge.....           | 13,360 | 13,802  | 14,142  | 20,917  | 24,453  |
| Oxford.....              | 15,124 | 15,337  | 16,364  | 20,432  | 23,834  |

*Present population of the chief Kingdoms and Cities of the World.*

**KINGDOMS.**

|                                      |             |                                    |            |
|--------------------------------------|-------------|------------------------------------|------------|
| Chinese empire ( <i>Balbi</i> )..... | 180,000,000 | Morocco .....                      | 5,200,000  |
| Russia.....                          | 58,500,000  | Holland.....                       | 5,100,000  |
| Russian empire.....                  | 72,000,000  | Dutch monarchy ( <i>total</i> )... | 14,750,000 |
| France.....                          | 36,500,000  | Bavaria.....                       | 4,600,000  |
| Austria.....                         | 34,500,000  | Sweden and Norway.....             | 4,550,000  |
| Great Britain and Ireland..          | 27,000,000  | Belgium.....                       | 4,500,000  |
| British empire.....                  | 158,000,000 | Poland.....                        | 4,250,000  |
| Japan.....                           | 27,000,000  | Portugal.....                      | 3,950,000  |
| Spain.....                           | 17,500,000  | Republic of Columbia.....          | 3,350,000  |
| Spanish empire ( <i>total</i> )..... | 19,500,000  | Ecclesiastical.....                | 2,970,000  |
| Prussian monarchy.....               | 16,550,000  | British America.....               | 2,950,000  |
| United States of America*.           | 14,600,000  | Switzerland.....                   | 2,450,000  |
| Turkey.....                          | 12,000,000  | Denmark.....                       | 2,400,000  |
| Ottoman empire ( <i>total</i> )....  | 24,500,000  | Hanover.....                       | 1,760,000  |
| Persia.....                          | 11,800,000  | Wirtemberg.....                    | 1,680,000  |
| Mexico.....                          | 9,500,000   | Saxony.....                        | 1,650,000  |
| Kingdom of the two Sicilies          | 8,750,000   | Tuscany.....                       | 1,550,000  |
| Brazil.....                          | 6,250,000   | Baden.....                         | 1,400,000  |
| Sardinia.....                        | 5,800,000   |                                    |            |

\* Census, 1830.

## CITIES.

|                                   |           |                   |         |
|-----------------------------------|-----------|-------------------|---------|
| London ( <i>Parl. Ret.</i> )..... | 1,776,556 | Rome.....         | 224,000 |
| Jeddo ( <i>reputed</i> ).....     | 1,680,000 | Rio Janeiro.....  | 200,000 |
| Pekin ( <i>reputed</i> ).....     | 1,600,000 | Milan.....        | 198,000 |
| Paris.....                        | 1,000,000 | Barcelona.....    | 188,000 |
| Nankin.....                       | 850,000   | Philadelphia..... | 186,000 |
| Constantinople.....               | 800,000   | Hamburgh.....     | 172,000 |
| Calcutta.....                     | 710,000   | Lyons.....        | 168,000 |
| Madras.....                       | 435,000   | Palermo.....      | 147,000 |
| Naples.....                       | 410,000   | Marseilles.....   | 146,000 |
| St. Petersburg.....               | 405,000   | Copenhagen.....   | 145,000 |
| Vienna.....                       | 395,000   | Turin.....        | 143,000 |
| Moscow.....                       | 355,000   | Seville.....      | 142,000 |
| Grand Cairo.....                  | 335,000   | Warsaw.....       | 141,000 |
| Lisbon.....                       | 298,000   | Tunis.....        | 138,000 |
| Aleppo.....                       | 280,000   | Prague.....       | 133,000 |
| Berlin.....                       | 280,000   | Smyrna.....       | 132,000 |
| Amsterdam.....                    | 274,000   | Brussels.....     | 130,000 |
| Madrid.....                       | 270,000   | Florence.....     | 122,000 |
| Bordeaux.....                     | 247,000   | Stockholm.....    | 121,000 |
| Bagdad.....                       | 245,000   | Munich.....       | 118,000 |
| New York*.....                    | 244,000   | Dresden.....      | 114,000 |
| Mexico.....                       | 225,000   | Frankfort.....    | 110,000 |

## WAR.

Their Causes, Cost and Consequences, by Rev. W. J. Fox, of England.

That little word, war, has a fearful extent and complexity of meaning. It includes deeds the most exalted and the most degrading,—aggressions the most atrocious, and defence the most devoted,—cupidity and conquest, and resistance to the death by those who consecrate the freedom and safety of their country above all other considerations. Unlike other general terms, which only include like things in their comprehension, war includes things most unlike. Did the imagination realize its meaning, it would not fall so lightly from the lips as it often does; it would not be spoken of so carelessly in senates or in public meetings; nor be treated by the press as a thing that can be contemplated without solemnity of feeling and a sense of the deepest responsibility. It includes the organization of large bodies of men for the express purpose of the destruction of human life; the fierce and hot-blooded conflict of the battle-field, the horrors of the siege and of the storm, the most complete mechanism of human beings, and the most stirring exercise of human intelligence. The prostituted name of religion is even blended with it; and all this systematized desolation and destruction are carried on by the command of a state, and for the purposes of a state! A state, which is itself a contrivance for keeping the peace amongst individuals, for repressing their hostile passions and their grasping desires; which is a contrivance for bringing together the various powers of a multitude in order to establish regularity and harmony; a state, which should be in itself an agency of the most opposite description to that which is called forth by war, and not only make its authorities the means of compelling order amongst its own members, but give that state its place in the great

\* In 1845, 371,000

family of nations, as a promoter there of right and justice, of common interests, and of common prosperity. And yet the perversion of individual powers in the arts and actions of war, is sanctioned and called for by these combinations of human beings into one great body politic, which ought to be the highest security against war, and a defence of peace, both within its own borders, and amongst all nations to which it bears any recognized relation. Most of you, I dare say, have seen the fable of Dr. Franklin's, in which he describes a young angel as solicitous to know something of worlds, and, taking an elder angel for his tutor and guide, traversing the regions of space with him and asking to see this earth of ours, and coming towards it just when battle was raging, when ships, instead of conveying the products of distant climates to interchange with those of other nations, were engaged in sending forth their thunders of destruction, until the sea was stained with gore. The young angel turns round in amazement, and says to his guide, "I asked to be shown earth, and you have brought me to the sight of hell."

It is impossible for the mind to grasp at once any considerable portion of the meaning of that awful word, war. The battle-field is a tremendous scene! its noise and uproar, its fierce struggles, its sweeping charges, its artillery, clearing away ranks of men as if they were only so much senseless matter or mere stubble; its multitudes of the dead, and, what is yet more excruciating to contemplate, its multitudes of the wounded and dying; the fearful scenes that present themselves on the night after the battle; so many with their blood stiffening around them, and with their parching throats, begging to be relieved from their miseries by some friendly blow. But battles are comparatively little of the suffering, the miseries, and the crimes of war. In the course of a campaign, in those marchings and counter-marchings, retreats and advances, how many there are that fall unnoticed, worn out by sheer fatigue, the human machine, being unable to bear the work to which it is set; and no historian chronicling their fall, no false glare even of glory around them, no fame there to say who bleeds; but dropping down, their loss only felt when the commander or minister make up their yearly accounts, and see how many men they have spent and wasted. It is not merely these, but the peaceful and unoffending who suffer, when towns are stormed and sacked, when riot and madness are let loose, with no check or control, and atrocities the most fearful to name or to realize in thought, are perpetrated with impunity. And in retreats, of which those of Charles the XII., and of Napoleon from Russia, are amongst the most memorable; these, though not paralleled by others, yet indicate to us something of the intense amount of suffering which there must be in such movements. And then, the mourning families in all the countries that send forth their warriors to the conflict; nations burdened with taxation and debt, until they are crippled for generations and ages, and unable to put forth those energies which should be the means of prosperity and enjoyment for their myriads; these all accumulated into one tremendous amount, these are what war signifies, and what make it, in its large agglomeration of crime, a thing that every one who has the well-being of his fellow-creatures at heart should devoutly pray may be stopped forever; stopped between nations, as it is now happily stopped between the great men of a country, the individuals who used once to torment the land with their intestine commotions; stopped between all nations, and its place supplied by some purer, simpler, more rational mode of settling disputes, indicating a possession of something like that degree of forbearance, of common interest, and of right feeling, which is manifested among individuals. This should be the object of earnest desire, of incessant ex-

ertion; it should be the object of an ennobling aspiration, marking the friends of peace, whose opinions and whose language tend to check the fury of those who would involve a country in this mass of calamity, to restrain their antagonism, and to teach them better, and brighter, and kinder notions.

It is difficult to estimate the injury inflicted by war in those periods of our history. The cost, happily, fell upon those who lived about the time; it was not transmitted to posterity, according to the clever contrivance devised afterwards in a more enlightened and civilized age. They spent their own money, and not their great grandchildren's! They did as they liked with their own labor and its results; they did not mortgage the labor of succeeding generations. Would that all wars could have been so confined in their pressure. But with the revolution of 1688 a new era began in this matter; and I have here a tabular summary of the wars from that time to this. It is from a very useful little book, called "Spackman's Statistical Tables," which was intended, it seems, to serve the cause of monopoly; but when it appeared, Mr. Cobden recommended no man to go about without a copy of it in his pocket. Well, we have here a brief tabular account of the wars since 1688. The first which he calls "the war of the revolution," was against the French; it commenced in 1688, lasted nine years, and cost, in taxes raised at the time, sixteen millions; and in loans, by which posterity was saddled, twenty millions. It is to that war of William's, that we owe the origin of our funding system. He carried taxation as far as it was then thought possible to go,—a mere trifle to what the country has learnt to bear in later times. And all this was not for English purposes. The great deliverer, who had come over here, as he said, "for our goods," expended those goods upon his attempt to humble the pride of Louis the Fourteenth, and to exercise as wide an influence as he could upon the settlement and the government of Europe. He had no English interest in his mind, no English feeling in his heart; he wanted the kingdom, not so much for the sake of its crown, as for the sake of the power he thus gained to carry on his own favorite purposes. And the country indulged him; and so he of "the immortal memory," went on for nine years, wasting our resources, and wearing out those of other nations. And if he trimmed the balance of power to his own mind for a time, it was but a very short time; for soon after peace was made, a war had to be recommenced for the very same purpose, and in the very same spirit. That nine years' war of his, whilst it cost us sixteen millions of money, and twenty millions of debt, according to the staticians of the time, cost Europe the lives of 800,000 soldiers, and in money, 480 millions of pounds sterling. Such was the first great war after our civil revolution. The next was "the war of the Spanish succession,"—a war which grew out of the first, in which Queen Anne was pursuing her predecessor's policy, which was very much to cover with glory the Duke of Marlborough, as the first had been to glorify King William, and in which he did manage to cover himself with glory and with something else too; for there were charges of peculation against him to the amount of nearly half a million, in the shape of a per centage on soldier's pay and military stores, which he had contrived to pocket, and never very clearly accounted for. But men who can win battles are privileged to do many things that would not be so readily excused in other men; and they are privileged also, sometimes, to interfere in the government of a country, and to assume an influence, and to show an insolence that would not be endured in any mere civilian, but which shows that people who do not belong to military life should endeavor to make those who have gained their glories and fortunes there, a little more acquainted

with what is civil in all the walks of life. This second war lasted eleven years, ending in 1713; it cost thirty millions in taxes raised, and thirty-two and a half millions raised by loan, and added to the twenty millions of debt left by "immortal memory." Then came "the Spanish war, and the war of the Austrian succession," commenced in 1739, lasting nine years, carried on under our first two Georges, saddling the country with the payment of twenty-five millions, and an addition to the debt of twenty-nine millions. This was followed by "the seven years' war," which commenced in a cause about as remote and trumpery as that which some people are foolish enough to refer to now as an occasion for war. It was a squabble between the English and the French about the banks of the Ohio, where neither of them had so much business as the native Indians. The quarrel soon spread into Europe; the strife about a narrow bit of land became, by a strange transformation in Europe, a fight about religion; and we, who have always had a remarkable taste and propriety as to religious kings, paid about 600,000*l.* a year in subsidy to that notorious infidel and assailer of Christianity, Frederick of Prussia, that he might become the bulwark of the orthodox faith and of the Protestant religion. This seven years' war cost fifty-two millions of taxes, and sixty millions in the addition which it made to the debt. Then followed the American war, the results of which are too celebrated to need any comment, it was waged in order to enforce a tea tax, and ended in the separation of a vast extent of country from the British empire; and instead of a supply to our revenue from this tea tax, it left us burdened with the immediate payment of thirty-two millions, and an addition to our debt of 104 millions. After this was the first French war, from 1793 to 1802, during which the enormous sum of 263½ millions was raised by taxation, and 200½ millions added to the debt. In the second French war against Napoleon, from 1803 to 1815, taxes were levied to the amount of 770½ millions, and an increase was made to the debt of 388½ millions. So that altogether, from 1688 to 1815, we have had sixty-five years of war, we have paid for these warlike purposes, 1189 millions, and have left the country with a burden upon it of nearly 800 millions more.

Such are the fruits of war in nations; they spend enough in this way to buy the fee-simple of a whole country. Fight for the banks of the Ohio, or fight now for Oregon! why, probably the whole extent of land that would be at stake in the conflict would be a mere trifle compared with what both parties would waste in that struggle. We might even buy Oregon with a tithe of the treasure that would be thus lavished. We talk of people not having churches enough: why, a church might have been built at the end of every street, schools might have been made more numerous than the churches, and the whole population of the country might have been lodged in marble palaces for less than this amount, which is worse than thrown into the ocean, having caused a deluge of human blood.

The army is a great lottery, in which tickets are bought; and the price of the tickets is beyond the means of those who used to buy their eighths and sixteenths in lotteries of another kind upon Cornhill. The cost of the commission of a lieutenant-colonel in the cavalry is 617*l.*; it is only those of very considerable means who can put in for such a share as that. A major's commission costs 4,575*l.*; a captain's, 3,225*l.*; and a cornet's, 840*l.* In the infantry, a lieutenant-colonel's commission is 4,500*l.*; a major's, 3,200*l.*, and so on in proportion. In the horse guards, they are 25 per cent. higher; not because they are more frequently on active duty in war time, but because they have a better position in the great military lottery; and in the foot guards, these commissions are double. This shows the principle on which the thing is constructed; a commission is worth

most where there is the least likelihood of being subjected to the more painful and severe privations of military life; but all forbidding any except the wealthy, those of wealthy families, to enter on that profession, unless it be in the very lowest gradation; while to them it holds forth the prospect of an employment which, even in times of peace, no doubt, answers very well, even at these high rates of purchase.

And I say now that, for this warlike England, as she too often has been, there should be an ideal England in the mind of every one of her children; the idea of a land not prone to aggression, not given to interfere in the concern of European nations or of American states; of a land able and determined to defend itself, by the strong arms of its sons, and by their ingenious devices in the application of science to the defensive arts; and secure in its defence because it gives no just cause of provocation to any other people on the face of the earth. An idealized England should be, not only secure and peaceful, but active and prosperous,—the abode of freedom, with political rights distributed freely throughout the whole body of the community,—and with intelligence and energy called into action, mind excited and informed, by a system of universal instruction,—not the training of sects and parties, not the teaching by one class of other classes, in order to accommodate them the more to its own purposes,—but education directed solely to the formation of character and the elevation of soul. England, rich in all these, and dependent—much as has been said against it, I will add dependent—on other nations, for whatever those other nations can produce that we grow not, but which here can be rendered serviceable for our work, our support, or our pleasure,—they, in their turn, dependent upon us, for the dependence of commerce and of a free interchange of commodities is always a mutual one,—it is a mutual dependence and a mutual interest;—England, linked thus in peaceful bonds with all the world, and helping to link all the world together,—maintaining her position as a country where the truest glory has been realised, not by her warriors, but by patriots, poets, and philosophers;—England, leading on in the peaceful struggle, with no rivalry but emulation, emulation itself subsiding into the appreciation of good, and thus hastening whatever those of glowing imaginations have conceived of a Utopia upon earth; England would thus guide other countries in a career of progress, and by the development of human character and the advance of human interest, exalt humanity itself, showing it more great and lovely than ever it has appeared in past ages, and generating the best and purest of earthly principles, the spirit of universal brotherhood amongst mankind.

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## STATE FINANCES. NEW YORK.

From the Comptroller's Report, 1847.

The system of borrowing money for the prosecution of public works, is the most expensive mode which could be devised. Besides the consuming power of interest, the ease with which millions are acquired by one generation to be paid by another, leads to carelessness and extravagance in expenditures. Our experience is full of instruction on this point. In 1838, a new impulse was given to internal improvements, and a plan of borrowing four millions a year was commenced, and in less than two years, canal contracts were made to the amount of twelve millions of dollars. The work was

pressed on with such extravagant haste, that the commissioners of the canal fund, in their annual report, inform the legislature, that "from the 10th of February, 1839, to the 1st January, 1841, a period of less than two years, there has been expended on the Erie enlargement, and on the Genesee valley and Black river canals, MORE THAN NINE MILLIONS OF DOLLARS; a sum greater, it is believed, than was ever expended, during peace, by any government on works of internal improvement."

In view of the extravagance which has prevailed under the borrowing system, and the thirty-two millions of interest paid and to be paid from 1817 to 1869, a period of fifty-two years, there is great reason for thankfulness, that the important provisions which secure the application of the canal revenues to the discharge of the existing debt, and provide ample indemnity against the borrowing system for the future, have been safely and surely anchored in the fundamental law of the commonwealth. Every well-wisher to the purity and permanency of our free institutions, will cling to the financial amendments in the constitution, as a safeguard against profligate expenditures, and a sure protection against social bankruptcy, and the infamy of repudiation.

The restrictions in the constitution against borrowing, can work no detriment to the substantial interests of the state. If the legislature is not permitted to make loans without the consent of those who have them to pay, the representative is still vested with the power of taxation, over the property of the constituent. If the interests of the state require an expenditure of money beyond its revenues, the legislature can draw by taxation upon six hundred millions of real and personal estate. It is not apprehended that any necessity will arise for increasing taxes; but if money should be required, the tax-payers have much less to apprehend from this mode of raising money for state purposes, than from the borrowing system which has prevailed for the last twenty years.

The following statement shows the character, condition and progress of the state debt, for the last ten years. The first column shows the amount of state stock issued and loaned to railroad and canal corporations. The second column the sum borrowed for the ordinary support of the government, including the stock issued to John Jacob Astor. The third column shows the amount of unredeemed stock issued on account of the several canals. And the fourth, the total of the whole debt. The debts are given as they appear in the annual reports on the 30th of September of each year.

| Year. | 1.<br>Contingent debt. | 2.<br>Gen. Fund debt. | 3.<br>Canal debt. | 4.<br>Agg. State debt. |
|-------|------------------------|-----------------------|-------------------|------------------------|
| 1837, | \$810,000              | \$978,032             | \$6,166,082       | \$7,954,114            |
| 1838, | 1,497,700              | 1,148,032             | 9,308,120         | 11,953,852             |
| 1839, | 1,847,700              | 1,392,217             | 10,785,820        | 14,025,738             |
| 1840, | 2,845,700              | 1,412,961             | 14,126,647        | 18,385,308             |
| 1841, | 4,235,700              | 1,418,878             | 16,306,374        | 21,960,952             |
| 1842, | 1,720,000              | 5,559,805             | 19,574,392        | 26,854,197             |
| 1843, | 1,720,000              | 5,423,415             | 20,392,324        | 27,535,739             |
| 1844, | 1,720,000              | 5,634,507             | 20,713,905        | 28,068,413             |
| 1845, | 1,713,000              | 5,885,549             | 19,690,020        | 27,288,560             |
| 1846, | 1,713,000              | 5,992,840             | 17,028,240        | 24,734,080             |

In 1825, and again in 1833, legislative pledges were given that the surplus canal revenues should be applied to the payment of the debts contracted for the construction of the lateral canals before named, when those debts became due. An effort to divert to other objects a portion of the revenues thus pledged, was frustrated by an executive veto, and the honor and faith of the State were preserved.

## BANK STATISTICS.

*Capital, Circulation, Deposits, Bills Discounted, Specie and aggregate Liabilities or Resources of all the Banks in Philadelphia and in the interior of Pennsylvania. Compiled from official returns made in November, 1846.*

| Location.                   | Name.                       | Capital.      | Circulation. | Deposits.    | Bills Discounted. | Specie.      | Aggregate.    | Cashiers.             |
|-----------------------------|-----------------------------|---------------|--------------|--------------|-------------------|--------------|---------------|-----------------------|
| Philadelphia                | Bank of Commerce            | \$ 250,000    | \$ 160,560   | \$ 199,281   | \$ 193,344        | \$ 122,066   | \$ 719,780    | J. C. Donnell.        |
| "                           | Bank of N. America          | 1,000,000     | 547,812      | 1,461,453    | 2,179,984         | 761,491      | 3,781,676     | John Hockley.         |
| "                           | Bank of Northern Liberties  | 350,000       | 292,002      | 718,405      | 1,001,000         | 207,503      | 1,534,263     | Samuel W. Caldwell.   |
| "                           | Bank of Pennsylvania        | 1,562,500     | 339,302      | 748,019      | 2,091,403         | 204,200      | 3,768,438     | George Philler.       |
| "                           | Bank of Penn Township       | 225,000       | 206,870      | 469,181      | 698,434           | 227,076      | 1,098,043     | James Russell.        |
| "                           | Commercial Bank of Pa.      | 1,000,000     | 230,408      | 713,982      | 1,433,981         | 280,606      | 2,301,248     | J. J. Cope.           |
| "                           | Farmers & Mechanics' Bk.    | 750,000       | 486,058      | 1,150,922    | 1,853,126         | 417,051      | 3,680,536     | Edwin M. Lewis.       |
| "                           | Kensington Bank             | 250,000       | 175,542      | 358,350      | 688,906           | 116,944      | 881,835       | Charles Keen.         |
| "                           | Girard Bank                 | 5,000,000     | 71,600       | 115,225      | 178,894           | 104,800      | 5,194,713     | William L. Schaeffer. |
| "                           | Manufacturers and Mec. Bank | 300,000       | 205,565      | 249,145      | 568,754           | 128,260      | 860,817       | M. W. Woodward.       |
| "                           | Mechanics' Bank             | 800,000       | 295,900      | 462,570      | 1,203,836         | 169,114      | 2,170,172     | William Thaw.         |
| "                           | Philadelphia Bank           | 1,150,000     | 735,200      | 1,288,037    | 2,744,074         | 725,113      | 4,108,805     | John B. Trevor.       |
| "                           | Southwark Bank              | 250,000       | 229,450      | 436,357      | 637,566           | 265,088      | 1,161,060     | Joseph S. Smith, Jr.  |
| "                           | Western Bank                | 400,000       | 292,810      | 711,920      | 1,208,364         | 181,222      | 1,687,646     | Geo. M. Troutman.     |
| Total 14 Philadelphia Banks |                             | \$ 13,287,500 | \$ 4,369,110 | \$ 9,112,827 | \$ 16,651,656     | \$ 3,910,335 | \$ 32,909,061 |                       |
| Hanover                     | Hanover Saving Fund So.     | 36,000        |              | 43,906       | 79,251            | 6,650        | 86,015        | E. P. Metzger.        |
| Lancaster                   | Lancaster Savings' Inst'n   | 10,160        |              | 158,924      | 136,882           | 21,254       | 186,720       | Charles Boughter.     |
| York                        | " Institution               | 30,000        |              | 92,238       | 115,729           | 9,611        | 127,670       | William Wagner.       |
| Allentown                   | Lehigh County Bank          | 100,000       | 40,175       | 5,273        | 115,867           | 16,227       | 158,448       | Wm. N. Eby.           |
| Bristol                     | Farmers' Bank Bucks Co.     | 92,220        | 76,359       | 45,466       | 151,694           | 19,742       | 240,573       | Robert C. Beatty.     |
| Brownsville                 | Monongahela Bank            | 198,000       | 133,069      | 78,036       | 173,968           | 86,120       | 373,867       | David S. Knox.        |
| Chambersburg                | Bank of Chambersburg        | 205,838       | 176,465      | 79,770       | 223,863           | 30,697       | 566,113       | James Lenox.          |
| Chester                     | Bank of Delaware Co.        | 165,580       | 95,691       | 182,378      | 236,903           | 58,830       | 458,984       | F. J. Hinkson.        |
| Erle                        | Erle Bank                   | 101,686       | 176,980      | 19,040       | 126,264           | 21,358       | 693,910       | C. McSparran.         |

Bank Statistics

| Location.                   | Name.                      | Capital.      | Circulation.  | Deposits.     | Bills Discounted. | Specie.      | Aggregate.     | Cashiers.          |
|-----------------------------|----------------------------|---------------|---------------|---------------|-------------------|--------------|----------------|--------------------|
| Columbia                    | Columbia B. and Bridge Co. | 307,300       | 196,404       | 44,306        | 156,187           | 26,060       | 521,566        | Samuel Shoeh.      |
| Doylestown                  | Doylestown Bank            | 60,000        | 79,630        | 57,114        | 91,950            | 48,070       | 199,340        | Daniel Byrnes.     |
| Easton                      | Easton Bank                | 400,000       | 554,325       | 151,756       | 558,644           | 87,670       | 1,186,487      | James Sinton.      |
| Germanstown                 | Bank of Germanstown        | 142,050       | 68,126        | 96,566        | 170,667           | 28,221       | 347,450        | John T. Watson.    |
| Gettysburg                  | Bank of Gettysburg         | 123,873       | 154,460       | 24,603        | 104,180           | 52,034       | 342,996        | Jos. B. McPherson. |
| Harrisburg                  | Harrisburg Bank            | 300,000       | 269,016       | 97,993        | 320,530           | 60,200       | 737,450        | John W. Welr.      |
| "                           | Dauphin Deposit Bank       | 50,000        | 213,981       | 259,900       | 3,923             | 320,260      | 320,260        | Robert J. Ross.    |
| Honesdale                   | Honesdale Bank             | 52,000        | 170,450       | 11,370        | 133,430           | 19,770       | 272,438        | Samuel D. Ward.    |
| Lancaster                   | Lancaster Bank             | 182,340       | 485,355       | 238,416       | 477,322           | 162,251      | 1,042,563      | Christian Bachman. |
| "                           | Lancaster County Bank      | 117,563       | 174,630       | 72,113        | 295,766           | 58,545       | 386,916        | Robert D. Carson.  |
| "                           | Farmers' Bank              | 350,000       | 109,055       | 55,714        | 343,773           | 49,652       | 549,140        | George Clarkson.   |
| Lebanon                     | Lebanon Bank               | 70,280        | 222,270       | 40,793        | 217,750           | 48,374       | 364,716        | George Gleim.      |
| Lewistown                   | Bank of Lewistown          | 197,910       | 325,000       | 37,893        | 471,333           | 5,732        | 629,057        | Robert S. Ellis.   |
| Montrose                    | Bank of Susquehanna Co.    | 100,000       | 95,625        | 8,427         | 102,005           | 4,873        | 218,931        | T. R. F. John.     |
| Norristown                  | Bank of Montgomery Co.     | 261,695       | 176,200       | 159,995       | 350,421           | 93,995       | 664,260        | Wm. H. Slingluff.  |
| Northumberland              | Bank of Northumberland     | 160,000       | 273,409       | 82,038        | 302,950           | 37,258       | 564,467        | J. R. Priestly.    |
| Pittsburg                   | Bank of Pittsburg          | 1,142,340     | 214,905       | 603,558       | 1,530,930         | 209,090      | 2,132,237      | John Snyder.       |
| "                           | Exchange Bank              | 813,170       | 277,950       | 309,630       | 991,465           | 122,406      | 1,530,072      | Thomas M. Howe.    |
| "                           | Merchants and Manf. Bank   | 600,000       | 141,275       | 178,114       | 731,213           | 48,911       | 1,071,402      | William H. Denny.  |
| Pottsville                  | Miners' Deposit Bank       | 62,500        | 102,244       | 158,560       | 18,086            | 177,465      | Thompson Bell. |                    |
| Reading                     | Miners' Bank               | 199,920       | 321,595       | 168,936       | 465,876           | 21,106       | 789,820        | Charles Loeser.    |
| Washington                  | Farmers' Bank of Reading   | 300,360       | 496,005       | 176,668       | 568,522           | 194,977      | 990,462        | H. H. Muhlenburg.  |
| Waynesburg                  | Franklin Bank              | 120,000       | 139,900       | 48,656        | 92,767            | 56,232       | 325,220        | John Marshall.     |
| Westchester                 | Farmers and Drovers' Bank  | 85,000        | 220,000       | 19,528        | 160,294           | 20,330       | 351,954        | J. Leazer.         |
| Williamsport                | Bank of Chester Co.        | 225,000       | 209,573       | 158,525       | 361,552           | 60,432       | 643,880        | David Townsend.    |
| Wilkesbarre                 | West Branch Bank           | 100,000       | 118,952       | 51,840        | 128,452           | 30,609       | 289,490        | Thomas W. Lloyd.   |
| York                        | Wyoming Bank               | 85,330        | 88,555        | 58,820        | 207,972           | 6,143        | 247,600        | Edward Lynch.      |
| York                        | York Bank                  | 210,900       | 198,600       | 84,120        | 419,486           | 40,323       | 662,800        | Samuel Wagner.     |
| Total State of Pennsylvania |                            | \$ 20,994,724 | \$ 10,681,466 | \$ 13,171,580 | \$ 28,186,284     | \$ 5,796,192 | \$ 53,260,712  |                    |

## BANK TRIAL.

STATE OF MARYLAND vs. RICHARD J. TURNER.

This important case came on for trial before the City Court of Baltimore on Tuesday the 9th March, 1847, and was continued on the 10th, 15th and 16th, and on the last day given to the jury—and on the 18th the jury brought in a verdict of *not guilty*.

Our readers will find this case alluded to in our December No. p. 335. The prisoner was tried upon an indictment with the following counts :

First. With the felonious and fraudulent *embezzlement* of a check for \$800, the property of his employers, the President and Directors of the Mechanics' Bank of Baltimore, he being a clerk.

Second. With the same offence, slightly varied in the terms.

Third. With having feloniously *stolen* the check ; and

Fourth. With having feloniously stolen a piece of paper, nominally valued at \$10.

The prisoner had pleaded "not guilty" to the indictment.

*Counsel for the Prosecution*, George R. Richardson, Esq. Attorney General, and William B. Stokes, Esq.

*For the Defence*, Hon. John Nelson, (late Attorney General of the U. S.,) Robert M. McLane, Esq., and William M. Marshall, Esq.

The attorney general proceeded to open the case, stating to the jury the facts that he expected to prove. We omit the opening statement. The witnesses were then called as follows :

J. I. Corner, sworn.—The house of Corner & Sons keep an account in the Mechanics' Bank ; [examines the check] this is an original check, drawn in my own handwriting, on the Mechanics' Bank for \$800 ; drew no other for that amount, on that day ; I have a list of all the checks drawn on that and the preceding day ; the check is numbered 2,348. [Witness specified the number and amount of all the checks drawn on that and the preceding day.]

Mr. Perry sworn.—Is paying teller of the Mechanics' Bank ; (refers to the book) on the 19th of October, I find on my book that the check was presented and paid at my counter ; whether by me or not, I don't know ; I might have been temporarily absent.

By defence.—The entry is not in my handwriting ; it is in that of Mr. Edwards ; he is not here ; he is at the bank.

Mr. Edwards being sworn, stated.—The entry is in my handwriting of a check of J. I. Corner & Sons paid on the 19th of October, for \$800. I made the entry, also, on the 20th October, of a check of J. I. Corner & Sons for the same amount.

By defence.—My position then was that of runner ; now I am a discount clerk.

By defence.—It was not a part of my duty as runner to receive and pay checks ; I was at that time assisting Mr. Perry.

Mr. Perry recalled.—Mr. Edwards at that time assisted me, and afterwards I examined the books by the checks, and finding them right, it was my duty to hand them over to one of the two book-keepers ; one book-keeper kept from A to J, and the other from J to Z. Mr. Turner kept from A to J. At the close of the day it was our duty to tally the book-keeper's book with mine ; (refers to book-keeper's book,) here is an entry on the 19th of October, of a check for \$800, charged to Corner's account, number 2,348 ; (examines the book for the 20th October.) I find a check of J. I. Corner & Sons,

for \$800, without any number. The same check is, on the same date, entered on my book. I did not enter the number of the checks; it was not my custom. The books were tallied each evening, at the close of the day's business.

By defence.—We had never been in the habit of marking a check as paid; we do now; it was always the duty of the book-keeper to cancel the checks; he posted in the ledger, but posted of course from his own books; I can't say whether I paid the check or not; it was paid at my counter; the entry could not have been there unless the check had been paid. Now, as soon as a check is paid, we stick it on a spear and so cancel it.

Mr. E. Corner.—I have no knowledge of Mr. Turner receiving a check for the amount of \$800 from our house; I have no knowledge of his ever receiving a check from our house; we had no business with Turner; a check could not be issued without a number, from our books, as we keep a register of checks; I draw the principal part of the checks; not all.

Mr. Noyes.—Mr. R. J. Turner called on me on the morning of either the 19th or 20th of October, between 10 and 11 o'clock, and asked me if I would go to the Mechanics' Bank and draw a check for him; he gave me the check folded up, and said he wanted a \$500 and three \$100 notes; this drew my attention to the check, and I opened it and saw it was a check of J. I. Corner & Sons for \$800; I went to the bank and Mr. Perry paid it as I requested; I was then in the employ of W. S. Birch, at his store in Hanover street; when I came back, Turner was not there; he had told me while I was gone, he would go and see his sick father, but be back as soon as I was; he soon after came in, and I gave him the money folded up as I had received it; I know it was on the 19th or 20th of October, by the fact that I heard that Mr. Turner had run away on the following day. The check was part written and part printed; it resembled this; I could not swear this is the same.

Mr. Perry recalled.—I know the handwriting of the Messrs. Corner very well; Mr. Turner left the bank on Tuesday, the 20th October, and never returned afterward.

Jacob Cook, sworn.—I went in pursuit of Turner; I went to Canada, and met Mr. Turner in Kingston, and arrested him there; I think it was on the 7th November; he was on board of a steamer going to Upper Canada with a party, on a gunning expedition; it was the 7th or 11th of November, I won't say which; I told him what the charge was, and that he should not talk to me about it, and if he did, I would check him; I told him I had no demand for him, and if he chose to refuse to go with me, I should have to go back to the States for a requisition; he expressed himself willing to go back, and intimated that he was glad to see me; he said he would have gone back any how.

Mr. Nelson.—Certainly—after the gunning expedition was over.

Witness continued.—He gave me the keys of his trunk, which I examined; found \$45 in American gold and fifty-eight sovereigns; he willingly gave me his keys, saying that he understood my duty; I told him whenever he wanted money to ask me for it, but not to talk to me about the subject of his arrest.

He said when I arrested him, it was a God-send that I had come, for if any body else had come he would have shot him; he alluded to "Old Hays," intimating that he would go to Baltimore as a gentleman, and that he knew that he would not have taken him there as such.

Mr. Richardson.—Now state what other conversation you had with him in reference to Mr. Birch.

Mr. Nelson objected, and the attorney general did not press the question.

Mr. Perry recalled.—There was no other check in the possession of the bank, of the Messrs. Corner, for the sum of \$800, on the 21st of October; we discovered on that day that the fraud had been committed; that the check had been presented and paid twice.

Mr. Corner recalled.—Went over the check-book from the 16th of October to the 22d of the same month, showing the amount and numbers of the checks drawn, there being but one for \$800, as before testified, and numbered 2,348.

Mr. Corner, sworn.—Never drew a check without its necessarily being numbered.

Perry recalled.—When we proceeded to “tick off” the checks, there was no other check of J. I. Corner & Sons drawn for this amount. We have never in all our search found one.

By defence.—I have known checks mislaid for some time, when I have been book-keeper, but we always found that the books agreed, and balanced them although the vouchers were not found.

Mr. Alnutt, sworn.—We have looked over all the checks from A to J, and never found but this one.

By defence.—The book-keepers sat opposite each other, at two distinct desks; I have never known the checks to become mixed after they have been entered. There was a gentleman came into the bank some few days ago, and asked for a check that was paid twelve years ago; it has not been looked for, but that check may perhaps have been lost by the owner; it was the check of Mills & Son. We don't know that it was not returned.

Here the prosecution closed, and the testimony for the defence was called as follows:

Mr. Solomon, a book-keeper of the Mechanics' Bank, called and sworn.—I have known checks mislaid for some time, but I do not recollect any particular check being lost; Mr. Mills called some days ago and asked for a check which had been paid some twelve years ago; I looked through a number of years, amongst the checks from J to Z but did not find it; it has not been found. There is a bare possibility that a check of Mr. Turner's might have been mixed up with mine; they are brought as they are paid by the tellers, and laid upon our desks until they are entered by us in the cash book. The check of Mr. Mills has been sought for and not found: Mr. Mills' books had been balanced, and that check not returned at the time; I suppose it is now in the bank.

The case was thus concluded in the matter of evidence; whereupon it was suggested by the attorney general that the argument should be conducted before the jury upon both the law and the facts to obviate the necessity of arguing the law twice over.

Mr. Nelson demurred to this proposition, inasmuch, as he was uninformed of the precise practice of this court; the jury were certainly the judges of both the law and the fact, but if they were to be under the instruction of the court, he was anxious to know what that instruction would be, before he argued the law before them.

Mr. Richardson remarked, that he should argue no law, but such as might be adverted to by the other side, nor cite any authorities but such as would be in reply to those advanced by the defence.

The counsel for the defence waived their demurrer, and the argument proceeded before the jury.

Mr. Stokes rose to the opening of the argument, and commenced with a series of remarks referring to the position of the accused in this case, as being not that of an individual sunk in destitution and without friends to sustain him; on the contrary he was in a position of life which stamped the

character of the offence as the result of unbridled licentiousness, and now that accused appears in court boldly, to challenge conviction at the hands of the state. The counsel then proceeded to the support of the two first counts in the indictment, and by statute law and decisions contended that the offence had been rightly laid therein as embezzlement.

The counsel held that although the jury might not be satisfied on these counts, the prisoner was unquestionably guilty upon the last count of the indictment, in which he was charged with the larceny of the check.

Mr. McLane, of counsel for the defence, followed with an elaborate and thorough review of the law in the case, denying utterly and emphatically the legal guilt of the accused, whatever might be the amount of his moral guilt.

Mr. McLane argued that the taking of the check by Turner was not *embezzlement* under the statute of 1820, because it was received by Turner from the hands of *another* servant of the bank;—and again, because a paid check was not a *check for the payment of \$800*, as charged in the two first counts of the indictment;—and again, under no circumstances could the stealing of a *paid check*, which is in the light of a receipt for money paid, be a subject for felony under the statute of 1820.

Upon the fourth count, alleging the stealing of a piece of paper worth \$10, Mr. McLane argued first, that there had not been a perfect *asportation*, and therefore no larceny, as the piece of paper was not taken *with the intent of wholly depriving the owner of it*, but only with a view of raising money on it:—second, that the piece of paper had no specific value as a piece of paper; it was a *receipt*, and as such had a known value, but not such a value as allowed the common law crime of larceny to attach to the taking of it—and, thirdly, although received from another servant of the bank, and consequently not within the embezzlement statute, yet that it was delivered for a purpose which created a purity of contract between Turner and the bank, which had not been determined at the time of the taking, and therefore the taking could not be *larceny*.

Mr. McLane spoke until 3 o'clock, when the court adjourned until 10 o'clock on Thursday morning.

THURSDAY, March 11, 1847.

The court met this (Thursday) morning, pursuant to adjournment, and the room was thronged with a rush upon the opening of the doors, the anxiety being evidently intense to secure the opportunity to hear the two distinguished speakers with whom it remains to close the case.

Mr. Richardson, however, who had for two days past been suffering painful indisposition, appeared before the court, evidently under considerable distress, and stated that he was entirely too ill to make an argument upon the case at that time, or indeed to remain; he therefore prayed the court, the counsel on the other side consenting, to defer the further argument until Monday next, which was accordingly done, and the jury discharged until that time.

MONDAY, March 15, 1847.

This morning the court room was crowded as heretofore; the distinguished counsel to speak on the matter at issue proving an irresistible attraction to a multitude of eager auditors.

#### SPEECH OF MR. NELSON.

Mr. Nelson, after the court had been called, proceeded to address the jury. He prefaced by an allusion to the delay which had occurred since they were empannelled, claimed their attention to his remarks, and, after a passing compliment to his colleague, observed that he should detain the jury

no longer than was absolutely necessary. He then took a review of the indictment, stating the several counts thereof, as they have been heretofore presented to the reader, and remarked to the jury under the approval of the attorney general, that the third count, which charges the stealing of "a check," had been abandoned by the state.

Mr. Nelson then entered upon an elaborate examination of the statutory and common law relating to the offence of embezzlement, being that which is charged in the two first counts of the indictment. The common law recognizing only larceny, in the application of the term, to the taking of personal moveable goods.

At the common law, therefore, a man was not guilty of stealing, or of larceny, in the taking of any such thing as a promissory note, a bond, a receipt or chose in action, nor could he be convicted in this court of such an offence on the common law.

In support of these views, Mr. N. read from 5th Mason, p. 362, Judge Story's opinion that promissory notes, &c., have no intrinsic value as property, and are only the evidences of value.

Bills of exchange, promissory notes, checks, &c., are, however, subjects of larceny in the state of Maryland; but it is to be shown that the subject matter of this prosecution is not a check. Up to 1820, a clerk, agent, cashier, or servant of a bank, was not guilty of a felony in the appropriation even of moneys in their hands, but was only guilty of an unpunishable offence called a breach of trust. The effect of the act of 1820 was only to make that which was before a breach of trust, a larceny.

Mr. Nelson, from his preliminary position, proceeded to elaborate the argument, supported by a variety of cases, which he held, were applicable to the case in question; the argument applied exclusively to the law—the defence being altogether based upon legal technicalities. Mr. N. in the course of his remarks, distinctly admitted the moral wrong of the act of Turner; he was not there, he said, and God forbid that he should be to vindicate the moral character of his client; he only desired to impress the jury with a sense of their precise duty in this matter, and that was to convict or acquit the accused upon the particular indictment before them.

The counsel then examined the several acts upon which the indictment had been based, and throughout his argument maintained as the chief object, that the check was not a check nor of any intrinsic value; that being a paid check, it was a cancelled check, and that there was no felonious taking of a valuable security.

With reference to the last count, which charges the stealing of a piece of paper, Mr. N. denounced it as a last resort, the stealing of the check having been abandoned. He argued the question exclusively with reference to the value of the piece of paper, requiring the jury to hold it in estimation entirely separate from the check written upon it. A piece of scribbled paper was the article upon which the jury were to assess the value. And this value the jury were to find to be \$10 as laid in the indictment, the punishment being affected under the law, by a value over or under \$5. In application to this point Mr. N. illustrated his argument by the stealing of a counterfeit note, for which if a party were indicted he would necessarily be acquitted; but did the state ever resort to an indictment, charging the party with stealing the piece of paper on which the counterfeit note was printed?

Mr. Nelson in closing his argument observed that he should make no appeal to the sympathies of the jury, but leave the case with them to be decided as it was presented by the indictment and upon the law applying to the case.

The counsel having concluded his remarks, the court adjourned until Tuesday morning.

TUESDAY, *March 16, 1847.*

The intensity of the public interest in this trial seemed not only unabated this morning, but if possible, augmented by the able speeches of counsel, which had already been made, and accordingly a crushing throng was present to hear the closing argument of the state by the Attorney General.

Mr. Richardson, upon commencing his address, adverted at once to the facts which had been proved in the case. They were very simple, and needed only a bare recapitulation to lead the jury at once to the subject of the argument.

Richard J. Turner, the accused at this bar, was employed as a clerk or book-keeper in the Mechanics' Bank of Baltimore; in this capacity, on the 19th of October, he received from Mr. Perry, who had paid it at the counter of the bank, a check of Messrs. J. I. Corner & Sons, for the sum of \$800, to be charged to their account. After receiving the check, and having entered it according to the duties of his office, he put it into his pocket, uncanceled, perfectly uninjured, and capable in consequence of being again used. On the following morning he gave the check to Mr. Noyes, requesting him to get it cashed at the Mechanics' Bank, and from him he received one \$500 and three \$100 notes, as the proceeds of that check; on that very night, in consequence of the guilt in which he was involved by this transaction, he fled from Baltimore and took refuge in Canada. These facts are admitted—they could not help being admitted—because the proof is so clear, so incontrovertibly true, that no man who heard the testimony could doubt the state of facts therein arrayed.

Here then is a man who comes before this court, this jury, this auditory, steeped in guilt so deep, so attainted with crime, that whatever may be the verdict of this jury it can never restore him to his former position of life; a man so confessedly a felon, as to take rank with the very worst culprits confined within the walls of your penitentiary; who comes, I say, into court and challenges an acquittal, and claims to be sent forth guiltless to the world! I put it to you as twelve intelligent men, sitting there honestly to administer the laws of the state of Maryland, between this prisoner and the community you represent, to ask yourselves with what sort of a conscience he can do this? The answer is, technically—Yes, his counsel confess that they rest his acquittal solely upon the *mere technicalities* of the law. A technicality, indeed, that will not vary the character of this case, for guilty he is still, whatever your verdict may be, guilty in the eye of God and man.

Turner, while occupying the position of clerk in the Mechanics' Bank, a position of respectability and of trust and confidence, enjoying much more than an ordinary share of the pleasures of social intercourse; possessing to an unusual degree the qualities which peculiarly attract and delight us in the social circle, he had made in this community many strong and ardent friends. I was one among the number; I know the man well. He has friends—aye, many within this court-room—possibly within that jury box—but you, gentlemen, by your oaths while there empannelled, know him only as the party to this indictment.

An impression prevails, I know, to some extent in this community, though I trust to a very limited extent, and it may have entered the jury box, that inasmuch as the bank can now suffer no more, nor recover the monies of which it has been defrauded, that a conviction in this case is of no importance, and the question is deliberately asked, why should Turner

suffer—what is the use of convicting him? The same inquiry may be put in relation to any individual who is brought to this bar. The famishing pauper who steals a loaf of bread to appease the cravings of hunger, and destroys it ravenously, can restore it to the owner no more; neither it nor its value is ever restored to him from whom it was stolen. Why then should he suffer? The poor devil who steals to satisfy his daily wants, to supply himself with clothing, or to sport a short-lived hour of vanity—put him in the bar, and there are gentlemen now sitting in that jury-box, who, without inquiring why he should suffer, have pronounced a verdict of guilty, without leaving their seats. But when an individual of another class appears, a man who does not steal cents, who does not steal for the purpose of covering his nakedness, but who steals his thousands at a swoop—then we hear the question, why should he suffer? Then we behold as the assurance of his safety an array of talent and of technicality well directed to the jury-box to give effect and substance to the inquiry—why should he suffer? Nor is this all—by no means! Even the prejudices of men, entirely apart from their character as jurors, are appealed to, and lo! because my colleague happened to allude in his remarks to the absence of temptation in this case, one of the learned gentlemen upon the other side broke forth into a tirade against banks, as corporate iniquities, schools of rascality, the very places to make rogues, alleging against them that they issued promises to pay which they had violated, that they were in fact sinks of corruption, and really I thought he was going to conclude his episode with the assertion that it was actually a laudable thing to steal from them. He gave us, however, clearly to understand that this unfortunate individual, Turner, was the victim of a bank! The victim of a bank, gentlemen? Is he not rather—aye, entirely so—the victim of his own inordinate love of money? The victim of his own appetite and lust of enjoyment? It is this that has made him what he is and what he is now proved to be; not from the testimony of the bank, nor from agency of the bank in this prosecution, but from evidence afforded by himself; the evidence of his own entries, which together with the testimony of Mr. Noyes, prove conclusively that he did steal the check, and upon that check steal the \$800, on the 20th of October, with which he made speedily away for Canada. So much for the facts of this case, and the moral guilt which they establish.

Gentlemen of the jury, this is the state of facts which I have presented to your consideration; and this is the state of facts as they existed at the commencement of the trial, and as they exist now, demonstrably proved. And with this state of facts before you, carefully kept in view, it is my duty also to say to you that Turner is entitled to all the protection which the laws of the land afford him, as they are to be administered by you in behalf of this community, and that it is therefore your duty carefully to consider and examine those laws; I shall endeavor to assist you in this duty. It occurred to me very early in the prosecution of this trial, that the whole question must be merged in a mere question of law; not a question referable to the broad and expanded principles of law, but to the nice technicalities, the delicate points of law. Those things upon which lawyers differ—upon which I differ with my learned friends on the other side—how could it be expected then that you gentlemen of the jury, should be able to come to a correct decision. In this view of the case, it occurred to me that the court was the proper tribunal, to which we should appeal; that to the court we should go for instruction upon the law, having first argued it with the facts before you. Gentlemen, I take it for granted, that there is not a man in that jury-box, hearing to answer to his God and to his country in the respon-

sibility of his act, who does not desire to decide this case fairly between the state of Maryland and this prisoner.

If there be such a man—I say it solemnly and reverently—what shall defend him from the stings of his own conscience—what shall defend him from the keen indignation of an offended community—what shall defend him from an insulted God?

It occurred to me, gentlemen, that inasmuch as we differ upon the points of law which the case involves, to relieve you from much responsibility, that the court would be the proper source from which to seek information. But if you resolve wilfully to shut your eyes to what the light reveals, if you should determine to decide the law upon your own judgments, and that judgment biased by an inclination to acquit the prisoner, then I say you are acting as much in violation of your oaths as if you found your verdict in direct contradiction of the facts developed and admitted in this case.

And now, gentlemen, I approach the case as it is contained and spread before you in the first two and the last counts of this indictment. It has been correctly stated that the third count has been abandoned by the state. I will briefly state the reason for this. It was based on the act of 1789, which provides that any person who shall steal any promissory note, evidence of debt, &c., or issue a counterfeit note, shall be punished as though he had stolen goods of the *like value*. Now, a counterfeit note having no value, the act is an absurdity; if the word *purporting* had been introduced, it would have been different; as it is, however, it is of no use; and the court have decided the act to be defective on this ground.

When the check was brought into the bank the second time for payment, there was in fact no money due upon it; but by this it is not to be inferred that the check was not valuable. It was in fact worth \$800. If Mr. Corner had not been honest, and the check had been destroyed, he could have called upon the bank to produce the check, and the bank failing so to do, he could have demanded of them \$800. The check was, therefore, worth to the bank, \$800. But the reason why the third count has been abandoned is because there was in fact no money due on the check.

Now, gentlemen, upon the first and second counts of the indictment. The charges are the same, that Turner being a clerk, or being employed in the bank, did receive into his possession *a check* of the value of \$800, and did embezzle the same. The counsel upon the other side have justly stated, that the state must prove four things—that it is necessary for me to establish four propositions before I can ask a conviction at your hands. This is true, and these four propositions are as follows:—

First, that Turner was a clerk in the bank.

Second, that he received a check *eo nomine*; that is to say, a “check” by *that name*.

Thirdly, that he received it by virtue of his employment, for and on account of the bank.

Fourthly, that he embezzled that check.

To the first of these propositions, I have only to say, that it is an admitted fact; it is admitted that he was a clerk of the bank. (The counsel on the other side bowed acquiescence.)

To the second, it is admitted that he embezzled the instrument.

Mr. Nelson.—No, sir.

Mr. Richardson.—Well, that he abstracted it, then; that he took it, there is no doubt, and took it secretly, and pocketed it. Now, therefore, if I establish that the thing which he did thus take was a check—that he received it for and on account of the bank, and that he appropriated it to his own use—the case is at an end, and you, gentlemen, upon your oaths, cannot

escape from the conviction that Turner is guilty, according to law and under this indictment.

Before entering upon the discussion, allow me to premise briefly with some remarks in relation to the law in general. The law is of a twofold character—or rather I should say that offences are of two characters. The first of these consists of offences at common law independent of any statute whatever, which were murder, robbery, larceny, &c. Statutory law afterwards came into use, as it appeared necessary under the growth of circumstances, for the purpose of reaching substantive offences which the common law did not reach. At common law, stealing was indictable without any statute at all. But what larceny was, came at last to be a question often mooted. It was at length decided that when an individual was entrusted with a thing by, and belonging to, another, and he appropriated it to his own use, it was not larceny, because the owner had parted with the possession of it, if he parted with the possession of it voluntarily.

Mr. Richardson here suggested a variety of hypotheses in illustration of possession, and custody. Perhaps the most familiar was with reference to the hiring of a horse. Thus, if I hire a horse, said Mr. R., from a livery stable keeper, to ride to Govanstown, and after getting out of the city appropriate the horse to my own use, it would not be stealing but breach of trust. But if he had asked me to ride his horse out to Govanstown for any purpose, and I had appropriated it to my own use it would be larceny. In one case the animal was in my possession; in the other it was in his possession. And therefore you see upon what a slender difference the whole question of larceny and breach of trust depends. So much the more necessary then that you should apply to the legal and constituted tribunal for instruction as to what the law is upon this subject.

Thus stood the law in this condition, subject to every variety of shift and prevarication until the act of 1820 was enacted. Now what is that act? It is an act to punish certain breaches of trust. It says that they shall hereafter be felony, as the acts at common law were felony, and punishable in like manner. But wherever an offence would be felony at common law, the statute does not reach it, because it excludes the cases provided for at common law. This act takes up offences not regarded at common law, and makes them felonies and punishes them in like manner.

Now, gentlemen, the first and second counts in this indictment, treat the offence charged as an embezzlement of a check; and it avers that it is an offence created by statute, and which does not exist at common law. The fourth count alleges an act which is not an offence under the statute, but is an offence at common law. Thus the offence which Turner has committed cannot be both—an offence at common law and an offence against the statute; it must be one or the other. And that it is either one or the other, I purpose to demonstrate to the complete satisfaction of any unprejudiced mind. The jury must come to the conclusion that he is guilty on the first and second, or the fourth count of the indictment. He is either guilty of a breach of trust under the statute, which is felony, or of stealing the piece of paper at common law.

The counsel upon the other side say, that all the requisitions of this law must be complied with; that I must prove the four propositions. Well, one of them is proved or admitted—that he was a clerk of the bank. A portion of the second is also admitted, that he received this paper into his hands, but the learned counsel deny that this is “a check” within the contemplation of the act of Assembly. The words of that act embrace the terms note, bond, check, &c., or other valuable security or effects of the bank. And against this act the counsel contend that this is not “a check” *eo nomine*—or to An-

glicise the term, that it is not truly a check by that name. Gentlemen, is it a check? Is it a thing known by that name in and among the community? I ask the question, and now say, under the instruction of the court, that in the construction of all law, the terms used in the law are to be construed absolutely according to the known and familiar meaning by which they are used in the community. But, say the counsel, this is not a check. What is it, then? Why, a receipt. A receipt to the bank for money paid. Gentlemen, this is the very first time in my experience, that when speaking of a check, I am required to change its name and call it—a receipt! It is the first time I ever heard that a check was a receipt. It operates in the nature of a receipt on the part of the bank, I frankly admit. Its effect is the same as a receipt. But that it is a receipt *eo nomine* I flatly deny. It is always a check. It is a *paid* check, if you please, but still a check; and after the hammer has been upon it, as you now see it, it is a cancelled check. If I were to ask Mr. McGrath, the foreman of this jury, what this is I hold in my hand, he would reply, "why, it is a check on a bank." And the very fact that such would be his answer, is a sufficient proof that it is rightly laid in the indictment by that name, according to the universal rule of legal construction.

But the counsel will have it that it is a receipt—and why? Simply because they know very well that there is no act of assembly which punishes the stealing of a receipt. And why not? Because a receipt is a thing that can be of no use but to the individual who owns it; it can be of no use to any one stealing it, and the law does not degrade its character by trifling with nullities. And herein is seen the wisdom of the law, inasmuch as it does not profess to punish a man for stealing a thing that is of no value to him, nor to anybody else in the world. But what was this paper to Turner?—What was it in his hands? A receipt? O, no; even his counsel wo'nt pretend to say that. When he carried it out of the bank what was it in his pocket? What did he allege it to be when he handed it to Mr. Noyes, to get it cashed for him at the bank? What was its operation? What did it effect? It was taken out of the bank by Turner, a paid check; it was handed to Mr. Noyes, perfect in its condition, un mutilated, and so presented at the counter of the bank, and the money paid for it as a check. And now Turner is to come here, before this jury, and declare that this is not a check. "To be sure," he may exclaim, "I used it as a check; I got an amount of money from the bank upon it, equal to what it calls for; but when I am before the jury, I will say to them, through my counsel, that it is a void instrument; it was a void instrument when it was presented a second time at the bank, it was not a check, and the bank had no business to pay it. It was through their default alone that I got the money upon it." This is the argument of my learned friends on the other side, addressed to an intelligent jury. *Their* default was it? *The default of the bank* was it?—Gentlemen, I ask you who was *the bank* for all the purposes of record and cancellation as they pertained to this check? Who was the bank defaulter in the matter of duty relative to the cancellation of this check? Answer me that!—You know who it was. This very Turner himself. He, the trusted clerk of the institution. He, in *default of honesty*, instead of cancelling the check and thereby preventing a further use of it, puts it in his pocket. And what then; why he made the same bank which is now charged as derelict in duty, the bank which confided in him, which was fostering him, makes that bank pay the amount over again; and as soon as he gets hold of the money he puts it in his pocket and runs away. Tell me not that it is through the default of the bank that this offence has been committed; common sense scouts at the idea; the most ordinary in-

telligence rejects it. It is through the felonious purpose and design of this man alone, that the offence was perpetrated. He was, for the honesty of his purpose as it referred to the proper disposition of this check, *the bank* itself. He was, so far as the act of cancellation was concerned, *the bank* itself.

I might as well say here, what I intended to have said before, that whatever contest of opinion and argument may be involved in this matter, it is really between my friends upon the other side and the court. The court being the true source of legal instruction, and the facts being admitted, it is not necessary for me to address you, but to advert to what I conceive to be misconstructions of the law by my friends upon the other side. I have only therefore to present to you the case as I believe it to be affected by the law; and if the court should agree with me, so be it. What the court will say, however, upon the subject when I have closed, I know not. But if they shall say that the ground for which I contend in the course of my argument is not law, there is no man who will more readily bow to that opinion than myself. But if they shall say that I am right, then the matter in question is between you and them—between your consciences and your God.

We now come to inquire, relative to that portion of this prosecution which presumes that this check is of value. The language of the statute is, “notes, bonds, checks, &c., or other valuable security or effects.” The character of the whole of the instruments then must be of value. The law relates to *valuable* instruments or effects. Now, gentlemen, I submit it to you, whether it is necessary for me to prove this is a “valuable security or effect.”

Mr. Nelson.—We object to this proposition of the learned attorney general; if he means to contend for a conviction, upon the argument that this alleged “check” of the indictment is a “valuable security or effect” of the bank, it was incumbent upon him so to allege it upon the face of that indictment.

Mr. Richardson.—My learned friend misapprehends the purport of my argument. I have laid the check in the indictment to be of the value of \$800. But I do not intend to allege that it is not a check. The check stands or falls upon its own name. But I contend that as an effect of the bank it was worth \$800, since that is the amount that the bank would have been responsible for, had the check been destroyed, and the drawer supposed to be dishonest. I have yet to learn (said Mr. R., referring to a part of the argument on the other side) upon what principle of law it is that my friend who has last addressed you would restrict the term check, or the value of the same, to an instrument of that character drawn by one bank upon another. I can see no difference between that and a check drawn by an individual. The act in question contemplates no such distinction, and punishes the individual who shall steal one as it does the other. It refers to any “clerk, cashier, agent or servant,” and if any of these individuals shall steal a check, whether of a bank or otherwise, he has committed a larceny. The very fact that the man Turner has committed a fraud upon the bank, by having stolen one of the instruments named in the act, is proof of the value of that instrument; and having thus committed a fraud upon the bank, it is proof that he has violated the law in this case.

Now let us suppose a case. A fraudulent teller of a bank receives a check, and it is *his* duty to cancel it, but he does not intend to do so; he intends to omit that duty and does so; he passes it, however, to a fraudulent book-keeper, who in combination with the teller, manage to bring it in again and it is paid a second time. Why is not this a breach of trust—an embezzling of a valuable security—a check *eo nomine*? Gentlemen, I submit to you whether such a restrictive sense of the term “check” can be indulged in this case as that proposed by this defence. He may tell me that

it is a paid check—but it is a check notwithstanding.—Here then is a check ; (holding up a paper) a cancelled check now, gentlemen of the jury ; the hammer has been upon it ; but it was not in this condition when Turner put it in his pocket. It had never been cancelled then, or it never would have been paid a second time.—But, say my friends, the bank was not bound to pay it. I contend that the bank was bound to pay it, and that had Turner passed the check upon any person out of the bank, and it had been presented by that person, although it was known to the bank that the check had been fraudulently and surreptitiously obtained from its custody, the bank would have been bound to pay it.

Mr. Nelson—I deny that—I deny that there is law to sustain it.

Mr. Richardson—Well, sir, I could produce authorities for it, but it is not a question material to this issue, and I have no disposition to discuss it.

And now we come to another part of this argument, and one to which I would particularly ask the attention of the court as well as jury, inasmuch as I conceive it to be of grave importance ; and that I may state it before the jury under the correction of the court.

My friend upon the other side says, even conceding the paper to be a check, then Turner did not take it into possession “for and on account of the bank ;” that Perry, upon receiving it at the counter, received it into the possession of the bank, and that Turner being a second officer, to whom it was passed from the first, did not receive it “for and on account of the bank,” and that in his hands it was in the possession of the bank, and not in his own possession “on account of the bank.” I differ from them *totò cælo* on this point, and I want your special attention, gentlemen, to the argument.

The counsel say, that Mr. Perry (the paying teller) received the check into the possession of the bank, and handed it to Turner in the course of his duty, to enter against the account of Corner & Sons, and otherwise dispose of it. Now, gentlemen, I propose to prove that the check never was in the possession of the bank at all. That when it went to the bank, and went into Perry’s hands, it went into Perry’s possession, and not into the possession of the bank. But, say the counsel, Perry might have been convicted on this indictment had he committed this fraud. Now listen to the absurdity, gentlemen. They say that Mr. Perry’s possession was the bank’s possession. Then, if so, he could not certainly have embezzled the check ; because, the very moment it went into the bank’s possession, no man could under the statute embezzle the check. Perry could not therefore have embezzled it ; the taking of it then from the bank’s possession would have been an offence at common law. Thus if the owner had not parted with the possession of it, had not given it into the custody of another, the taking of it was larceny at common law. The whole act, therefore, to which we refer, if I am wrong in my argument, is an absurdity, a thing void upon the statute book of our state.

But I contend that the bank never had possession of the check. Let me illustrate : Mr. Perry, who is the paying teller of the bank, when he goes in the morning, takes or receives into the drawer for use during the day, say \$10,000, \$50,000, or \$100,000 of funds. These are for the time being in Perry’s possession, not the bank’s ; put into the possession of Perry for the purpose of business, and no individual has any right to come to his drawer and take out a dollar ; neither president, cashier nor director, and if any one did come, he would refuse to let them take any out. He would say, “no sir, this money is in my possession, and I am responsible for it ; my bond is responsible for it.” But if he should appropriate any of this money to his own use, nobody will pretend that he could be indicted for steal-

ing it; it would be embezzling under the statute law of 1820. Yet if this state of things was the bank's possession, then, as I said before, this law is an absurdity; there is no use for it; for the common law offence of larceny attaches to the act, the very moment any man takes into his possession the funds of the bank.

Now, Mr. Perry has his \$100,000 in use during the day, and at night he comes to settle his account, and must either produce the money or the vouchers for the money. In the course of the day he pays a check of \$800 and puts the check in the drawer; why? it is a voucher for the \$800 which he paid. Now, I have attempted to show you that he could not be indicted for *stealing* the money. Well, here is the check in his drawer; is it not in his custody, precisely as the money was? If there could be no larceny in taking the money, there could be no larceny in taking the check. I say then that the possession of Mr. Perry was not the bank's possession; he had the funds in his custody as the bonded officer of the bank, and no other person about the bank had any right to be at his counter, or at his drawer, when these funds were in his custody.

The counsel admit that Mr. Perry could have "embezzled the check."

Mr. Nelson.—No, sir.

Mr. Richardson.—Well, it was stated over and over again that Mr. Turner could not "embezzle" the check, because Mr. Perry had received it for and on account of the bank. Yet the possession which he had was his own possession, and the only way in which he could have appropriated it was by *embezzling* it; in other words, he could not *steal it*. Now I have endeavored to show you, gentlemen, that Mr. Perry's possession was not the bank's possession, but his own. Well, he received and paid the check, and entered it on his cash book; he then handed it over to the book-keeper who kept the accounts of letter C, that is Turner. He, Turner, charges the account of Corner & Sons, with \$800. At the close of the day's work the paying teller and the book-keeper come together and compare their accounts; they agree in all the entries and amounts; the effect of this is the discharge of the teller from all responsibility with reference to the check. He has never discharged himself of this responsibility until he has seen that the check is charged upon the books of the person by whom it was drawn. Well, now Mr. Perry comes to settle with the bank. He received \$100,000. "Here is \$800 short, Mr. Perry." "O, that was a check for that amount of Corner & Sons, that I paid to-day." "That won't do, Mr. Perry; where is the check?" "Well, I gave the check over when the money was drawn, to the book-keeper, and he entered it to the account of Messrs. Corner & Sons." "Very well, Mr. Perry, you have done your duty; I'll go to Mr. Turner." The cashier goes to the book-keeper. "Mr. Turner, you have charged upon the books of Messrs. Corner & Sons, \$800. I want to know by what right you have made such a charge." Mr. Turner replies, "Mr. Perry has handed me a check drawn by Messrs. Corner & Sons, for that amount." "Mr. Turner, you must produce that check." Now, I ask the gentlemen to respond to the question, "in whose custody was that check, in whose possession was it?" I submit it to the court—in whose possession? Gentlemen of the jury, it was in the possession of Turner—in his, and his alone; he alone, by virtue of his office, was entitled to the possession of that check. When he was called upon to give it up, and did give it up, it went into the possession of the bank, he having received it "for and on account of the bank." And until he thus gave it up, if any bank officer, president or cashier, had gone to his drawer to take possession of the check, he would have said, "No, sir, I have the right to this check, it is my voucher."

Who, then, was in possession of this check, until it was pocketed by Turner? Why, Perry first; he had the rightful possession of it as the voucher for his funds; and when it left his hands it went into those of Turner, and his possession was his own possession; he received it "for and on account of the bank," but into his own possession as a voucher for his own acts. Now, gentlemen, I say that I am right in this point of the argument, and I say so with perfect confidence. I believe this court will say so; and the clear reasoning faculty of every man's mind will say so, too. And if I am right, that the check was not in the bank's possession, but in Turner's, then embezzlement is inevitable.

Mr. Richardson proceeded to an examination of the authorities quoted by the counsel on the other side, and declared them to be directly in confirmation of his own argument. Before, however, entering upon this branch of his duty, he would call the attention of the jury to an important point.

Gentlemen, he said, once coming to the conclusion that Turner's possession was his own possession as a constituted and bonded officer of the bank, as I apprehend you will do, the question before you is decided. And until you say that he was not in possession of the check, the case is inevitable, and the human mind cannot escape from the result—that he must be convicted.

Mr. R. now referred to a case introduced by the defence.

(We abridge the statement of the cases in our report.)

A man in the employ of a certain company received a sum of money from another person in the employ of the same company, with which to pay for an advertisement. He paid a certain price for the advertisement and pocketed the balance, asserting that he had paid the whole amount. He was indicted for *embezzlement*.

This case has been cited by my friends on the other side as on "all fours" with the case at bar. The man was tried and *convicted*. But he was convicted contrary to the law; and why? Because the company never parted with the possession of the money; the prisoner was the mere instrument by which the money was to reach the newspaper office, and in appropriating it he stole it from the company, and his offence was *larceny* at common law. The case was carried up to the twelve barons of England, and what was the result? They declared the conviction illegal, and ordered the prisoner to be discharged. The counsel on the other side, therefore, contend that a conviction cannot be had in the present case. But the difference in the two cases is clear. In the case quoted, the money was put into the hands of the servant to pay away; he had not received it "for and on account" of the company into his own possession; it was never out of the company's possession. In the case at bar, the check was received by the prisoner "for and on account of the bank," but was never in the bank's possession. The decision of the twelve barons conclusively establishes my view of the case.

But now, gentlemen, Mr. R. continued, we will proceed to the fourth count of this indictment, which charges Turner with a larceny at common law, the fact of stealing a piece of paper; the piece of paper on which the check was drawn. We have now done with the statutory offence, and a new subject is before us. Suppose I am wrong in what I have said upon the embezzlement—wrong in my views and argument—wrong from beginning to end. Suppose Turner was not in possession of the check—that it was in the bank's possession. Suppose it was not a check—that it was a paid check—a receipt, or any thing else you choose to call it—how are you going to get clear of the alternative? Either it was in Turner's possession or it was not; and if it was *not* in his possession, then he

stole the paper on which the check was written. And when I come to a jury called to decide this question as it exists between this prisoner and this community, under the high and solemn sanction of their oaths, you may say what you will about the honesty or dishonesty of incorporated institutions, I come to speak of things as they are.

Who is affected by the violated trust reposed in the institution itself; in the president, cashier, book-keeper, teller, or other clerk or agent necessarily clothed with such a trust? The wealth of the institution is composed of the money of "the widow and the orphan"—the community—yourselves and your fellow citizens. Talk not to me of the bank suffering by the fraud of its agents, look behind the institution and see what ravages are committed on the stockholders. Talk not to me of presidents, cashiers, directors—what are they?—When did the fraud of any adroit rogue reach them? You rob the drawer—you do not touch the bank—you do not touch the charter—the president and directors—no! You reach beyond all these, and touch the pocket of each individual stockholder of the bank. He whose stock must rise or fall in market value, according to the value of the trust which the community can repose in the institution—in the honesty or the dishonesty of those by whom its affairs are conducted. Let me not be told when an offence has been committed within the walls of one of these institutions, that is, more against "monopolies," as the term is—more against the corporate body that the vindictive hand of the law should be directed, than the individual offender. And when you find an agent of one of these institutions enjoying a position of high trust, trusted necessarily in the performance of his duty, violating, scandalously violating his trust, pilfering from the stockholders for his own personal gratification, I ask with what sort of a grace does he come here and say to you—"It is true, gentlemen, I stole the money, I will not deny that, because the proof is positive—but then I stole it from one of these sinks of corruption, these iniquitous banks, in which it is impossible to be honest." And this is about the whole of the argument; in the first place the banks are corrupt; and if the banks are corrupt, then the clerk must be corrupt; and if the clerk is corrupt—he is irresponsible.

Now it is conceded that the taking of this piece of paper is a felony but for two things:

First, that there was no intention to steal the piece of paper, but on the contrary it was the intention of Turner to return it to the bank.

Second, that the piece of paper is of no value.

To the first of these objections: If I steal Mr. McGrath's horse to-day, and to-morrow go to him, on the supposition that he does not recognise the animal, and sell him for \$50, I will come here and say I did not intend to steal the horse, I took him with the intention of returning him, but make \$50 by the operation; I should like to know what this jury would say about it.

Or, suppose I go into the Mechanics' Bank and steal a \$100 note from the drawer; to-morrow I take it back and get specie for it, and I am subsequently arrested for stealing the \$100 note. According to my friend upon the other side, I may come here and say I did not intend to steal the note, I took it with the *intention of returning it*—that is getting specie for it. And on the same principle Turner did not intend to steal the piece of paper; he intended to steal something more—yes, gentlemen, \$800 more.

Mr. R. referred to a case on this point; and further adverted to the innumerable decisions in which it had been established that a person finding a thing and knowing the owner, and holding on to it for the purpose of obtaining a reward, though there was no felonious intent manifest in the finding, was guilty of felony.

The contrary doctrine, said Mr. R., has been exposed in a single remark by one of the learned judges of England, who says, "a more glorious doctrine for thieves could not be imagined; and a more injurious one for honest men could not be devised."

So much, gentlemen, for this doctrine of returning; if it were once to prevail in any community through the verdict of the jury box, it would speedily unhinge the whole social system.

We come to the other objection, that the paper was of no value, or that it had no value. The value does not depend upon the intrinsic worth of the thing, but upon two other things relating to it; viz. What is it worth to the party holding possession of it? and what can he get for it who has appropriated it? In the present case the bank lost the value of \$800 by it—in other words, they lost \$800 by it, for that was the amount which they paid on it. Turner got \$800 for it. Now, gentlemen, with these facts before us, and addressing myself to your common sense, can you say that it was a piece of paper of no value. To tell me that it is of no value, is to tell me that \$800 is of no value. A paper may be of value to the owner, though, if lost in the street, nobody else would pick it up.

Mr. Richardson here cited a case of robbery, in which an assault had been made upon a man with the intention of robbing him in the expectation of booty. After the attack, however, it was discovered that nothing had been stolen but a piece of paper, being a memorandum of some money which he had paid. The prisoner had been indicted for the robbery and this alone was proved against him. It was contended by his counsel that the paper was of no value. The judge said the man proved it to be of value; by carrying it in his pocket he showed it to be of value in itself.

Mr. Nelson.—That was a case of robbery, not larceny.

Mr. Richardson replied that there was a note at the bottom of the page to this effect: "In larceny and robbery the value of the thing is immaterial, but it must be of some value to the individual robbed." In robbery and larceny, therefore, the point is the same. But, say the counsel, the value is so infinitesimally small that it cannot be estimated. Why not? Suppose a man goes from one end of Baltimore street to another and takes a few grains, or a handful of coffee out of each bag that he passes open to his hand. Although a single handful is but of small value, in the aggregate he will have secured a goodly quantity. So, if he go to all the hardware stores in the same street and pilfer a nail in each; although one nail would be of the smallest possible value, yet not so of a hundred. And if a hundred is of some value, so is one, for the hundred is made up of individual nails. I apprehend a man might do a good business on this principle; but when arrested and indicted for stealing a single nail from one store, shall he be permitted to say, "Indict a man for stealing a single nail—why it is of no value." I say that on this principle a man might do a very fair day's work, though not a very honest one.

Another case was referred to by Mr. R. A package of halves of country bank notes was stolen; they were, when stamped, re-issuable by the bank. On the trial of the offender it was contended that they were of no value. The court said they had the capability of being re-issued—of being restored to their pristine character, by the bank; it was enough that they were of value to the bank, although of no value to the thief; their value to the rest of the world was immaterial.

Now, said the attorney general, is there a man in that jury box who will say that this check was not of value to the bank; this piece of paper, on which this writing is contained? If it is of value to the bank, then it matters not whether it be of value to the rest of the world or not.

Another case was referred to, in which a man had stolen an unstamped check for £13 7s. 6d., and got the money upon it. The party was convicted and the case went up to the twelve barons upon the question whether being unstamped it was a legal paper and the subject of larceny. The question was put whether as a blank check it would have been a subject of larceny; it was held that it would. Was it the worse for being filled up? It was held that the filling up made the paper of greater value. The counsel for the prisoner finally urged, that the value of a piece of paper was so infinitesimally small that it could not be appreciated. One of the judges observed, "your client got £13 7s. 6d., upon it." Exactly so. And say my friends upon the other side, the value of this piece of paper is so small that you cannot say what it is worth. I say your client got \$800 upon it.

To simplify the argument I have only to say, that if you believe Mr. Perry's possession of the check was his own possession; and that Turner's possession was his own possession, then it follows that Turner is guilty of embezzling it. They received it, both of them, on account of the bank, and had a right of possession as against all the world. It was a means by which they were to be relieved of the responsibilities of their office; a means by which they were to show how they had disbursed the bank's funds. An individual in such a position could not be indicted for the larceny of the funds, nor of the instrument by which he could appropriate those funds. The object of this very statute was to meet such offences as this; it was enacted to embrace cases of this very kind. But if you do not believe him guilty of embezzling the check, the alternative view of the offence presented by the indictment is irresistible. He is guilty either of embezzlement or larceny. It is embezzlement, or it is not; and if not, it is larceny. It is

The court then delivered to the jury the following opinion:

#### OPINION OF THE COURT.

"If the jury shall be satisfied from the testimony given in this cause, that Turner was a clerk, employed in the Mechanics' Bank as book-keeper, whose duty it was to receive checks paid at the counter, and faithfully enter their amounts on his book, and retain the same in his care until the same was cancelled by the proper officer entrusted with that duty, and if they shall further be satisfied from said testimony, that on the 19th day of October, 1846, a check drawn by Corner & Sous, for \$800, payable to bearer on said bank, was on the same day presented at the counter of said bank and paid; and that the said check came into actual possession of said Turner, and by him was entered on his book as paid; and that *before the same was cancelled*, and whilst remaining in the said Turner's possession as clerk, he, the said Turner, on the same or the day following, put the said check into the hands of a person not employed in said bank, nor in any manner connected with it, to use the same for drawing its amount from the bank for the use of said Turner; and that said person accordingly presented the said check, got it paid and delivered the amount, \$800, to said Turner.

"The court are of the opinion that such use of the said check, then the property of said bank, and valuable for the adjustment of their account with the drawer of the check, amounted to the crime of embezzlement within the provisions of the act of 1820, chapter 162, and consequently is not larceny as defined by the common law.

"Embezzlement differs from stealing and robbing in this—that the latter implies a wrongful *taking* of another's goods—but embezzlement denotes the wrongful appropriation and use of what came into his possession by *right*."

Mr. Turner's trial for conspiracy to defraud the bank of upwards of \$50,000, will come on in a few weeks, and will be reported.

## Notes of the Month.

The money market throughout the Union appears to be in a quiet condition. Money is abundant at the principal points. The heavy imports of specie from Europe continue, nearly two millions having been received by the steamer which left Liverpool on the fourth of March. The existing rates of exchange on Europe are lower than they have been since July, 1834; rates equivalent to nearly five per cent. discount, and at which rates specie must flow from England and the continent to the United States.

**AMERICAN STOCKS IN LONDON.**—Barings' Circular, of the 3d March, says—"American stocks during the last month have been held at advanced prices and there is but little in the market: for this reason, and because no decided disposition is yet manifested for permanent investment in these securities, the business has been very trifling, and actual transactions do not justify quotations for any state stocks, except Pennsylvania at 66 @ 68 per cent.: there are buyers at 67 per cent.: no demand shows itself for the new treasury bonds of the Federal Government, nor for the 6 per cent. stock.

The course of exchange at New York on London is 104½ per cent., and the par of exchange between England and America being 109 57-100 per cent. it follows that the exchange is more than four per cent. against England; but the quoted exchange at New York being for bills at 60 days' sight, the interest must be deducted from the above difference.

**LONDON MONEY MARKET.**—The Bank of England has had its coin reduced from sixteen to twelve millions sterling. The bank is required to retain on hand always as much coin and government securities as it has bills in circulation. The bank, it is supposed, can lose another four millions without causing embarrassment. Money was rather dearer in England, and yet plenty, as the letters say, and as the negotiation of the eight million loan on the first of March for the use of the government proves.

France and Austria both want to borrow, and in France money affairs are in an unsatisfactory state, such as to keep up constant apprehension of a crisis. French merchants were large buyers of grain in the English markets at the last dates.

**RESUMPTION IN MARYLAND.**—This important measure on the part of the state was passed by a vote of 42 to 38 in the lower house, and of 14 to 6 in the senate. Our space will not enable us to give the law in detail. It will be published in our next No. The purport of the law is to authorise the treasurer to pay all interest that shall accrue on and after January, 1848, and that he may fund all coupons previously maturing that shall be presented, in a six per cent. stock.

**NEW YORK.**—A new bank bearing the name of the Knickerbocker Bank, is about to be established at New York, under the general banking law, the provisions of which are already applicable to several banks, including the Bank of Commerce, American Exchange Bank, North River, Fulton and Chemical Banks. The amount of its capital will not be less than \$200,000, nor more than \$1,000,000.

**THE SUB-TREASURY.**—One of the inevitable results of the working of the sub-treasury is exemplified in the loss of \$5,000, in gold, in the control of a sub-treasurer, which was stolen from a stage in Michigan. This is more than the government would lose through all the banks in ten years, provided such security were taken as the banks are prepared to furnish.

## EXCHANGE.

At New York, March 25.

On London, 60 days, . . . . . 104 @ 104½  
 On France, 60 days, . . . . . 547 @ 542  
 On New Orleans, sight, . . . . . prem. ½

At New Orleans, March 17.

On London, 60 days, . . . . . 103 @ 104  
 On Paris, 60 days, . . . . . 555 @ 550  
 On New York, 60 days, . . . . . 97 @ 97½

THE  
BANKERS' MAGAZINE,

AND

State Financial Register,

APRIL, 1847.

CONTENTS.

| ARTICLE.                                                                                                                                    | PAGE. |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------|
| I.—BANK INTEREST, and Editorial Correspondence, . . .                                                                                       | 545   |
| II.—RESUMPTION BY MARYLAND: By J. J. Speed, Esq., . . .                                                                                     | 548   |
| III.—STATISTICS OF FRANCE: its area, population, political classes of population, cultivation of lands, &c., . . .                          | 551   |
| IV.—COLONIES OF GREAT BRITAIN: date of settlement or conquest, population; cost, &c., . . . . .                                             | 552   |
| V.—FRENCH SAVINGS' BANKS: their results upon society and upon the government, . . . . .                                                     | 553   |
| VI.—ORIGIN OF THE NATIONAL DEBT OF GREAT BRITAIN, . . .                                                                                     | 556   |
| VII.—COMMERCE OF THE UNITED STATES: foreign and domestic exports and imports, and tonnage of each State, . . . . .                          | 559   |
| VIII.—ARCHBISHOPS AND BISHOPS OF ENGLAND: date of consecration; value of each see; number of benefices, and gross income of each, . . . . . | 561   |
| IX.—LEGAL MISCELLANY: recent American decisions,                                                                                            |       |
| 1. Bank. . . . .                                                                                                                            |       |
| 2. Transfer. . . . .                                                                                                                        |       |
| 3. Accom. endorser. . . . .                                                                                                                 |       |
| 4. Demand. . . . .                                                                                                                          |       |
| 5. Bills of exchange & notes. . . . .                                                                                                       |       |
| 6. Brokers' commissions. . . . .                                                                                                            |       |
| 7. Bills of lading. . . . .                                                                                                                 |       |
| 8. Bankrupts. . . . .                                                                                                                       | 563   |
| X.—PROSPECTS OF THE ENGLISH MONEY MARKET, . . . . .                                                                                         | 574   |
| XI.—THE BANK OF FRANCE: its position in 1846-7, . . . . .                                                                                   | 576   |
| XII.—POPULATION OF THE WORLD: with population of thirty-seven kingdoms and sixty-eight towns and cities, . . . . .                          | 580   |
| XIII.—WAR; its causes, cost and consequences: By William James Fox, . . . . .                                                               | 582   |
| XIV.—STATE FINANCES: public debt of New York for each year from 1837 to 1846, inclusive, . . . . .                                          | 586   |
| XV.—BANK STATISTICS: condition of each of the fifty-one banks of Pennsylvania, . . . . .                                                    | 588   |
| XVI.—BANK TRIAL: State of Maryland <i>vs.</i> Richard J. Turner, . . . . .                                                                  | 590   |
| XVII.—NOTES OF THE MONTH, . . . . .                                                                                                         | 607   |

THE  
BANKERS' MAGAZINE,

AND

State Financial Register,

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VOL. I.

MAY, 1847.

NO. XI.

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THE MONEY MARKET.

**THERE** are so many and such contradictory elements now at work in our commercial world, that when we write of the position and prospects of the money-market, it is with difficulty that we present a fair record of the various facts which cause that present position, and render the prospect so uncertain.

During the past few months our whole country has felt the influence of the want of provisions across the Atlantic; and, from an entirely new source, an enormous amount of money has been received. Into the ports of New York, Boston, and Philadelphia alone, over ten millions of dollars in specie has been imported during this calendar year; and this is but a small part of the sum which has been realized by this country during that period. Could we but add the amounts which have been absorbed in canceling old obligations, and the sums which have been in various ways invested; the credits used for the purposes of the parties interested; we should find that this country is indebted to the famine abroad for an immense amount of immediately available means.

It must be borne in mind, too, that this sum is from a new source of supply. The products of our vast interior have been allowed, in a great measure to run to waste for want of a market. Agriculturalists have not exerted themselves to increase the products of the soil in years past, because these products would not sell for enough to pay the expense of culture and transportation. But now the aspect of affairs is changed. What was comparatively worthless is of immense value to the starving millions of Europe; and new energy is given to the business of the merchant, the carrier, and the factor; as the farmers and planters all send forward their produce from every section of the country to supply this new and unexpected demand.

It was the remark of a wise man, we believe the elder Rothschild—*that a nation which imports its breadstuffs must be impoverished.* If this is cor-

rect, and it commends itself to our minds as true, England and France are in the unfortunate condition of rapidly becoming poor. The administration of each of these countries must feel that they are in a critical position. The nations are already overburdened with taxes; every article not only of luxury, but of use, is heavily burdened with taxation. The vast debt of each, is rapidly increasing. France with an annual deficiency of about 35,000,000 francs, finds that for this year that deficiency is to be greatly increased; and the enlarged deficit necessarily supplied by an increase of funded debt. England, which by great effort succeeded in reducing her indebtedness some forty millions of dollars, has, in a single day, been compelled to raise the amount to its former sum in order to supply the starving Irish with food.

History tells us that a famished multitude is lawless and reckless. And the sure results of starvation among a great people are wild and terrible disorders; if not, as in France, an entire revolution. That reign of terror would not have commenced and been carried on with such fearful energy and destruction *had not the lower orders of the people wanted, and cried out to their rulers for BREAD.* France remembers this; England knows it: and while on the one hand the governments of both countries are doing all they can to feed the starving; on the other they see many suffering and many dying from want. While they do all they can to give bread to the people, they can but look on their own diminishing means with alarm.

Of the finances of France, as a general thing, we know less than of England; and to England we are accustomed to look, to learn what is and what will be the state of monetary affairs in the old countries. Such is the immediate and intimate connexion between France and England, that if one country is prosperous the other rejoices with it; and if one is in want, both suffer; so that we are enabled to form an accurate judgment of the condition and prospects of both countries, by knowing the condition and prospects of the one. The extracts in our present number from competent authorities, in relation to the movements of the National Bank of France, will furnish to our readers a fair view of public opinion or the opinion of the press.

The rates of exchange affected by the shipments of breadstuffs, have been thrown against England during the last four months. At six per cent. premium on the nominal par of sterling exchange, the party who purchases bills in large amounts is able to make a profit on importing specie; for while the commercial par of exchange is \$4 44 to the pound sterling, the gold coin which is the representative of that pound sterling (the sovereign) is worth a little over \$4 83 as gold. This is equal to about nine per cent. premium on the commercial par. Therefore, when a merchant purchases one thousand pounds sterling of exchange at five per cent. advance above par, he still pays but \$4,666 67 for that which will bring him in England, the gold coin worth here \$4,833 33. Consequently, though exchange on Eng-

land sells for a nominal premium, it is really at a discount; and the course of trade is such that every arrival from abroad brings us, and must continue to bring us until some change takes place in the rates of exchange, large amounts of specie. The steamship Cambria alone, which left Liverpool on the 4th April, adds nearly two millions of coin to our bank vaults.

The banks of England and France have already suffered a great loss of coin, since the demand upon the vaults commenced last winter. So long as exchange in this country and in the north of Europe continues as it now is, this demand must continue. We apprehend that the Bank of England will adopt such a policy as to produce a close money market there, in order to prevent the continued shipment of coin. This will cause a fall in the price of stocks, particularly of American securities; and we may expect by every arrival large amounts of our own stocks. This of itself will soon affect the price of exchange; and in addition to other causes will check the importation into this country of bullion. This we might consider as one of the happy results of the present state of things. The Western States paying their protested bonds by remittances of cotton and grain, *and cancelling their just liabilities by the sweat of their brow.*

By the last arrival from England we learn that consols had fallen to a lower point than they had reached for many years: that money was in demand at increasing rates of interests: that some of the best known rail road corporations in England had been obliged to pay five per cent. per annum for money, which under ordinary circumstances they could have borrowed at 2½ per cent.; and that the general aspect of monetary affairs was uncertain and gloomy in the extreme.

Intimately connected as we are with England and the continent, in commercial relations, it is impossible for them to suffer and for us to remain prosperous. Commercial disasters there must result in losses and trouble here; even though the primary cause of those disasters is one which for the time enriches us.

Our rulers seem to have determined to try the power of party dictation; and on the verge of a war, of the cost of which in treasure and life no one could form a conjecture, and of the duration of which we necessarily know nothing, they have planned and attempted to carry out an entire change in our financial system. Under the plea of divorcing the banks from the Federal Government, and—*heaven save the mark!*—of keeping the government free from corrupting contact with monied corporations!! They have established an Independent Treasury; the object of which is to receive and disburse all the government dues in coin.

Of the partial operation of this system we as yet know but little. But that slight acquaintance does not commend it to our favorable regard. The sub-treasury takes from its proper place of deposit (the vaults of the banks) a large amount of coin. How much we cannot yet tell; but we know that it must amount to several millions of dollars, for no secretary would dream

of keeping less than probably five or six millions on hand ; and this amount would at times be materially increased. This sum of money can only come from the banks ; and being drawn from them will compel a curtailment of their issues to about three times the amount of specie withdrawn. No one at all familiar with commercial operations can suppose that from \$15,000,000 to \$25,000,000 can be taken away from the active capital of the country without producing a material derangement in every department of finance. As yet we know but little what the extent of this derangement will be. It has been a most fortunate thing for the currency tinkers at Washington that England, Ireland and France wanted food and were compelled to pay for it in specie. Consequently, the first effects of the sub-treasury have not been what they otherwise would have been, terribly disastrous. *But when the tide of trade turns, and exchanges are again in favor of Europe, we shall be compelled to know the extent of the wisdom which enacted the scheme of a specie circulation into a law ; and we confess that we look with great anxiety and misgivings to the result.*

The new loan which has just been subscribed for at Washington will increase the injurious effects of this specie system. Could the money have been paid into the banks ; could it have been used by them until wanted by the government ; and then drawn by the treasurer of the United States only to be disbursed among the government creditors ; thus keeping it continually in active circulation ; the effects of the payments would scarcely be felt. But now, as million after million is called for, it must be paid in solid coin ; this must be taken from the banks, to be locked up for a time in the United States vaults ; thence be sent at an enormous expense, part to Mexico, part to the West, and part to the interior ; and a long interval elapse before the first dollar finds its way back to its starting point, whence it should have never been removed.

Just now this new loan is selling for a considerable premium—103½ per cent. is freely paid for it in considerable amounts. But unless some foreign capitalists come in to take most of the loan from the present holders we do not presume that the present price can be maintained ; nor that the subscribers can make a profit on their investment. These results, however, will only be seen after months have passed : and we are perfectly aware that in the opinions here expressed we are almost alone. Time, the great discloser, will show whether we are correct ; and we do not fear the result, if our opinion is tested by events as they transpire during the ensuing season.

In our principal cities, New York, Philadelphia and Boston, the demand for money though active, has not for a few days past been as great as during the month of March. Undoubted business paper can be cashed in moderate amounts at six and seven per cent. ; and good paper can be had at ten and twelve per cent. per annum.

The solid state, bank and rail road stocks have advanced considerably in price during the past three weeks ; while the "speculation" or fancy stocks have, with considerable fluctuations, been rather inclined to recede. In the

state of uncertainty in which we are thrown, most persons feel reluctant to engage in highly speculative operations; and this feeling is so prevalent in the northern cities, as to prevent any rise in commodities of a speculative character.

We quote sterling exchange as advancing in price. It has risen so that it now stands at 106½ to 106¼ and is in active demand at this rate, with indications of a further advance; which, added to the great fall in prices of produce abroad, will check the import of specie.

London letters of 3d April, give this account of the state of the money market:—

“The continued demand for bullion and specie has at last alarmed the bank, and they have this week began to take rather stringent measures, so that we expect a good deal of pressure for some time to come. The great fall in the price of corn renders particular caution necessary with regard to corn bills from your side.”

The operation whereby the emperor of Russia bought so large an amount of French government stock from the Bank of France, was looked upon with much satisfaction in London, as its tendency was to divert the drain of gold to Russia for the purchase of grain.

*Comparative view of the condition of the Bank of England in July, 1845, and March, 1847.*

| ISSUE DEPARTMENT.                           | July 26, 1845. | March 27, 1847. |
|---------------------------------------------|----------------|-----------------|
| Notes issued, .....                         | £29,243,520    | £24,320,340     |
| Government debt, .....                      | 11,015,100     | 11,015,100      |
| Other securities, .....                     | 2,984,900      | 2,984,800       |
| Gold coin and bullion,.....                 | 13,244,126     | 8,820,737       |
| Silver bullion,.....                        | 1,999,394      | 1,499,603       |
|                                             | £29,243,520    | £24,320,340     |
| BANKING DEPARTMENT.                         |                |                 |
| Proprietors' capital,.....                  | 14,553,000     | 14,553,000      |
| Rest,.....                                  | 3,321,972      | 3,978,533       |
| Public deposits, exchequer bills, &c.,..... | 2,981,908      | 6,616,287       |
| Other deposits,.....                        | 10,745,613     | 9,403,232       |
| Seven day and other bills,.....             | 1,085,211      | 834,640         |
|                                             | £32,639,704    | £35,385,692     |
| ASSETS.                                     |                |                 |
| Government securities,.....                 | 13,539,344     | 11,990,079      |
| Other securities, (loans,) .....            | 10,607,877     | 17,824,355      |
| Notes on hand,.....                         | 7,942,486      | 4,876,015       |
| Gold and silver coin,.....                  | 549,998        | 695,243         |
|                                             | £32,639,704    | £35,385,692     |

Although there is, at the first glance, a falling off in the issues at the last period, as compared with 1845, yet by deducting the circulation on hand, it will be seen that the actual circulation outstanding was in July, 1845, £20,201,035, and on 27th March, 1847, £19,444,325, while the aggregates of specie were in July, 1845, £15,793,000, and in March last, £11,015,000.

*Comparative view of the condition of the Bank of France. These returns are published quarterly in pursuance of the law of 30th June, 1840.*

| LIABILITIES.                                  | 1st Jan. 1846.     | 25th Mar. 1847.    |
|-----------------------------------------------|--------------------|--------------------|
|                                               | Frans.             | Frans.             |
| Bank notes outstanding, .....                 | 269,498,980        | 249,404,686        |
| Sundry accounts current, .....                | 118,470,005        | 51,173,505         |
| Treasury account current, .....               | 81,849,739         | 23,569,034         |
| Capital of the Bank, .....                    | 67,900,000         | 67,900,000         |
| Pieces of 1 50 and 75 c. ....                 | 13,300,000         |                    |
| Reserve, .....                                | 10,000,000         | 10,000,000         |
| Dividends payable, .....                      | 5,189,424          | 530,328            |
| Receipts payable at sight, .....              | 1,751,000          | 1,680,000          |
| Drafts of branch banks, .....                 | 873,390            | 932,700            |
| Landed property, .....                        | 4,000,000          | 4,000,000          |
| Sundry demands outstanding, .....             | 1,424,918          | 3,688,336          |
| Loan contracted in London, .....              |                    | 21,989,925         |
| <b>Total liabilities in francs, .....</b>     | <b>574,257,456</b> | <b>435,068,523</b> |
| SECURITIES.                                   | Frans.             | Frans.             |
| Cash on hand, (specie,) .....                 | 187,334,862        | 70,785,728         |
| Bullion in Paris, .....                       |                    | 804,963            |
| Bullion in London, .....                      |                    | 7,945,128          |
| Commercial bills discounted, .....            | 192,323,985        | 201,587,963        |
| Do. do. at branch banks, .....                | 37,417,485         |                    |
| Vested in government securities, .....        | 50,250,340         |                    |
| Government stock sold and not yet paid, ..... |                    | 50,261,181         |
| Accounts current debtor, .....                | 46,387,542         | 50,459,961         |
| Loans on public securities, .....             | 16,888,696         | 10,103,303         |
| Loans on deposits of bullion, .....           | 6,013,100          | 525,400            |
| Capital of branch banks, .....                | 22,000,000         | 28,000,000         |
| Reserve, .....                                | 10,000,000         | 10,000,000         |
| Hotel and furniture of the bank, .....        | 4,000,000          | 4,000,000          |
| Sundry credits, .....                         | 1,641,447          | 594,896            |
| <b>Total assets in francs, .....</b>          | <b>574,257,456</b> | <b>435,068,523</b> |

*From the London Banker's Magazine, April 1, 1847.*

The gold has gone almost entirely to America; and insurances are mentioned as being already effected on the greater part of another million, by the next two or three steamers. There appears also to be every probability of a large exportation of the metals to Russia. The departure of another million or two would be very inconvenient to the bank under present circumstances. The circulation is already quite as low as it has been for the last two years; and we can scarcely expect that the withdrawal of bullion to any considerable extent can take place by the cancelment of farther portions of the present 20,030,000*l.* of outstanding notes. The private deposits are quite as likely as the circulation to be influenced by a powerful demand for gold.

If the private deposits were extensively withdrawn, the question would then turn upon the minimum proportion of reserve with which the directors have resolved to consider themselves secure. If they had the courage to see their reserve go down to two or three millions, they might refrain for some time from forcibly diminishing their securities and prohibiting advances.

If, on the other hand, they consider that the present amount, of about five millions is as low as they can prudently go—and their recent conduct strengthens this supposition—then they must meet any farther infringement on the deposits by very decisive measures. The securities must be converted, and the discounts must be suspended, to provide funds for the drafts presented at the private drawing office. In reality, therefore, the pressure must be, and will be, measured, not by the total amount of bullion in the two departments of the bank, but by the proportion of reserve in the banking department only.

We are very desirous to direct the attention of our readers to this point, as a practical matter. They must not be misled by considering that at the present moment, for example, the bank holds 11½ millions of treasure, when, in reality, only 5½ millions—or a moiety of that sum—are, in truth, available to meet any farther severe demand. As a general rule, we may safely say that the difference between 14,000,000 and 19,000,000, viz. 5,000,000, ought always to be deducted from the gross amount of bullion in both departments, before we can ascertain the actual metallic resources of the bank to meet foreign demands. Fourteen millions is the quantity of securities authorised to the "Issue Department," and 19,000,000 is the amount below which it is very unlikely, after the acts of 1844, that the outstanding note circulation can fall, except under very peculiar circumstances.

It is the fact of this comparative impossibility of the circulation going below 19,000,000 which affords so strong a reason for believing that it is quite a possible event that the banking department may some day or other have to pay away their final guinea, while the issue department is replenished with four or five millions of standard coin.

The rates of interest out of doors are pretty much on a par with the bank rate. The leading brokers give 3½ per cent. for cash on demand; and we believe that neither at that bank nor elsewhere can first class three months' paper be turned into money for less than 4½ per cent. per annum.

As to American stocks in London we find that Barings' London Circular of the 3d April, says:—

"There have been, since our last circular, some considerable sales of Pennsylvania 5 per cents. at 66, 65½, and 65 per cent. Buyers of Maryland at 65, sellers at 70 per cent., and the market in suspense until the final settlement of the bill now before the legislature of that state. Sales of Indiana at 35 per cent., at which some is still offered. In other stocks, no material alteration, and the present state of our money market is unfavorable for any demand for the purposes of investment."

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## THE BANK OF FRANCE.

The present Bank of France was established in 1805. In that year the former Bank of France having suspended specie payments, Napoleon remodelled it and established it upon a new basis, by raising its capital from 45,000,000 to 90,000,000 of francs, and at the same time substituted a monarchical for the former republican form of administration.

The bank is a joint stock company and the number of shares, in 1846, was 67,900, divided among 4,207 shareholders. Each share being 1,000*f*. its whole capital is now 67,900,000*f*.

The bank is controlled by a board consisting of one governor and two deputy governors, who are appointed by the king; and by fifteen regents and three censors, who are elected by the shareholders. The board is divided into five sub-committees, viz. 1. The bill committee; 2. The books and portfolio committee; 3. The cash committee; 4. The treasury committee; and 5. The discount committee.

Up to the year 1802, other institutions had the privilege of circulating their notes; but in that year the rivals were suppressed and the sole privilege of issuing notes was then conferred upon the Bank of France. Other banks have since, however, been allowed to issue notes: among these are the Bank at Nantes; The Bank of Rouen; and the Bank of Bordeaux.

For the following particulars relating to the recent and severe pressure upon the Bank of France, we are indebted to the "*Courrier des Etats Unis*" published at New York.

The Bank of France had relieved itself, at the latest dates—from immediate pressure by the adoption of an expedient suggested, as the fitting one in the article of the *Journal des Debats*, of which we some time ago transferred the substance to our columns. It has sold 50 millions of francs of government stock which it held, and the purchaser was the emperor of Russia. This somewhat novel operation in finance, when an emperor came into the market as a customer, was conducted in due form of diplomacy—as we learn from an official account of it in the *Moniteur Parisien*. The Russian *Chargé d’Affaires*, by orders from Count Nesselrode, apprised *M. Guizot* that the emperor desired to purchase French *rentes* to the amount of fifty millions of francs at the current rates on the 11th of March, to be paid for in coin of St. Petersburg. *M. Guizot* put the Russian *Charge* immediately into communication with the Minister of Finance and the officers of the bank, and after discussion the bargain was concluded on the 16th March, between the Governor of the bank and the Russian *Chargé*.

The present relief obtained by this sale, is clouded in the eyes of many objectors—by the apprehension of the power which a foreign sovereign thus seems to acquire over the financial condition of France—but this is obviously a chimera—for what possible influence could the possession of these *rentes* give to Russia incompatible with the interest of France? The only injurious use which could be made of them, would be to throw them all at once upon a falling market—and so still further depreciate the fallen funds—but as that could only be done at the sacrifice of the pecuniary interests of the emperor—it is not to be anticipated. On the contrary the very large monied interest thus acquired by the Russian autocrat in the French funds, is a pledge, in these days of the most binding nature, that he will not readily enter into any political combinations or movements that might depreciate the value of these securities. In our judgment France has made a useful friend by this advantageous and timely sale of stock by the bank. Such was the interpretation of those most likely to judge accurately in such matters, for after the transaction was public the three per cents. in Paris rose from 77 80 to 79 50.

#### THE PRESENT CRISIS OF THE BANK OF FRANCE.

From the London Bankers' Magazine, March, 1847.

The following article on the position of the Bank of France has been written for our magazine by a French gentleman, intimately acquainted with the financial condition of France, and whose opinions, we believe, are in accordance with the great majority of French capitalists and manufacturers. The article, therefore, will be interesting to our readers, although some of the views of the writer are not perhaps exactly in accordance with those of monetary writers on this side of the channel.

On the 31st of last December, the bank was indebted 357,000,000fr., or £14,280,000 on notes in circulation, or in account current with private individuals, and 53,000,000fr. or £2,220,000 to the government treasury. It had in hand 320,000,000fr. or £12,800,000; 24,000,000fr. £960,000 in bullion, and 90,000,000fr. £3,600,000 in specie; making a total of 425,000,000fr. or £18,000,000.

The questions connected with the bank are the vital ones of food and commerce; and they demand attention, and an investigation into its operations when these operations are of such a nature as to place in jeopardy, and compromise the commercial transactions of a nation.

The difficulties of the Bank of France, as we are well aware, have been occasioned by the decrease in the amount of specie, which it ought to hold in reserve to meet its various liabilities.

In fact, the last balance-sheet of this establishment, dated the 31st of December, has shown that the stock of specie in hand had fallen to 71,000,000fr., £2,840,000; while at the same date in the previous year it amounted to 187,000,000fr., £7,480,000; the difference, therefore, is 116,000,000fr., £4,640,000.

If we look for the cause of this decrease of the reserve, we shall find, by the examination of the published accounts, that it arises from a reduction on the credit side of the account of the treasury, and other current accounts.

These are the true causes of the difficulties of the Bank of France. In fact, the credits of the treasury accounts have fallen off, from one year to the other, from 95,000,000fr., £3,800,000, to 43,000,000fr., £1,920,000, causing a difference of 104,000,000fr., £4,160,000.

Is it necessary to point out the origin of this decrease in the balance sheet? Every one is aware of it: it arises from the inconsiderate extension of public works. On the one hand, government was obliged to draw, and that within a very short space of time, some fifty millions of francs, or £2,000,000 sterling, from the bank, to provide the means of carrying on works of every description, whether useful or not, which it had commenced in every part of the country. From this arose the sudden fall of the treasury accounts: 7,000,000fr., £280,000 have already been expended on these works, and the same amount will be again required to complete them. On the other hand, the numerous railway undertakings which various companies had obtained permission to proceed with, caused a too rapid conversion of floating into fixed capital, and hence the reduction in the balances of private individuals. Let us add, however, in order that we may not be unjust, that this latter reduction ought also to be partly attributed to the purchase of corn. But it is incontestable that the large drain on the specie, and on the balance, and consequently the decrease of the bank reserve, have been particularly, and above all, caused by the want of foresight of a ministry unable to check immoderate speculations, and regulate the progress of the works according to the disposable resources of the country. There was a means of avoiding this financial crisis, namely, to attract foreign capital, to effect the completion of the railways, by bestowing such advantages upon companies advancing the necessary funds, as should give them a great interest in distributing over France such means of communication in transporting her produce to every town, arrondissement, canton, and village, so to accomplish the measure of public good, by distributing comforts in every direction. But what can be expected from a ministry whose whole thoughts are directed towards the means of retaining the power by electoral bribery? Be it how it may, the reserve of specie is reduced to 71,000,000fr., £2,840,000, and may be still further diminished by fresh

demands from the treasury. It is clear the bank was obliged to adopt some measures in consequence of this decrease. There were two ways to be adopted:—to add to the reserve by borrowing,—and to reduce the amounts by increasing the rate. The bank adopted both these measures. It purchased bullion to the amount of £800,000, and raised the rate of discount on commercial bills to five per cent.

Are these two measures rational? are they sufficient? are they even just? We shall examine these questions impartially.

And first, as we have said above, one of the principal causes of the crisis of which the bank feels the effect, is the scarcity of corn. To meet this deficiency of food in France, it was necessary to purchase corn in the Baltic, and the Black sea; and as these countries in ordinary years, had but little commerce with France, and, restrained as it was by the disastrous system of protective duties, the French government found itself obliged to pay for its corn, not in merchandise, but in money. It is evident to all who have not personal interest in the question, that if free-trade were established between France and the corn growing countries, it would open a large field for commerce—it would be enabled to exchange French manufactures for the imported corn; and thus the drain on its specie would be prevented. The ignorance of political economy shown by the French government has, therefore, been already the cause of the exportation of more than £4,000,000, in exchange for food.

But how shall we designate the present crisis of the Bank of France? what is its real character? is it a commercial crisis? Not at all. We are not to mention, here, the follies of insane speculations in railways; these are foreign to the question; we are speaking of commerce, properly so termed. It has committed no fault, if we except that of being protected by duties that check its extension, by checking the national production. We merely mean to say that commerce has fallen into no erroneous speculation. In the Bank of France, or in private banks, such as those of M. M. Gourin, Gannevon, Boudon, Delessert, &c., no more commercial bills are found protested than in ordinary times. All bills of this description have been taken up with remarkable punctuality.

The fact is, that there is no real and serious disturbance of commerce, but there is a scarcity of the precious metals; it may, therefore, be described as a metallic crisis.

The bank, consequently, ought to provide for the deficiency of specie, and not adopt vigorous measures against commerce; for the Bank of France is, in some measure, the censor of commerce; if it exceeds its power, if it commits error, the bank punishes or warns it by limiting its discounts. But in the present state of affairs, every measure which could tend to limit the accommodation the bank offers to commerce, would be not only a fault, but an act of injustice or imprudence on its part; and the bank would have a great responsibility imposed upon it if the crisis it is now suffering under should affect trade itself. It ought never to be mentioned as involved in public misfortune; but on the contrary, it should make its appearance as a beneficent power, ready to remedy or to mitigate it.

Its duty, therefore, imposes on it the task of providing against the scarcity of specie, that is, against the real evil, by purchasing bullion, at whatever heavy sacrifice may be necessary; for its nature, its character, and its duties are to keep a sufficient amount of the precious metals in France. Its benefits usually arising from the privilege conceded to it—of supplying the place of the precious metals in circulation, by bank notes—it is, therefore, its constant duty to maintain a proper balance between the metals and the notes in circulation. If, on one hand, the bank derives some benefit from a

avored currency, at other times it is obliged to make sacrifices to provide for the necessities of the public. We, nevertheless, agree that circumstances might arise in which the burden would be too heavy, and the difficulties so great, that government itself ought to interfere to assist the Bank.

Now, the bank has obtained from Messrs. Baring, £800,000; it is not enough—twice that amount would be scarcely sufficient for the present necessities. The bank, therefore, ought to proceed in this direction until it has reached the utmost bounds of possibility,—these are the limits of its duty.

Let it be well remembered that specie leaves the country in such large amounts solely for the purchase of corn. If the reserve of the Bank should become insufficient, the purchases of corn would, at the very instant, be nearly suspended. Commerce requires no substitute to enable it to obtain food of various kinds. It is ascertained that at Odessa, for example, there are many millions of quarters of wheat, and that they can be imported into France with the certainty of a large profit. No markets need be sought for. All the aid necessary—and even this is doubtful—would be to facilitate the means of transport. The important point is an abundance of specie. Corn can only now be obtained at Odessa in exchange for money; either specie must be provided, or a trade established. We may therefore say, on the present occasion, purchase bullion, in order that you may be able to purchase corn. The question of bullion is involved, at the present time, in that of food.

But the bank has resolved differently; it has raised the rate of interest to 5 per cent. This measure appears to us to be just in itself. The bank pays higher for money; and it has a right, in its turn, to cause a higher price to be paid, in order to make the public assist in the efforts circumstances require. Considered in a commercial point of view, money is merchandise; when it is scarce, its price must rise,—when abundant, its value must be reduced. It would appear, then, to us to be more natural, and more rational, that the Bank of France should regulate its discount according to circumstances, and the state of the money market; considering money merely as a merchandise, and, as such, subject to all the fluctuations in its price that are produced by its scarcity or abundance.

The decision was imperative; most of the banks of Europe have raised their rate of discount; in consequence of which the increased rate has necessarily had an effect on the public funds, and subsequently on business in general.

But we have spoken of two other resolutions which the Bank of France had to take under the hypothesis of a prolonged crisis.

It could confine its discounts, either by reducing the amount, or by refusing, for example, all bills of more than two months' date, limiting the daily amount of discounts on commercial bills.

We confidently believe that the directors of the bank are too well informed, too just, and too rational, to adopt any measure of this description. It would be both unjust and dangerous; for it would shake public confidence, and we all know that the latter sustains both credit and the circulation. Eighty years ago the Bank of Genoa was supported by the confidence of the public, without having a single farthing in its hands; and when it had lost that confidence in a critical moment, the panic that followed brought crowds upon its coffers, demanding the money it did not possess. Such a thing might happen to the Bank of France, in case of a panic. But other, and not less mischievous advice, has been given to the Bank of France.

We all know that the *passive* required by this large establishment is composed of the bank bills and notes in circulation, while its *active* consists—1st. Of the specie in its coffers; 2d. Of the securities it holds; and 3d.

of its capital; which amounts to 67,000,000fr., £2,680,000, and is chiefly invested in government annuities.

Now, we are told that some persons have proposed to sell these annuities, to convert them into specie. We cannot believe that such advice has been given, or, more particularly, that it can be ever followed. To throw such an immense amount of stock on the stock exchange of Paris, even by small amounts at a time, and with all the caution that could be employed, would have the same effect as if government were to come into the market to borrow 60,000,000fr., 2,400,000*l.* Perhaps, if the bank had sold its stock three months since, the act, which in our mind is mischievous, might not have been objected to on account of the time being badly chosen; but to ask the public, at the present moment, for a sum like this, when we know the effect produced on the market by the smallest sale for cash account, would be a high degree of folly.

The only useful and rational employment the bank can make of its funds, is to place them as security for the advance of specie, as it has already done, to the amount of 25,000,000fr., 800,000*l.*, and to raise another sum of 25,000,000fr, by the same means; it would then have obtained every possible benefit from the employment of its capital.

The government, however, is more interested than any person in taking care that the imprudent measure recommended to the Bank of France be not carried into effect, and produce a deep impression on public credit, and in the disposition of the minds of people, at the very time when the scarcity and high price of grain have a tendency to produce distrust and rebellion on every side. Nothing more would be required than this mischievous measure to annihilate trade and manufactures, and suspend the labors undertaken by various public companies.

In conclusion, we repeat the statement that, up to the present time, it has not been a commercial crisis—it is a metallic crisis. The bank ought to provide against it by the purchase of bullion, and not by limiting the amount of commercial accommodation, or raising the rate of discount thereon. The bank may employ its *rentes* as security to obtain the specie required in France. It has already begun to do so; it would do well to continue. It is the greatest service it can render the country during the present scarcity of food, in presence of the want of foresight, of the administration, which, by neglecting to pass a law for the embankment of rivers—a law expected and promised for the last twelve years—has suffered whole districts to be inundated; and this during the existence of the extravagant restrictions and absolute prohibitions which place an impediment in the way of production and consumption, and annihilate the maritime commerce and the merchant marine of France.

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## B I O G R A P H Y .

### ROBERT MORRIS.

Few names are to be found in the annals of the Revolution more worthy of grateful remembrance than that of the *Great Financier*. The zeal, and skill, and sleepless vigilance of Washington would have been exerted in vain; the flame of patriotism, which glowed far and wide in the bosoms of thousands who were panting for freedom, would have been kindled in vain, had it not been for the financial ability and extensive credit of **ROBERT MORRIS**. The sword of a nation must soon rest idly in the scabbard when the national purse is empty.

Some have even gone so far as to say, that his extraordinary powers in the department of finance, the extent of his influence in the commercial relations of this nation in its earliest time of trial, and his unremitting devotion to the duties entrusted to him, entitle him to honors second only to Washington himself. We are, however, not required to fix the precise degree of merit attached to the various individuals who lent their powerful aid in various ways to the general cause. Skill and valor in the field and on the ocean, eloquence in the legislative hall or the popular assembly, the influence of the pen and of the press, and the creation and management of funds or credit, are all essential to success in a contest of nations. To the warriors, the orators, and the writers of the revolutionary period, we have devoted a large portion of our work; we should still consider it imperfect without a respectful notice of the man, whose skilful efforts supplied the funds necessary to give effect to the exertions of his contemporaries.

Robert Morris was born at Liverpool, England, on the 20th of January, (O. S.) 1733, and was brought into this country by his father when about thirteen years of age. His education was continued under the instruction of the Rev. Mr. Gordon of Maryland, for about two years, when the accidental discharge of a gun from a ship in the Delaware deprived his father of life, and left him an orphan in a strange land. His education, therefore, went no farther than to qualify him for business. Nature had endowed him liberally with powers of mind, and his disposition and manners had endeared him to those who knew him. He was not, therefore, without friends to aid him in his youthful career. Soon after the death of his father he was received into the counting-house of Mr. Charles Willing, the most distinguished merchant at that time in Philadelphia. When he became of age he was established in business with his partner's son, Thomas Willing, and embarked in an extensive and profitable West India trade. Mr. Morris made several voyages as supercargo in the ships belonging to the company, in one of which he was made a prisoner by the French, and for some time was kept in close confinement. He was, however, liberated; and by exercising his ingenuity in repairing a watch, obtained means to return to Philadelphia, where he resumed his station. Under his active superintendance, the firm of Willing and Morris rapidly attained the summit of commercial reputation. Their foreign business was very extensive, and their punctuality and integrity established them in the confidence and credit of the world. To Mr. Morris business was a pleasure, yet the regulations and order of his counting-house enabled him to enjoy the society of his friends, to whom he attached himself with all the ardor of a generous and ingenuous mind.

Mr. Morris, about the age of thirty-six, married the sister of the late Bishop White. A lady who has been described as "elegant, accomplished, and rich, and well qualified to carry the felicity of connubial life to its highest perfection."

At the close of the year 1775 his public life commenced. He was then sent to congress as a member from Pennsylvania, and was immediately engaged on financial arrangements of the greatest importance. When congress removed to Baltimore in 1776, Mr. Morris was left at Philadelphia with Messrs. Clymer and Walton, to remain as long as circumstances would permit, and transact such business as required attention in that city.

At this crisis General Washington was surrounded by secret foes, and destitute of the means of detecting them, or of getting possession of the enemy's designs, from the want of hard money; nor could he keep the troops which formed a considerable part of his army, and whose time of service had expired, without the promise of a bounty, which he had not the means

to advance. Mr. Morris borrowed the necessary amount on his own note, and the receipt of it was acknowledged by the General on the 1st of January, 1777.

The situation of General Greene, in South Carolina, was equally critical, his distresses rendering it scarcely possible to keep the troops together, when a gentleman of that state advanced the necessary sums, and enabled him to avert the danger. When General Greene returned to Philadelphia, and repaired to the office of finance to settle his accounts after the war had terminated, he found that he had been relieved under the direction of Mr. Morris. He felt hurt, at first, at the apparent want of confidence in him; but on reflection, he told Mr. Morris he had never done a wiser thing; "For," said he, "on other occasions I was sufficiently distressed to have warranted my drawing on you, had I known that I might have done so, and I should have availed myself of the privilege." Mr. Morris informed him, that even as matters had been conducted, the southern expedition had gone nearer than the operations in any other quarter, to the arrest of his commercial business.

When Washington suddenly abandoned the banks of the Hudson to cooperate with Count de Grasse in Virginia, from seventy to eighty pieces of battering cannon, and one hundred of field artillery, were completely fitted and furnished with attirail and ammunition, and forwarded in three or four weeks, to the great honor of the officers and men employed in the service. All this, together with the expense of provisions and pay for the troops, was accomplished on the personal credit of Robert Morris, who issued his notes to the amount of one million four hundred thousand dollars, which were finally all paid. There was no money in the chest of the war office nor in the treasury; and the expedition which brought the war to a close by the capture of Cornwallis, never could have been effected had not Mr. Morris' credit and management supplied the funds necessary to give effect to exertion.

In 1781 the office of financier was established by resolution of congress, and Mr. Morris was unanimously elected superintendant. One of the first acts of his financial government was, the proposition to congress of his plan for the establishment of the Bank of North America, which was forthwith chartered, and opened in January, 1782. At that time the states were half a million of dollars in debt on the taxes of the year, which had been raised by anticipation on that system of credit which Mr. Morris had created: and but for this establishment, his plans must have been entirely frustrated.

On his retirement from office, it was affirmed that it cost congress at the rate of eighteen millions of dollars a year to carry on the war till he was chosen financier, and then it cost them only about five millions.

He continued to superintend the department of finance until the 30th of September, 1784, when he resigned, and immediately issued an advertisement, pledging himself to the payment of all his outstanding notes as they should arrive at maturity.

Fatigued with the cares of public service, which, from his first election to congress, had engrossed a large proportion of his time, he was now anxious to return to the relaxation of private life. He declined the office of secretary of the treasury, offered to him by President Washington on the organization of the federal government under the present constitution, and recommended Colonel Hamilton, who was accordingly appointed.

At the conclusion of the war, the propitious fortunes which attended his official career seemed entirely to have forsaken him. His unremitting attention to the business of the country had necessarily been at the expense of

his private affairs, and was productive of great embarrassments of mind and circumstances. His latter years were overshadowed by poverty. He had sacrificed himself for the safety of the commonwealth.

After a life of inestimable value to the country, Mr. Morris died at Philadelphia, on the 8th of May, 1806, in the 73d year of his age.—[*National Portrait Gallery.*]

#### BANK OF NORTH AMERICA.

This institution went into operation in December, 1781, with a capital of \$400,000. It appears from the statements of Robert Morris, its president, that the advances made by the bank to the government of the confederation, above the amount actually paid in by the government, did never exceed \$165,000, and for a part of the time, to less than \$50,000.

Mr. Morris submitted his plan to Congress, May, 1780; and, on the 26th of that month, it was approved. Yet, until the month of September or October following, there were not more subscriptions in the whole than amounted to about \$70,000. During this time one of his most Christian Majesty's frigates, arrived at Boston, and brought a remittance of specie of about \$470,000. This sum was brought to Philadelphia, and deposited in the vaults of the bank. "I determined, (he continued,) from the moment of its arrival, to subscribe, on behalf of the United States, for those shares of the bank which remained vacant; but such was the amount of the public expenditures, that, notwithstanding the utmost care and caution to keep this money, nearly one-half of the sum was exhausted before the bank could be organized. In November, 1781, the president and directors of the bank were elected. They obtained a charter of incorporation from Congress, and opened the bank for transacting business in January, 1782. I subscribed the sum then remaining in the treasury (being about \$254,000) into the bank stock, per account of the United States, which became thereby the principal stockholder."

The early dividends were at the rate of from 12 to 16 per cent. per annum. A repeal of its charter, however, was recommended by the inhabitants of Philadelphia and some of the adjoining counties, which was carried into effect on the 13th September, 1785, covering a period of less than four years from its commencement. Temporary plentifulness of money, followed by scarcity, usury, ruin to many, and riches to the few were urged, among the complaints against the bank. Many, however, fearing a return of the old paper-money system, the bank was, on the 17th March, 1787, reincorporated, with limited powers, and for fourteen years.

On the other hand, in the *Life of Gouverneur Morris*, by Sparks, it is stated that the Bank of North America had an extraordinary effect in restoring public and private credit in the country, and was of immense utility in aiding the future operations of the financier, although it was begun with the small capital of \$400,000. Hamilton's project contemplated (in a letter to Mr. G. Morris) a vastly larger sum, in which Mr. Morris agreed with him; but its immediate success, on so large a scale was doubtful; and if it failed in the outset, it could not be revised, whereas, by beginning with a small capital, and establishing a credit with the public gradually, it would be easy afterwards to increase the amount, and, in the end, all needful advantages would be derived, to the utmost extent of banking facilities.

#### *Mr. Secretary Hamilton's Opinion in 1790.*

The secretary begs leave to conclude with this general observation: That, if the Bank of North America shall come forward with any propositions which have for their object the engrafting upon that institution the charac-

teristics which shall appear to the legislature necessary to the due extent and safety of a national bank, there are, in his judgment, weighty inducements to giving every facility to the measure. Not only the pretensions of that institution, from its original relation to the government of the United States, and from the services it has rendered, are such as to claim a disposition favorable to it, if those who are interested in it are willing, on their part, to place it on a footing satisfactory to the government and equal to the purposes of a bank of the United States, but its co-operation would materially accelerate the accomplishment of the great object, and the collision, which might otherwise arise, might, in a variety of ways, prove equally disagreeable and injurious. The incorporation or union here contemplated may be effected in different modes, under the auspices of an act of the United States, if it shall be desired by the Bank of North America upon terms which shall appear expedient to the government.

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### THE U. S. LOAN OF 1847.

We have the pleasure of announcing that the whole loan of eighteen millions is taken *above par* at a premium varying from one-eighth to two per cent. The whole amount bid was \$57,790,883, of which the sum of \$54,926,583 was bid *above par*, and the remainder \$2,864,300 at *par*. Thus, it will be perceived that the bids at a premium largely exceeded three times the amount of the loan advertised. Considerable sums are taken for trustees and executors, for savings banks and persons not in business, for actual investment, and who desire to pay the money immediately. The secretary, however, has guarded against calling in the loan more rapidly than it is wanted; for, were he to do so, it would make the government pay interest prematurely, and derange the business of the country by too large a call for specie in any one month. An intelligent correspondent, in a communication published by us last week, calculated that the money would not all be wanted until the first of February next, which would require something less than two millions of dollars of the loan to be paid monthly; so that the same specie which paid an instalment would be disbursed and in circulation to afford the means for paying succeeding instalments from time to time.

The bids of fifty-eight millions for this loan, demonstrate the just confidence of the people in their own government, and the ample resources and wealth of the country. No doubt this auspicious result was aided by the recent glorious victories at Buena Vista and Vera Cruz under our heroic leaders, Taylor and Scott; but the successful result of the tariff of 1846, which, it is demonstrated, *will yield an annual revenue of thirty millions of dollars*, and the new military contributions under the new Mexican tariff, also contributed to swell the bids.

We understand that the custom house at Vera Cruz is a large and excellent building, and ere this month is out, our brave officers will be collecting the new duties. As these goods of our own and of all other countries would, under the law of nations, be liable to no new duty or confiscation after a peace, would even be still more valuable, especially if Mexico should renew her old prohibitory and protective tariff? And what an inducement does this furnish to Mexico to consent to an early peace; for, if she does not, we may not only break down her revenue from duties during the war, but for a long time afterwards, so long as the supply of goods imported now will be sufficient for the wants of the country for months or years after a peace.—*Washington Union*, April 12, 1847.

## HISTORY OF COTTON.

If any instances were needed to prove the utter futility of all laws to regulate trade, they might be found in sufficient abundance in the brief history of the rise of the cotton manufacture in Great Britain. In spite of the most absurd restrictions and regulations, it has grown to such importance that the national welfare depends in a greater degree upon its successful prosecution than upon that of any other branch of industry. The "cotton lords" are, indeed, the real lords of the empire. The nation could not subsist a day without them, neither could they exist were their supplies of raw material from the United States suspended for only one year. In this we have a bond of peace between the two nations which cannot be broken; and yet this important relation between these two countries has been formed without the aid of ambassadors, treaties, or ships of war, by the natural operation of trade, when left to develop itself by the agency of its own laws. Had the cultivation of cotton been carried on to any extent in North America previous to the revolution, it is hardly questionable that the United States would now be colonies of Great Britain. Although we now exceed all other nations in the exports of cotton to Great Britain, yet so recently as in 1784, an American ship, having eight bags of cotton on board, was seized in Liverpool by the custom house, because it was doubted whether that quantity could have been produced in the United States.

It was not till after the convention of 1786, held in Annapolis, that the capacity of the southern states for the production of cotton was fully understood. The introduction of the Sea Island cotton is said to have been purely accidental. Patrick Walsh, a planter in Havana, having settled in Kingston, Jamaica, where he had removed from the Bahama Islands, there found an old friend who asked his advice respecting the profitable employment of his slaves. Walsh advised him to remove to some of the islands on the coast of Georgia, and engage in the production of provisions. But the advice was not heeded, and he removed to the Bahamas, where he attempted the cultivation of cotton; being unsuccessful, he afterwards followed the advice of Walsh, and took his slaves to Georgia, where, in the spring of 1786, he received from his friend in Jamaica three large sacks of Pernambuco cotton seed. No use was made of them until three years afterwards, when, the sacks being required for other uses, the seeds were thrown upon a dung-hill. The season was wet, and a great number of plants were found covering the spot during the spring. These plants were transplanted upon a tract two acres in extent, and they thrived so well that he was induced to extend the experiment by planting more. From this crop several tons of clean cotton were gathered; and from this period, 1789, the planting of cotton, as a systematic branch of industry, was permanently established in the country. But it was many years afterwards before the people made the discovery that cotton could be manufactured into cloth upon the soil that produced it, as well as wheat could be manufactured into flour; and even at the present day, there are political economists who maintain that it is more profitable to the country to export our cotton to Great Britain, for the purpose of having it made into cloth for our own consumption, than to have it done at home. But if this were true, the same principle should apply to wheat, which should be exported to Manchester to be ground into flour, and then reshipped to the United States to be made into bread for our daily use.

The first great impetus which was given to the production of cotton in the United States, was derived from the saw-gin invented by Eli Whitney. He

was born in Westborough, Massachusetts, and graduated from Yale College in 1792. Upon taking his degree, he was cast upon the world to make his way without assistance, and soon after made an engagement with a citizen of Georgia to reside in his family in the capacity of a private tutor. On arriving at the house of his employer, he found that another teacher had been engaged, and was again adrift upon the world, without friends, and with no other resources than his own talents; but these were ample. He fortunately became acquainted with General Green, then residing in Savannah, who said to him, "My young friend, make my house your home, and pursue what studies you please." This generous invitation was accepted by the young adventurer, who immediately began the study of law; but luckily for himself and the world, he amused himself in his leisure hours by studying a better code of laws than any that the ingenuity of man has ever been able to frame. He was passionately fond of mechanical pursuits, and among many ingenious articles which he made, was a tambour frame for his hostess which excited much admiration. At this time the family of General Green was much visited by the planters of the neighborhood, some of whom, in a conversation on agricultural matters, expressed a regret that no means had been discovered for separating the cotton from the seed, except by hand labor, as it would be useless to attempt to raise it for market, since it required a day to clean one pound. "Apply to my young friend Whitney," said Mrs. Green; "he can make anything:" whereupon she conducted her guests to an adjoining room and showed them her tambour frame and other ingenious toys which he had made for the children. The visitors were then introduced to the student, who, having learned their wants, immediately determined to construct a machine which should meet them. He proceeded to Savannah to search among the warehouses for specimens of the staple, which he had never seen. A basement room in a cotton plantation was assigned to him for his labors, which soon produced the long desired machine. His invention was hailed with enthusiasm by the planters. At the first exhibition of the machine, it was seen that by its aid more cotton could be separated from the seed in a day than by the old method in many months. Brilliant prospects were opened to the ingenious inventor. But they were soon clouded. Let no man hope to reap benefits himself because he confers benefits upon others. Whitney had not obtained a patent for his discovery when the people broke open his workshop in the night, stole his machine, and before he could make a new model, a number of a similar kind had been constructed and put into successful operation. Although the states of South Carolina, North Carolina, and Tennessee some years afterwards paid a considerable sum to Whitney and his partner for the use of the cotton-gin, yet Georgia, which received the first benefits of his invention, gave him no reward. To understand the importance of this invention, it will only be necessary to state that, in 1807, thirteen years after the cotton-gin was brought into use, fifty-five millions of pounds of upland cotton were exported, valued at eleven millions five hundred thousand dollars.

Although it is doubtful whether cotton is indigenous to America, it is very certain that it is not indigenous to the United States, where it is cultivated to a greater extent than in all the rest of the world together. Of the many different varieties which are produced from Virginia to Arkansas, extending over a belt of more than two hundred miles, the Sea Island is the most valuable.

The seed of the Sea Island is entirely black. Its cultivation is extended about forty miles from the sea shore, and its quality deteriorates according to its distance from the salt air. A long range of islands lie between St. Mary's in Georgia, and Charleston in South Carolina, the soil of which is

composed of a mixture of marine shells; they were settled at an early period by English colonists, who cultivated indigo. Upon one of these islands the Sea Island cotton was first produced, whence it derives its name. The best kinds are produced on the islands of Edisto, John's, Wadmulan, and St. Helena in South Carolina.

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## BANK OF ENGLAND.

The business of this great establishment was originally transacted at Grocers' Hall in the Poultry. Subsequently, in the year 1732, the first stone of the present building was laid, on the site of the house and gardens of the first governor, Sir John Houblon; and it was completed in the following year, from the designs of Mr. George Sampson. It then, however, only comprised the centre of the principal or south front, the hall, the bullion court, and the court-yard. The wings to the east and west were added by Sir Robert Taylor, between the years 1770 and 1786: and the remainder of the structure has been completed, by the present Sir John Soane, since 1788. This eminent architect has within these few years rebuilt the parts executed by Sampson and Taylor, so that the whole building may now be said to be from his designs; and it has in consequence been divested of that confusion of styles and forms which it exhibited previously to 1825, whatever may be thought of the peculiar character which it now presents.

The architectural features of the exterior of this structure are at any rate in unison with the nature of the establishment, conveying an impression of opulence and security. The order and forms in most parts of the exterior have been copied from the temple of Venus at Tivoli, and the monotony of an immense line of wall has been obviated by projecting entrances under lofty arches, panelled windows, cornices, &c.: the entrances being ornamented by fluted Corinthian columns, supporting entablatures, crowned by elevated turrets.

The whole of this extensive pile covers an irregular area of about eight acres. The exterior wall measures in front, or on the south side, 365 feet; on the west side 440 feet; on the north side 410 feet; and on the east side 245 feet. The area comprises nine open courts—the rotunda, or circular room, several large public offices, committee rooms, and private apartments for the residence of officers and servants. The principal suite of rooms is on the ground-floor, and the chief offices, being furnished with lantern-lights and domes, have no apartments over them; but beneath this floor, and even below the surface of the ground, there is more building and a greater number of rooms than above ground. Part of the edifice is raised on a soft, marshy soil, being in the course of the ancient stream of Walbrook; and it was therefore necessary to strengthen the foundations by means of piles, and to construct counter arches beneath the walls.

The principal entrance to the bank is in Thread-needle street, but there are other entrances in Bartholomew lane and Lothbury, and at the north-west angle of Prince street. The latter consists of a noble portico, having a raised basement, on which stand eight fluted Corinthian columns, which are disposed semi-circularly, and support a highly enriched frieze and attic, with a turret above.

The vestibule, or entrance hall from Prince street, bears the impressive and grave character of a mausoleum. The massive Doric columns, without bases, are placed on three different planes, raised by steps, in imitation of

the Propylæa at Athens. Lothbury court opens from a spacious and lofty archway, and presents an interesting display of architectural features, designed after the best specimens of Grecian and Roman art. The brick buildings on the north and west sides are partially masked by open screens of stone, of the Corinthian order, copied from the Temple of the Sybils near Tivoli. The magnificent arch and facade on the south side of this court, forming the entrance to the Bullion court, were designed on the model of the triumphal arch of Constantine at Rome. Statues emblematical of the four quarters of the world surmount the entablature; and, within the intercolumniations, there are allegorical representations, executed by Banks, of the Thames and Ganges in bas-relief.

The Rotunda, which has an immediate communication through its vestibule from the entrance in Bartholomew lane, is a spacious circular chamber, with a lofty dome, fifty-seven feet in diameter, crowned by a lantern, the divisions in which are formed by caryatides. In this room, large desks, with pens, ink, &c., are placed for public convenience. There a large number of persons of all nations and classes assemble on public days to buy and sell stock. But since the erection of the new Stock Exchange, the business transacted at the Rotunda has diminished in quantity and importance; although it is much frequented by stockholders, who wait there to learn the result of commissions given to their brokers. The dome of this room is a very striking work of art, but it is ill adapted for an assembly of talking persons; the reverberation is overpowering.

The three per cent. Consol Office is another fine apartment, in which Sir John Soane has displayed much taste and skill. It is an oblong room, about ninety feet in length and fifty in breadth; designed from models of ancient Roman baths, and of a highly enriched and classical character. The vaulted ceiling springs from ornamented pieces, and in the centre there is a handsome dome or lantern-light, supported by caryatides. The soffits of the arches are decorated with panels, roses, and other objects. The whole is constructed without timber. The three per cent. Consol, Dividend, and Bank Stock Offices are of a similar architecture. The Chief Cashier's Office is a noble apartment, measuring forty-five by thirty feet; its decorations are simple, and it is lighted by large and lofty windows. In the Pay Hall, where bank notes are issued and exchanged, there is a marble statue of William III, by Cheere.

The greater part of this extensive edifice is of stone; and, in order to obviate any danger from fire, all the new buildings erected under the superintendance of Sir John Soane have been constructed with incombustible materials. The vaults, in which bullion, coin, bank notes, &c., are deposited, are also indestructible by fire. The building has also the advantage—somewhat rare in the city—of standing perfectly detached; it is, nevertheless, closely hemmed in by the Royal Exchange on the south side and private houses on the others.

The hours of business of the bank are from nine in the morning until five in the afternoon, except on holidays.

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**BANK HOLIDAYS.**—At the Bank of England, the only holidays in the dividend offices are Good Friday and Christmas. In the transfer offices, besides the above, May 1st and November 1st. East India House and Exchequer—Good Friday and Christmas. Custom House—Christmas, Good Friday, Prince of Wales' birth day and the Queen's birth day, Nov. 9th and May 24th.

**IN IRELAND**—Banks, Custom House, &c., Good Friday, Christmas and Queen's birth day.

**IN SCOTLAND**—New year's day, King Charles I martyrdom, Queen's marriage, Queen's birth day, Good Friday, Charles II restoration, Queen's accession, Queen's coronation, Gunpowder Plot, and Christmas day.

**HOW MUCH DOES THE GOVERNMENT COST****IN THE UNITED STATES AND IN GREAT BRITAIN ?**

From the American Almanac, 1847.

A republican government will always be noted for the economical administration of its affairs. When the people tax themselves, they will take good care to make the burden as light as possible. In the case of war, indeed, the excitement of passion and patriotism may lead to a lavish expenditure, and much money will probably be wasted, because the power and responsibility must be divided among many persons, who have comparatively but little experience on account of frequent changes in office; while in a monarchy, the reins are all held in one hand, and a permanent ministry is more able to avoid the enormous expense that is usually caused by frequent changes of plan and much vacillation of purpose. But in peace, the merit of different administrations will be estimated almost exclusively by their relative cheapness; he who lessens the amount of taxation is always sure of the gratitude of the people. There is danger, indeed, that frugality will be carried to excess, and some of the higher interests of the people be sacrificed to their inconsiderate and ill-timed parsimony. That is false economy which dries up some of the distant sources of wealth in the attempt to save a few drops to the broad stream which rolls by our doors.

The government of this country is supposed to be the cheapest in the civilized world. Probably it is so; but exaggerated statements upon the subject are often made by those who are not conversant enough with our institutions to know where the greatest expense is incurred, nor in what quarters prodigality and wastefulness may exist without punishment or detection. The small salaries of persons in office are usually taken as a decisive proof of economy; but the saving thus made is often more than balanced by the unnecessary multiplication of such offices, and by carelessness or speculation in the administration of public works and in the performance of jobs by contract. The higher class of officers of the custom-house are not so well paid here as in Great Britain; but the aggregate expense of collection bears a higher ratio to the amount collected than it does in England. A similar remark is applicable also to the post-office. The British minister at Washington, we believe, has a higher salary than the President of the United States; the British minister to France certainly receives more than twice as much. The Lord Chief Justice of England has a larger salary than all the nine judges of our Supreme Court united. An English consul often has higher pay than an American ambassador; and it is a striking proof of the inequality of our system, that the same remark may be made of more than one American consul. The cost of building a ship-of-war at one of our navy yards is about twice as great as it would be if furnished by private contract.

But the expenses of our government are most frequently underestimated from losing sight of the division of labor and cost among the national, state, and city or town authorities. The whole cost of the state institutions is interpolated, as it were, between the national and civic expenditures, which create the whole burden of taxation in most European countries. Owing to the inclination of the people in this country, especially in New England, to keep as much of the administration of public affairs in their own hands as possible, the town or city taxes are often larger than all those of the state and the national government united. There is very little centralization of

power; much of the tax is voted, and many of the appropriations are made, directly by the people, in their primary assemblies.

It becomes a problem of much interest and considerable difficulty, then, to determine the aggregate cost of government in this country, and thus to compare the burden of taxation in the United States with what it is in England. We can obtain only an approximate solution. The weight of taxation can be properly estimated only by its relation to the wealth of the country; the same burden becomes light or heavy in proportion to the ability of the people to bear it. But the aggregate of national wealth escapes all calculation or probable estimate. There are no data on which to found even a plausible conjecture on this point. Valuations of all the real and personal estate within certain towns and states are often formed, it is true, and for the very purpose of taxation; but these give only a rude approximation to the *relative* wealth of individuals, towns, and counties; or they may enable us to compare one year with another, so as to show the progress of wealth in the community. No one supposes that they give the true amount of *absolute* wealth. Many kinds of property are excluded from them altogether; others are admitted at a rate known to be far below their real value. In different states, also, they are formed on wholly different principles, so they do not enable us to compare one state with another.

The corrected aggregate valuation of all real and personal property in the state of New York, in 1845, was but \$605,646,095; the city of New York alone probably contains as much wealth as this. The aggregate of state, city, and town taxes in the same year was \$4,170,527 95, which is a rate of 6 mills and 888 thousandths of a mill on a dollar of this assumed valuation. The *actual* rate of taxation for these purposes cannot have been more than one mill on the dollar, or one-thousandth part of the whole property.

The valuation of all wealth in Massachusetts, in 1840, was nearly 300 millions—about half as great as New York—while the population is little more than one-fourth as large. The valuation of Boston in 1845 was about 136 millions; its actual wealth greatly exceeds this sum. No returns are made in Massachusetts to show the aggregate amount of town and city taxes throughout the commonwealth.

The valuation of the state of Ohio in 1845 professes to give the aggregate only of that property which is taxable by law; the amount is \$144,160,469. The aggregate of state, county, and town taxes in the same year was \$2,409,171 07, which is a rate of 16 7-10 mills on a dollar.

We shall probably come much nearer a correct result by comparing the whole taxation, or total expenditure, with the whole population, so as to ascertain what would be the amount for each individual if the whole people were taxed *per capita*, without regard to their property. To apply this method first to the taxation by the national government, I have taken the aggregate of the national expenditures each year for a series of years, excluding payments on account of the public debt and from trust funds. The object is to ascertain the ordinary rate of expenditure *in a time of peace*; a national debt exists in this country only as a temporary thing, the effect either of a war or of some extraordinary experiments in legislation. I have selected those years in which a national census was taken, so as not to be obliged to take the population by estimate, except in 1800; 1802 was preferred, because in the two years preceding 1800 the preparations for a war with France occasioned considerable increase of expenditure. The population of this country in 1800 was 5,305,925; in 1810, it was 7,239,814; at this rate of increase, in 1802 it must have been about 5,677,340. In a similar manner, I have calculated the population in 1845 to be 19,914,362. We have, then, the following table:

UNITED STATES.

| Years. | Total population. | Total expenditure. | Expense per head. |
|--------|-------------------|--------------------|-------------------|
| 1802   | 5,677,340         | \$3,737,080        | \$0.66            |
| 1810   | 7,239,814         | 5,311,082          | 0.73              |
| 1820   | 9,638,131         | 13,134,530         | 1.36              |
| 1830   | 12,866,920        | 13,220,534         | 1.03              |
| 1840   | 17,063,353        | 23,327,772         | 1.37              |
| 1845   | 19,914,362        | 21,380,049         | 1.07              |

Average rate, \$0.97.

The expense of the national government, then, is less than one dollar a year for each inhabitant of the United States. Let us now look at the cost of the state governments.

The population of Massachusetts in 1840 was 737,699; the rate of increase between 1830 and 1840 was 20 per cent. On this ratio I have calculated the population for the following years. For the reason already given, from the aggregate of expenditures for each year I have deducted the amount for interest on debt and for debt paid off.

MASSACHUSETTS.

| Years. | Population | Gross Expenditures. | Interest and debt paid off. | Net expenses. | Rate per head. |
|--------|------------|---------------------|-----------------------------|---------------|----------------|
| 1841   | 752,453    | \$309,929           | \$37,069                    | \$362,860     | \$0.48         |
| 1842   | 767,207    | 351,551             | 44,156                      | 307,395       | 0.40           |
| 1843   | 781,961    | 370,365             | 55,679                      | 314,686       | 0.40           |
| 1844   | 796,715    | 461,098             | 116,051                     | 345,047       | 0.43           |
| 1845   | 811,469    | 511,193             | 154,086                     | 357,107       | 0.44           |

Average rate, \$0.43.

The population of the state of New York in 1840 was 2,428,921; in 1845, according to the state census taken in that year, it was 2,604,495, being an increase of 7 1-5 per cent. in five years. The total of state expenditures in 1845, excluding interest and debt paid off, was \$793,576 38; which is an average of only 30 1-2 cents for each inhabitant. The estimated net expenditure for 1846 is but \$743,014.

The population of Ohio in 1840 was 1,519,467; if it increased from 1840 to 1845 in the same ratio in which it increased from 1830 to 1840, the population in 1845 must have been 1,990,502. The whole expenses of the state government, including the legislature, salaries, support of asylums, printing, claims, &c., but excluding interest on debt and support of common schools, were but \$201,471 97, which is only ten cents a head. Adding to this the money paid for common schools, the aggregate of state expenses was \$484,432 03, which is 24 cents for each inhabitant. The interest paid on the public debt in 1845 was \$1,077,864 97; the income from the public works (to build which the debt was contracted) exceeded the expenditure on these works by \$203,704 42; subtracting this balance from the amount of interest paid, we have \$874,160 50 as the annual burden of interest borne by the state. Adding this amount of interest to the former aggregate, we have

|                                                            |                |
|------------------------------------------------------------|----------------|
| * Whole amount paid out of the treasury,.....              | \$1,808,735 03 |
| But the temporary payments to be received again, were..... | \$746,525 47   |
| Interest and debt paid off,.....                           | 268,633 18     |
|                                                            | 1,015,158 65   |
| Net expenses as above,.....                                | \$793,576 38   |

See Comptroller's Report for 1845, pp. 88-97.

\$1,358,592 58 as the whole amount of state expenses of every kind; and this is but 68 cents for each inhabitant.

The population of Rhode Island in 1840 was 108,830; in 1845, according to the rate of increase in the ten years preceding 1840, it should have been about 115,000. The aggregate of state expenditures for the year ending April 30, 1845, including \$25,589 paid for common schools, was \$89,879, which is equal to 78 cents a head for the whole population. But the interest on the deposit and school funds, owned by the state, was \$14,059; and this subtracted from the aggregate of expense leaves but \$75,820, which is an average of not quite 66 cents for each inhabitant.

From these data, we may safely estimate the average cost of the state governments throughout the United States at 50 cents a head for the whole population. We come now to the town or city expenditures, including those which are known as county expenses. Here we find that the average cost for each inhabitant is very much greater in the large cities than in the smaller towns and villages. This might be expected, as taxation and expenditure are meant to be in proportion, not to the numbers, but to the wealth of the community; and wealth is accumulated in the great cities.

I take the city of Boston for the first example. According to the national census, its population in 1840 was 93,383; but as we have shown elsewhere, this is grossly erroneous, the true number at that period being only about 85,000. The city census, taken with great care in 1845, shows that the population in that year was 114,366, which is an increase of about 34 1-2 per cent. in five years. On this basis I have calculated the population for the years contained in the following table, which shows also the gross expenditure for each year, the amount of interest on debt and of debt paid off during the same periods, the net expenditure after this last amount is deducted from the former one, and the average of this net expenditure for each inhabitant. I add one other column as a matter of interest, though not strictly connected with our present subject; it shows how large a portion (about one-third) of this net expenditure is for the support of common schools.

| BOSTON. |             |                    |                             |                  |                   |                          |
|---------|-------------|--------------------|-----------------------------|------------------|-------------------|--------------------------|
| Years.  | Population. | Gross Expenditure. | Interest and debt paid off. | Net Expenditure. | Average per head. | Amount paid for schools. |
| 1842    | 96,746      | \$651,128          | \$147,702                   | \$503,424        | \$5.20            | \$150,426                |
| 1843    | 102,619     | 642,354            | 153,619                     | 488,735          | 4.76              | 136,219                  |
| 1844    | 108,442     | 718,138            | 164,460                     | 551,678          | 5.11              | 201,256                  |
| 1845    | 114,366     | 948,937            | 350,369                     | 598,578          | 5.23              | 205,278                  |

Average rate, \$5.07½.

The population of the city of New York in 1840 was 312,710; in 1845, according to the state census, it was 371,102, showing an increase of 18 6-10 per cent. in five years. The estimate of city expenditures, excluding interest on debt, for 1846, which of course was based on the actual expenditures of 1845, is \$1,563,130, or \$4.21 for each inhabitant.

The population of Baltimore city, in 1840, was 102,313, its increase since 1830 having been nearly 27 per cent.; on this ratio, its population in 1845 was 116,125. The total expenditure of the city in 1845 was \$659,032 36; of this sum, \$312,913 88 was for interest on city debt, leaving \$346,118 48 as the balance for ordinary expenditure, which amounts to \$2.98 for each citizen.

The population of Providence, R. I., in 1845, estimated in a similar manner, was about 28,000; the city tax voted for this year was \$81,186, no portion of which, I believe, was appropriated for debt or interest. The expenditure, then, is \$2.89 for each citizen.



The materials for estimating the expenses of the smaller towns and villages are difficult to be obtained; but I have succeeded in bringing together enough to found a probable conjecture upon. According to returns made to the comptroller of the state of New York, and published in his report, the aggregate of town taxes assessed in 1845, excluding the city of New York, was \$949,271 80; of county taxes for the same time, still excluding the city and the state tax proper, was \$800,000; the whole highway tax, assessed in days, and estimated at 5s. a day, was \$901,186 25. The aggregate of these three sums is \$2,550,458 05; and as the population of the state, excluding that of the city, according to the census of 1845, was 2,233,393, this amount is an average of \$1 18 2-3 for each inhabitant. This is evidently somewhat too great to be a fair estimate for the smaller places only, as I have only excluded the city of New York, and have retained, (because the materials could not be found for applying the calculation to them separately,) the cities of Albany, Troy, Buffalo, Rochester, Brooklyn, Newburgh, Poughkeepsie, Syracuse, and Utica. If these also were taken out of the account, the average for the remainder of the state would probably be as low as one dollar.

From a return printed in this volume under the head of Rhode Island, we find that the aggregate of town taxes voted in that state for 1844-5, excluding the city of Providence tax, was but \$49,096. The estimated population of the state at that time, again excluding this city, was 86,500, so that the cost for each inhabitant of the towns was only 56 cents.

The probable population of Ohio in 1845, it has been already shown, was 1,990,502. The auditor's report shows, that the total amount of taxes levied in that state in 1845, (excluding the state tax proper, which has been already considered,) was \$1,403,169 83, which is 70 1-2 cents for each inhabitant. As there is but one large city in Ohio, and this one, Cincinnati, probably does not contain more than one-thirtieth of the whole population of the state, this average is probably very near the truth. Comparing it with the averages in New York and Rhode Island, it appears safe to assume 75 cents a head as the total of town expenses, excluding the large cities from the estimate, throughout the United States. But assuming the present population of this country to be 20 millions, not more than one million and a half of them live in cities which contain more than 15,000 inhabitants each. The facts already given show that \$3 00 a head would be a large estimate for the civic expenditures of these cities, as only five of them number over 100,000 inhabitants each. Taking the amount for the cities, then, at \$3 00, and for the towns at 75 cents, the general average of town or city expenses for the whole population is a little less than 92 cents. The general result of our calculation, therefore, is as follows:

|                                                                     |              |     |            |
|---------------------------------------------------------------------|--------------|-----|------------|
| Aggregate of the national expenditures, \$0.97 for each inhabitant. |              |     |            |
| Do.                                                                 | state        | do. | 0.50 " " " |
| Do.                                                                 | town or city | do. | 0.92 " " " |

Total cost of government in U. States, \$2.39 " " " or \$47,800,000, if the population of the country be twenty millions.

The population of the United Kingdom of England, Scotland, and Ireland, in 1841, was 26,711,059. The ordinary expenses of the British government in the same year were £24,887,729; the interest and other charges connected with the national debt made up a further sum of £28,556,324, so that the aggregate expenditure was £53,444,053. The materials for estimating the municipal expenses are very imperfect; but returns made in March, 1839, show that the annual cost of keeping up the highways in England alone was £1,267,848; the expense of supporting the English paupers, un-

der the new poor law, in 1840, was £3,850,040. Adding these two items to the former amount, we have £58,561,941 as the total expenditure, which is £2 3s. 10d., or \$9.60, for each inhabitant—four times as much as in the United States. Yet this sum does not include the ordinary civic expenses, which, in 1835, amounted to £2,000,000 for the metropolis alone; if five and a half millions be assumed on this account for the whole kingdom, which is a very low estimate, 4s. 6d. or \$1.09, must be added to the average, making it \$10.69; and still the cost of the highways and the poor in Scotland and Ireland is left out. Again, the support of the national church in England is compulsory, so that the tithes must be added to the preceding aggregate. With this addition, McCulloch, the highest authority on this subject, says the ordinary annual expenditure amounts to £68,000,000, and the average rises to \$12.33 per head. It should further be observed, that the estimate for the United States includes the expense of an excellent and costly system of free schools, while in Great Britain little or nothing is appropriated for the great cause of public education.

The charge of the public debt in Great Britain I have included in the aggregate of annual expenditures, while both the national and state debts are left out of the account for the United States. The propriety of making this distinction is obvious. The object is to ascertain the sum of the *ordinary and permanent* expenditures. The normal condition of Great Britain is one of indebtedness; that of the United States is freedom from debt. Debts are never incurred by our government except on extraordinary emergencies, and then they continue but for a short time, the natural resources of the country being sufficient not only to discharge the interest, but rapidly to extinguish the principal. But the English national debt is a permanent charge entailed on all future generations, and no one expects that it will ever be cancelled. It was incurred for *unproductive expenditure*—the cost of wars—and not for *reproductive investment*, as in the case of the debts contracted by the individual states of our union. Not one of these states has ever obtained considerable loans merely to meet the excess of ordinary expenditures over its income. They have borrowed money only for the purpose of constructing railroads, canals, and other productive public works, or of furnishing capital for banking objects. In many cases, the direct income from these works or banks more than pays the interest on the debt, so that the state is really not in debt at all, but receives an income independent of taxation. And even if this direct income be insufficient, the *indirect* gain to the community from the existence of these works still makes the investment a profitable one for the people. The value of the land and its annual products is so much increased, that the state could well afford to sink the whole capital invested in the public works. This is the present condition of Ohio and Pennsylvania. Their railroads and canals do not pay to the state the interest on their cost; but they have already repaid to the people more than the whole capital expended on them. It should be remembered, also, that, twenty years ago, not one of the states was in debt except for a very trifling sum.

Mr. Livingston, United States Secretary of State, attempted in 1832 to ascertain the total cost of government in the United States, and addressed circulars for that purpose to the several states and territories. The returns were quite imperfect, but the calculation which he founded upon them, embracing the same items which are considered in this article, gave \$2.15 as the average for each individual. Adding the cost of the clergy and militia, the sum is increased to \$2.55. But through a great portion of this country, there is no compulsory assessment for either of these two purposes, and I have therefore excluded them from the account, except when a sum for the support of the militia enters into the aggregate of state expenditures.

CUSTOMS REVENUE OF THE UNITED STATES.

1789 TO 1845.

Exhibit of the result of the recapitulated statement of "receipts and expenditures" of custom houses in the Union, from the 4th of March, 1789, to the 30th of June, 1845, a period of fifty-six years.

| RECEIPTS.                                                                                            |                         |
|------------------------------------------------------------------------------------------------------|-------------------------|
| Duties on merchandise . . . . .                                                                      | \$1,089,841,988 73      |
| "    "    Mediterranean fund . . . . .                                                               | 8,703,530 30            |
| "    "    tonnage . . . . .                                                                          | 7,103,317 22            |
| Passports and clearances . . . . .                                                                   | 457,023 70              |
| Light money . . . . .                                                                                | 1,214,961 78            |
| Fines, penalties, and forfeitures . . . . .                                                          | 1,918,832 52            |
| Unclaimed merchandise . . . . .                                                                      | 146,574 76              |
| Interest on treasury notes . . . . .                                                                 | 90,346 01               |
| Surplus of official emoluments . . . . .                                                             | 303,242 48              |
| Marine hospital money . . . . .                                                                      | 2,460,830 35            |
| Amount received from captors, being 2 per cent. on net proceeds of prize vessels and goods . . . . . | 218,822 14              |
| Sales of revenue cutters . . . . .                                                                   | 10,444 17               |
| Sales of property and taxes on lands belonging to the U. States . . . . .                            | 5,101 42                |
| Custom charges on British colonial vessels . . . . .                                                 | 1,932 95                |
| Debentures over-issued . . . . .                                                                     | \$221 63                |
| Expenses on collection of the revenue overpaid . . . . .                                             | 133 17                  |
| Allowances to vessels in the fisheries overpaid . . . . .                                            | 804 32                  |
|                                                                                                      | 1,159 12                |
| <b>Total receipts . . . . .</b>                                                                      | <b>1,112,478,107 66</b> |

| PAYMENTS.                                                                                        |                           |
|--------------------------------------------------------------------------------------------------|---------------------------|
| Debentures and drawback on foreign merchandise exported . . . . .                                | \$191,225,074 02          |
| Drawback on Mediterranean fund exported . . . . .                                                | 1,041,262 98              |
| Drawback on domestic distilled spirits exported . . . . .                                        | 1,143,448 72              |
| Drawback on domestic refined sugar exported . . . . .                                            | 2,698,450 68              |
| Drawback on domestic manufactured snuff exported . . . . .                                       | 20,547 26                 |
| Allowances to vessels employed in the fisheries . . . . .                                        | 8,359,232 98              |
| Bounties on salted provisions and pickled fish exported . . . . .                                | 715,991 88                |
| Expenses attending prosecutions . . . . .                                                        | 614,092 73                |
| Interest paid on treasury notes . . . . .                                                        | 45,899 42                 |
| Insolvencies, &c. . . . .                                                                        | 5,065 07                  |
| Duties refunded under the "act to remit duties on goods destroyed by fire in New York" . . . . . | 164,458 72                |
| Duties refunded on railroad iron . . . . .                                                       | 3,324,047 17              |
| Duties refunded on all other merchandise . . . . .                                               | 10,133,955 24             |
| Duties refunded on Mediterranean fund . . . . .                                                  | 46 08                     |
| Duties refunded on unclaimed merchandise . . . . .                                               | 131 79                    |
| Duties refunded on tonnage and light money . . . . .                                             | 110,112 98                |
| Expenses of collection . . . . .                                                                 | 44,468,207 92             |
|                                                                                                  | 264,070,016 65            |
| Net revenue of ports paying revenue . . . . .                                                    | 856,351,178 35            |
| Deduct excess of expense of collection of ports paying no revenue . . . . .                      | 7,943,037 34              |
|                                                                                                  | 848,408,091 01            |
| <b>Total expenditures . . . . .</b>                                                              | <b>\$1,112,478,107 66</b> |

## HISTORY OF THE BRITISH CABINET.

CONSTRUCTION OF THE BRITISH CABINET AND OFFICIAL DUTIES  
OF ITS SEVERAL MEMBERS.

It is remarkable that there should not exist in the language any complete account of the different public offices, the heads of which compose the executive government of Great Britain. Even the information upon the subject that is to be found scattered over many books is extremely imperfect and unsatisfactory. A very meritorious attempt, however, has just been made to lay the foundation of an accurate and comprehensive account of the government offices in a volume by Mr. F. S. Thomas, of the British record office, entitled "Notes of Materials for the History of Public Departments," which has been privately printed within the last few months. Mr. Thomas has here collected and arranged in chronological order, both from printed books and manuscript records, a great number of curious notices respecting the treasury (including the exchequer,) the offices of the secretaries of state, the signet office, the state paper office, the board of trade, the woods and forests, and the public record office. Most of the facts in the present article will be drawn from Mr. Thomas' pages; but we shall confine ourselves to what are commonly called the offices of government, passing over for the present that portion of the volume which relates to the state paper and record offices.

Mr. Hallam, in his *Constitutional History* (chap. xv.) gives the following account: "According to the original constitution of our monarchy, the king had his privy council, composed of the great officers of state, and of such others as he should summon to it, bound by an oath of fidelity and secrecy, by whom all matters of weight, whether as to domestic or exterior policy, were debated, for the most part in his presence, and determined, subordinately of course to his pleasure, by the vote of the major part. It could not happen but that some counsellors more eminent than the rest should form juntos or cabals, for more close or private management, or be selected as more confidential advisers of their sovereign; and the very name of a cabinet council, as distinguished from the larger body, may be found as far back as the reign of Charles I. But the resolutions of the crown, whether as to foreign alliances or the issuing of proclamations and orders at home, or any other overt act of government, were not finally taken without the deliberation and assent of that body, whom the law recognized as its sworn and notorious counsellors. This was first broken in upon after the restoration, and especially after the fall of Clarendon, a strenuous assertor of the rights and dignity of the privy council. "The king," as he complains, (*Life*, 319,) "had in his nature so little reverence and esteem for antiquity, and did in truth so much contemn old orders, forms, and institutions, that the objection of novelty rather advanced than obstructed any proposition." He wanted to be absolute on the French plan, for which both he and his brother, as the same historian tells us, had a great predilection, rather than obtain a power little less arbitrary, so far at least as private rights were concerned, on the system of his three predecessors. The delays and the decencies of a regular council, the continual hesitation of lawyers, were not suited to his temper, his talents, or his designs. And it must indeed be admitted that the privy council, even as it was then constituted, was too numerous for the practical administration of supreme power. Thus by degrees it became usual for the ministry or cabinet to obtain the king's final approbation of their measures before they were laid, for a merely formal ratification, before the council. During the reign of William this distinction of the cabinet from the privy

council, and the exclusion of the latter from all business of state, became more fully established."

Probably the earliest notice that we have of the actual existence of a cabinet in England is in the second book of Clarendon's History of the Rebellion, where, in describing the state of things at the time when the great council of peers was assembled at York by Charles I, in September, 1640, after telling us that the bulk and burthen of state affairs lay principally upon the shoulders of the archbishop of Canterbury (Laud,) the earl of Strafford, and the lord Cottington, "some others being joined to them, as the earl of Northumberland for ornament, the lord bishop of London for his place, being lord high treasurer of England, the two secretaries, Sir Henry Vane and Sir Francis Windebank, for service and communication of intelligence," while "the marquis of Hamilton, indeed, by his skill and interest bore as great a part as he had a mind to do, and had the skill to meddle no farther than he had a mind;" he adds, "These persons made up the committee of state (which was reproachfully after called the *juncto*, and enviously then in the court the *cabinet council*,) who were upon all occasions, when the secretaries received any extraordinary intelligence, or were to make any extraordinary dispatch, or as often otherwise as was thought fit, to meet; whereas the body of the council observed set days and hours for their meeting, and came not else together except specially summoned." So, in his *Life* (p. 85,) he tells us that when, after the death of lord Falkland at the battle of Newbury, in 1643, the lord Digby was made secretary of state in his room, "he was no sooner admitted and sworn secretary of state and privy counsellor, and consequently made of the *junto* which the king at that time created, consisting of the duke of Richmond, the lord Cottington, the two secretaries of state, and Sir John Colepepper, but the chancellor of the exchequer (Clarendon, then Mr. Hyde himself) was likewise added; to the trouble, at least the surprise, of the master of the rolls, who could have been contented that he should have been excluded from that near trust, where all matters were to be consulted before they should be brought to the council board." The introduction of this method of government by a cabinet was one of the novelties against which the popular feeling was directed in the first years of the long parliament. Thus we find the committee of the house of commons which sat at Grocers' hall after the attempt to seize the five members, in January, 1642, complaining, in their second remonstrance, of "the managing the great affairs of the realm in cabinet councils, by men unknown and not publicly trusted." It is evident that the cabinet council itself is here objected to, as well as its composition.

In speaking of the earliest mention of a cabinet council as being to be found in the time of Charles I, Mr. Hallam must be understood to mean as part of the system of government in England. It has been sometimes stated that the cabinet council was so called from having been usually held in that reign in the cabinet or closet of queen Henrietta. But in truth, whatever may have been the case with the thing, the name was familiar enough in England long before this date. To prove this we need only refer to a passage in one of Bacon's essays, the 20th, entitled "Of Counsel," first published in 1612, where he observes that, to avoid certain inconveniences, "the doctrine of Italy, and practice of France, in some kings' times, hath introduced cabinet councils; a remedy worse than the disease." As for the thing, it was no doubt derived directly by us from France, where the supreme government of the kingdom had long been conducted by what was called the *conseil du cabinet*, or counsel of the (king's) closet. The word *cabinet*, from the Italian *gabinetto*, indicates whence France had borrowed the institution. In France, as came also to be the case in this country, the

cabinet council, although in reality only a portion of the privy council, or council of state, stood out in such marked pre-eminence that it was very often designated simply the council.

It is worthy of note that the French cabinet council was originally that portion or sub-division of the privy council which was occupied with foreign affairs; it was the *Conseil des Affaires Etrangères*. And so it was among ourselves. In the early part of the reign of Charles II, the whole privy council was divided into three or four committees; the first and chief of which was the committee for foreign affairs; and that particular committee, in which all the most important transactions of the state were usually debated and considered before being submitted to a general meeting of the council, was specially known as the cabinet or the cabal. Thus Clarendon, in the continuation of his *Life* (p. 27,) tells us that after the restoration "the treasurer (Southampton,) marquis of Ormond, the general (Monk,) with the two secretaries of state, were of that secret committee, with the chancellor (Clarendon himself,) which, under the notion of foreign affairs, were appointed by the king to consult all his affairs before they came to a public debate." So, speaking of a certain statement of accounts in the year 1669, Pepys tells us (iv. 243) that it had passed "the king and his cabal (the committee for foreign affairs, as they are called.\*)" It is sometimes supposed that the term cabal was first taken from the five chief counsellors, Clifford, Arlington, Buckingham, Ashley, and Lauderdale, who managed affairs from about 1670 to 1673, and the initial letters of whose names make up the word. But that was merely an accidental coincidence; the term cabal, derived, through the medium of the French *cabale*, from the *cabala*, or secret doctrine, of the Jews, was used in England to designate the small body of persons having in their hands the supreme direction of the affairs of state even before the restoration. It probably carried with it at first something of an offensive sense; but that meaning would seem to have been wearing away when it was revived and fixed by the unpopularity of the ministry of 1670. The word, we believe, has never since been applied except to convey an imputation of objectionable as well as secret combination; and it has in later times been more commonly used to designate any self-constituted knot of factious intriguers than a ministry or cabinet.

We are accustomed to consider the cabinet, or cabinet council, as being formed or constituted by the assemblage of the persons, or certain of them, who hold the offices of the ministry—as if it were his appointment as minister that made an individual a member of the cabinet; but the original understanding was probably different. In France, at least, it was the nomination of an individual by the king as a member of the cabinet, or council of foreign affairs, that made him a *ministre d'état*, or minister of state. A minister meant, constitutionally, a member of the cabinet.

Among ourselves, it can hardly be said that there is any office of state, however high, the holder of which is necessarily a member of the cabinet, although the holders of those of principal importance have always, or almost always, been such in modern times. But there are several offices with regard to which it has been the custom sometimes to give the holders a seat in the cabinet, sometimes not. When the late lord Hill was commander-in-chief of the army, he had no seat in the cabinet, either when it was composed of his own political friends or of persons of the opposite party; when the office was assumed by the duke of Wellington, a personage of greater political importance, it was held by his grace with a seat in the cabinet so long as his friends were in power; but now, again, that we have a whig ministry, the duke, though still at the horse guards, is in the cabinet no longer. So at the close of the late government of Sir Robert Peel, the pay-

master of the forces was not a member of the cabinet; in the present government, Mr. Macaulay, the holder of that office, is. The matter is commonly arranged and settled according to what are accounted to be the claims of the individual rather than of the office. On some rare occasions persons have sat in the cabinet while holding offices which have never been considered as of a ministerial character. One of the members of the whig cabinet of 1806-7 was lord Ellenborough, the chief justice of the court of king's bench. At other times some members of the cabinet have held no office of any kind. The late lord Sidmouth sat in the cabinet for two years before 1824, when he retired from public life, without any office, having resigned the secretaryship of the home department, after holding it for ten years, in 1822. The present earl of Carlisle sat for some time without any office in the Grey cabinet. One or two of the offices, indeed, the occupants of which are generally members of the cabinet, are little more than nominal—such, for instance, as the chancellorship of the duchy of Lancaster. The existence of such offices is attended with the convenience of enabling an individual to be made available in the government whom his age or other circumstances may preclude from being burthened with the duties of any particular department. From all this it will be perceived that the cabinet does not consist of any fixed number of persons. The members commonly range from eleven or twelve to fifteen or sixteen. "The cabinet council," says Roger North, in his life of his brother, the lord keeper Guilford, speaking of the times of Charles II, "consisted of those few great officers and courtiers whom the king relied upon for the interior dispatch of his affairs. And, as offices of the law, out of clerkships, spawn other offices, so this council was derived from the privy council, which originally was the same thing, and derived out of the *magnum concilium*, by that name mentioned in the rolls of parliament; and the same out of parliament, authorized by king Henry VII, was known by the place where it sat, namely, the star chamber. Assemblies, at first reasonably constituted of a due number and temper for dispatch of affairs committed to them, by improvident increase came to be formal and troublesome, the certain consequence of multitude, and thereby a new institution becomes necessary; whereupon it is found easier and safer to substitute than to dissolve. Thus the cabinet council, which at first was but in the nature of a private conversation, came to be a formal council, and had the direction of most transactions of the government, foreign and domestic. The Spaniards have peculiar councils, called *juntos*, assigned to each great branch of the royal power, which prevents such sub-emergent councils as these." But both in England, as we have seen, and also in France, the cabinet council actually originated in the very state of things here described as subsisting in Spain: it was at first only one of these *juntos*, or committees, into which the council was divided. And indeed it may be still considered as properly that section or committee of the privy council which is intrusted with the exercise of the executive authority of the crown. The judicial committee, commonly called the court of privy council, is another such section, exercising the functions belonging to the council as a court of justice; the board of trade, to be afterwards noticed, is a third, appointed to superintend the commercial and manufacturing interests of the country.

In the act of settlement of the crown upon the house of Hanover, passed in 1700 (the 12 and 13 Will. III, c. 2,) it was enacted that, from and after the time such settlement should take effect, all matters and things relating to the well governing of the kingdom, which were properly cognizable in the privy council by the laws and customs of the realm, should be transacted there, and all resolutions taken thereupon signed by such of the privy council as should advise and consent to the same. This regulation was intended

to check the practice of not only originating but finally deciding affairs of state in a cabinet or other small body selected from the council, which had been made extremely unpopular by the excess to which it had been carried by William, who in some of the most important transactions of his reign had taken only one or two of his ministers into his confidence; but the clause was repealed in 1705 (by the 4 Anne, c. 8,) before it had ever come into operation. In regard to the practice that has since subsisted, Mr. Hallam writes: "The plans of government are discussed and determined in a cabinet council, forming indeed part of the larger body, but unknown to the law by any distinct character or special appointment. I conceive, though I have not the means of tracing the matter clearly, that this change has prodigiously augmented the direct authority of the secretaries of state, especially as to the interior department, who communicate the king's pleasure, in the first instance, to subordinate officers and magistrates in cases which, down at least to the time of Charles I, would have been determined in council. But proclamations and orders still emanate, as the law requires, from the privy council; and on some rare occasions, even of late years, matters of domestic policy have been referred to their advice. It is generally understood, however, that no councillor is to attend except when summoned, so that, unnecessarily numerous as the council has become, in order to gratify vanity by a titular honor, these special meetings consist only of a few persons besides the actual ministers of the cabinet, and give the latter no apprehension of a formidable resistance." In a note, Mr. Hallam adverts to the well-known instances of the dukes of Argyle and Somerset presenting themselves in the council-chamber at Kensington, without having been summoned, on the morning of Friday the 30th of June, 1714, when queen Anne lay on her death-bed. It hardly appears, however, that the two dukes asserted any right to be present. Tindal's account is that, when they entered, the lord chancellor, the dukes of Shrewsbury and Ormond, the three secretaries of state, the bishop of London, and some others—in fact, the ministers, and perhaps one or two other privy councillors whom they had summoned—were in a committee, or were holding an ordinary cabinet council; and then he goes on:—"It is easy to imagine that some of them were surprised at their coming in; but, after they had acquainted the board with the reasons which brought them thither, the duke of Shrewsbury returned them thanks for their readiness to give the council their assistance in that critical juncture. Then they took their places." A privy councillor, we may remark, is discharged from his office at the royal discretion; so that, even if he have a right to attend meetings of the council without being summoned, its exercise is impracticable.

We need hardly say that the cabinet and ministry now-a-days consist always of members who are all of one political party. This, however, was not so strictly the case formerly. Even at so late a date as towards the close of the reign of George II, it sometimes happened that the servants of the crown were divided into factions, and might be seen in the houses of lords and commons, night after night, publicly opposing one another upon the highest points of the policy of the day, and in the most unreserved language. If we go back still farther, to the reign of William III, we find ministries and cabinets deliberately constructed upon the principle of the arch, or that of a balance to be maintained by the antagonism of two opposing parties. Instead of sometimes a whig and sometimes a tory ministry, as is the modern system, king William used to take so many whigs and so many tories, and set them to wrangle with or out-manœuvre one another in the same cabinet. But the most remarkable scheme of this kind was that adopted by Charles II, in 1679, on the advice of Sir William Temple, when a new privy coun-

cil, with the powers of what we should now call a cabinet, was formed, consisting of thirty individuals, fifteen of them the chief officers of the crown and household, the other fifteen selected from among the leading members on both sides of the houses of lords and commons. In a proclamation announcing this novel arrangement, his majesty stated that he had resolved to lay aside the use he might have hitherto made of "any single ministry, or private advices, or foreign committee for the general direction of his affairs," and hereafter to govern his kingdom by the constant advice of the new council, "together with the frequent use of his great council of parliament, which he takes to be the true ancient constitution of this state and government." The scheme, however, entirely failed.

One word must be added on the office of the premier or prime minister. This is an office as little known to our legal constitution as is the cabinet council; and the term is perhaps of still later introduction or establishment among us. It is French (*premier ministre*) as well as the term *cabinet*. A principal minister, it is true, who has sometimes been sole minister, has existed in every period of the history of the monarchy. Legally and constitutionally, however, no one privy councillor has as such any pre-eminence over another, nor when they meet in council does the vote of the one who may hold the highest office count for more than that of the one holding the lowest, or no office at all. The prime minister is merely the member of the cabinet possessing the chief confidence of the crown, or whom the sovereign has chosen to intrust with the principal direction of affairs. But this is a matter of understanding, and nothing more; there is no express appointment of any member of the ministry as prime minister. And the distinction is attached to the person, not to any particular office. It has been most usual in modern times that the prime minister should hold the office of first lord of the treasury, sometimes alone, sometimes conjoined with that of chancellor of the exchequer; but he may be the holder of any other office, or of no office at all. Lord Chatham was prime minister for some time, while holding the office of keeper of the privy seal. We have now become quite reconciled to both the thing and the name (it is always in such cases the name that scares people the longest;) but little more than a century ago we find Sir Robert Walpole resenting the title of prime minister as an imputation. In a speech in reply to a motion for his removal, on the 13th of February, 1741, after he had been nearly twenty years at the head of affairs, he is reported to have said, "Having first conferred upon me a kind of mock dignity, and styled me the prime minister, they [the supporters of the motion] carry on the fiction which has once heated their imaginations, and impute to me an unpardonable abuse of that chimerical authority which only they have thought it necessary to bestow." It was more common formerly than it is now to designate the prime minister simply the minister.

The first public department of which Mr. Thomas's volume gives an account is the **TREASURY**. The treasury he defines as being "that department of government which has the entire control and management of the public revenue and expenditure." "To this department," he adds, "are referred all matters involving public expenditure, and from hence every public accountant must have ample authority for the disposal of the moneys intrusted to him; the commissioners for auditing the public accounts being a constant check against misapplication, by taking care that such public accountant applies the same under sufficient authority. So, also, the comptroller-general of the exchequer is a check on the treasury, it being his duty to take care that the warrants issued from the treasury to him are in accordance with the authority of parliament before he issues his warrant to the Bank of

England, where the public money is now paid in and issued out, instead of the ancient course of the receipt of the exchequer."

The office of the treasury, like several others of the government offices, forms a part of the palace of Whitehall, or the new palace at Westminster, the limits of which are declared by stat. 28 Hen. VIII, c. 12 (A. D. 1536) to extend from the Thames on the east to the Park Wall on the west, and from Charing Cross on both sides of the way to Westminster Hall, and the gate of what was called the Little Sanctuary, which stood to the west of the Abbey, so as to include the old palace at Westminster as a member and parcel of it. The palace of Whitehall was formerly called York Place, from having been the town-residence of the archbishops of York, one of whom, Walter de Grey, purchased it in 1248 from the convent of black friars, to which it had been bequeathed by Hubert de Burgh, the justiciary of England, and famous minister of Henry III, five years before. It is supposed to have derived its name of Whitehall from the additions built by Cardinal Wolsey, who was the last archbishop of York by whom it was inhabited, and upon whose fall, in 1530, it came into the possession of the crown. "Henry the eighth," says Mr. Thomas, "made divers additions, among which were the tennis-courts, bowling-alleys, and a cockpit. It was the cockpit that Charles the second (when on his restoration he put the treasury in commission) assigned to the lords commissioners for their chambers; and in this locality their chambers have ever since remained. The present treasury chambers are on or adjoining to the spot where the cockpit formerly stood." For further information upon this subject the reader may be referred to a paper by Mr. Weir in the 5th volume of "London: edited by Charles Knight," 1844. What was called the cockpit, however, in latter times, was a separate building from the treasury, occupying nearly the site on which the board of trade now stands. It existed, we believe, till after the commencement of the present century; and for a great part of the reign of George III, it used to be the custom for the king's speech to be read in the cockpit the day before it was delivered at the opening of the session of parliament. The discontinuance of this practice was at first much complained of by the opposition. The cockpit was the residence of Cromwell for some time before he assumed the supreme power; having been assigned to him while he was pursuing his conquest of Ireland by the house of commons, which on the 25th of February, 1650, passed a resolution to the effect, "that the lord-lieutenant of Ireland have the use of the lodgings called the cockpit, of the Spring Garden, and St. James' house, and the command of St. James' park."

The treasury used to be presided over by a great officer of state styled the lord high treasurer, who was constituted such by the sovereign's delivery to him of a staff; and who was also treasurer of the exchequer, to which office he was appointed by letters patent. From the time of Elizabeth, however, the lord high treasurer began to discontinue acting personally in the latter capacity; although there is evidence that he still occasionally did so down to the removal of the exchequer to Oxford by Charles I, in February, 1643.

The office of lord treasurer was for the first time put in commission—that is to say, was appointed to be exercised by lord commissioners—by James I, in June, 1612, after the death of the earl of Salisbury. The last lord treasurer was the duke of Shrewsbury, who was appointed, in remarkable circumstances, on Friday the 30th of July, 1714, two days before the death of queen Anne. It was at the meeting of the cabinet, already noticed, at which the dukes of Argyle and Somerset presented themselves so unexpectedly. After the two dukes had taken their seats, one of the council, Tindal proceeds to relate, represented how necessary it was, in case the queen died,

that the place of lord treasurer (from which Harley, earl of Oxford, had been suddenly removed three days before) should be filled; "to which," he adds, "the whole board assenting, the duke of Shrewsbury was proposed and unanimously approved, as the fittest person for that high trust. Sir Richard Blackmore, Dr. Shadwell, Dr. Mead, and the other physicians who were examined, having assured the council that the queen was sensible, the chancellor, with the duke of Shrewsbury and some other lords, were ordered to attend her, and lay before her the unanimous opinion of the council; upon which she said, they could not recommend a person she liked better than the duke of Shrewsbury; and, giving him the treasurer's staff, bid him use it for the good of the people. The duke would have returned the lord chamberlain's staff, but she desired he should keep them both; so the same person was at once possessed of three of the highest places of trust, honor, and profit under the crown of Great Britain, being lord treasurer, lord chamberlain, and lord lieutenant of Ireland." The duke was confirmed in his office of lord treasurer by George I; but soon afterwards, on the 13th of October, 1714, a patent was issued, appointing Charles, earl of Halifax and other commissioners in his room; and ever since then the office has been in commission.

By the union with Scotland, which took effect 1st May, 1707, the lord high treasurer of England became lord high treasurer of Great Britain; and the consolidated fund act, passed in 1816, united the British and Irish treasuries. The lords commissioners of the treasury for Great Britain and Ireland are at present six in number; namely, the first lord, the chancellor of the exchequer, and four junior lords. It was provided by the consolidated fund act that his majesty might thereafter appoint two commissioners (or junior lords) in addition to the number which might then by law be appointed. Since 1714 there have been always two joint secretaries of the treasury, who go out, like the commissioners, on a change of ministry; and since 1805 there has also been a permanent secretary, called law clerk and assistant secretary, who cannot sit in parliament.

"The sovereign," Mr. Thomas states, "occasionally presided at the board of treasury until the accession of George III, when, partly owing to his youth, but probably more in consequence of the personal interests of the sovereign being then for the first time disconnected from those of the general revenue, owing to the establishment of a separate civil list, the practice was discontinued; but the royal throne still remains at the head of the table."

The office of first lord of the treasury, however, is now one rather of dignity, authority, and patronage than of the actual management of the revenue. The board of treasury sits daily; but the business it transacts is now only that of a particular department of the public service. "The fact," observes Sir Henry Parnell (*Financial Reform*, 1832,) "which is admitted on all sides, that the treasury has for many years ceased to exercise the control that constitutionally belongs to it over the public expenditure, makes it even more than probable, that, if it [should] resume and rigorously enforce its rights over the departments, a great deal of useless expenditure would be put a stop to." He then quotes from a MS. treasury document a speech of the late marquis of Lansdowne, delivered in the house of lords on the 28th of February, 1797, as proving that before the administration of Mr. Pitt the treasury exercised a general and active control over the public expenditure. At the time when he spoke, lord Lansdowne complained, "every office seemed to be the lord of its own will, and every office seemed to have unlimited power over the purse of the nation, instead of their being, as the spirit of the constitution directed, under the constant check of the treasury." "It used," his lordship continued, "to be the distinguishing feature of the

British administration, that the treasury was its heart; it distributed the necessary nourishment to the other parts, and every thing flowed from it as the commanding centre; the other departments were necessarily subordinate. In point of fact, in former times the heads of the great departments for the management of the expenditure attended the board of treasury with their annual estimates, for the purpose of examination and of explanation previously to their being submitted to parliament. The estimates were fully considered in all their details; and the officers who attended were questioned and heard previously to the final decision and approbation of the board being entered on its minutes. This was all consistent with the ancient and constant and uniform system of check and control which had been invariably exercised by the treasury over the expenditure of all the departments, in all their branches and in all their details."

The business of the treasury board is described by Mr. Adolphus, in his *Political State of the British Empire*, published in 1818, as being "to consider and determine upon all matters relative to his majesty's civil list or other revenues; to give directions for the conduct of all boards and persons intrusted with the receipt, management, or expenditure of the said revenues; to sign all warrants for the necessary payments thereout; and generally to superintend every branch of revenue belonging to his majesty or the public." The expense of the treasury, including the commissariat department, in 1827, was 80,542*l*.

The commissariat is a department of the treasury, the business of which is defined in a treasury memorandum by the assistant secretary, dated 6th March, 1844, to be, to raise, keep, and disburse, according to fixed regulations, the whole of the funds required to carry on the foreign expenditure of the country; that is to say, principally, in time of peace, the expenditure in our colonies and other dependencies. "The commissariat officers," says the memorandum, "act, in effect, as sub-treasurers to the lords commissioners of the treasury in the foreign possessions of the crown." "The commissariat," it is added, "also provides, keeps in store, and issues the provisions, forage, fuel, and light for the use of all the different branches of the service abroad; furnishes the troops with the necessary supplies of water; provides all land and inland water transport; and, in the absence of a properly authorized naval agent, takes up all the freight required for the conveyance of troops and stores by sea." Sir Henry Parnell conceives it to be an objectionable arrangement that "the business of providing bread, meat, forage, fuel, and candles for the army and artillery in the United Kingdom, and fuel and candles for the troops on foreign stations," should be under the management of the treasury. "Government," he states, "wished to transfer this business to the ordnance in 1822, when the providing of other military stores was transferred to it; but the then master-general objected to it. The peculiar unfitness of the treasury to transact this kind of business, and the fitness of the ordnance, require that the transfer of it should not be longer delayed."

The succession of first lords of the treasury since the commencement of the reign of George III, has been as follows:—1757, Thomas Holles Pelham, duke of Newcastle; 1762, May, John Stuart, earl of Bute; 1763, April, George Grenville, Esq.; 1765, July, Charles Watson, marquess of Rockingham; 1766, August, Augustus Henry Fitzroy, duke of Grafton; 1770, February, Frederick North (lord North); 1782, April, Charles Watson, marquess of Rockingham; 1782, July, William Petty, earl of Shelburne; 1783, April, William Henry Cavendish, duke of Portland, 1783, December, William Pitt, Esq.; 1801, March, Henry Addington, Esq.; 1804, May, William Pitt, Esq.; 1806, February, William Wyndham, baron Grenville;

1807, March, William Henry Cavendish, duke of Portland, 1809, December, Spencer Perceval, Esq.; 1812, June, Robert Banks Jenkinson, earl of Liverpool; 1827, April, George Canning, Esq.; 1827, September, Frederick John Robinson, viscount Goderich; 1828, January, Arthur Wellesley, duke of Wellington; 1830, November, Charles Grey, earl Grey; 1834, July, William Lamb, viscount Melbourne; 1834, November, Arthur Wellesley, duke of Wellington; 1834, December, Sir Robert Peel, baronet; 1835, April, William Lamb, viscount Melbourne; 1841, September, Sir Robert Peel, baronet; 1846, July, John Russell, Esq. (Lord John Russell.)

Throughout the same period the first lord of the treasury has been premier, with only the following exceptions; that till September, 1761, while the duke of Newcastle was first lord, the premier was Mr. Pitt, holding the office of one of the secretaries of state; that from September, 1761, to May, 1762, while the duke of Newcastle was still first lord, the premier was the earl of Bute, holding the office of secretary of state; that from August, 1766, to January, 1768, while the duke of Grafton was first lord, the premier was again Mr. Pitt, now earl of Chatham, holding the office of lord privy seal; and that from February, 1806, to September of the same year, while lord Grenville was first lord, the premier was Mr. Fox, holding the office of secretary of state.

Moreover, during the whole of this period the first lord of the treasury, when a commoner, has also been chancellor of the exchequer, with the exception of the portion of it from September, 1841, when Sir Robert Peel took the one office without the other; an example which has been followed by his successor, lord John Russell, the present first lord of the treasury and prime minister. Of the eighty-six years that have elapsed since the accession of George III, the office of first lord of the treasury has been held by peers for nearly forty. It has been disjoined, therefore, from that of chancellor of the exchequer for about forty-five years of the eighty-six.

The minister to whom the actual superintendence of the revenue now principally belongs is the CHANCELLOR OF THE EXCHEQUER. In the modern system he is always, as well as the first lord of the treasury, a member of the cabinet; but he is never a peer; and no chancellor of the exchequer, who is not also first lord of the treasury, is ever prime minister.

The exchequer was anciently divided into the account side, in which the king's revenue was supervised and managed; and the receipt side, to which it was paid in. Out of the account side, or the exchequer of account, has grown the court of law called the court of exchequer, with the history and present constitution of which, however, we have here nothing to do. The receipt of the exchequer used formerly to be often called *inferius scaccarium*, or the lower exchequer. The exchequer generally, too, or at least that part of it where the king's treasure was told, deposited, and issued, was frequently called the *thesaurus*, or treasury. This term therefore was used in two senses; both for the place actually containing the king's treasure, and for the department of the government presided over by the lord high treasurer.

That officer, as has been already mentioned, was always appointed by patent treasurer of the exchequer; and in ancient times he used to attend personally at that establishment. Sometimes part of his duties there was devolved upon an officer called the treasurer's lieutenant, who was in fact the treasurer's deputy, or the vice-treasurer. The lord high treasurer also used to attend and sit with the other barons on the account side, or in what is now called the court of exchequer.

Most of the functions anciently appertaining to the lord treasurer in connexion with the exchequer have now devolved upon the chancellor of the exchequer. There is some doubt, however, whether that officer may not

have been originally appointed to take the place and perform the duties at the exchequer of the lord chancellor or king's chancellor, after the separation of the exchequer from the chancery, which is supposed to have taken place about the beginning of the reign of John. The chancellor of the exchequer certainly existed in the reign of Henry III. In the thirty-first year of Edward I, the chancellor of the exchequer was also the treasurer's lieutenant; but at other times the two offices, when both existed, were held by different persons. In one instance, in 1622, the lord treasurer was commissioned to act as chancellor of the exchequer. The chancellor of the exchequer is now always also under treasurer of the exchequer; but the two offices are held by separate patents. The existence of the office of under treasurer can be clearly traced as far back as to the reign of Henry VI. In one instance, in 1660, the lord treasurer was appointed to act also as under treasurer. The patent on this occasion set forth that the payment and issuing money out of the receipt of the exchequer was, in sundry cases, usually made by the orders and under the hands of the treasurer and under treasurer, and that sundry other acts were usually done by the treasurer and under treasurer jointly; and, there being no under treasurer at that time, it directed the treasurer to execute the duties of both offices during the vacancy.

The chancellor of the exchequer is always one of the lords of the treasury, when the office of lord treasurer is put in commission, except only when the lord chief justice of the king's bench is appointed chancellor of the exchequer *pro tempore* during a ministerial interregnum, or on some other particular emergency. The chancellor of the exchequer, also, was entitled to sit, as well as the lord treasurer, with the barons of the exchequer, when they sat, in what was called the exchequer chamber, as a court of equity. "As late as Michaelmas term, 1735," Mr. Thomas states, "Sir Robert Walpole sat as chancellor of the exchequer, in the case of *Naish v. the East India Company*, in which the barons were equally divided in opinion, and the chancellor of the exchequer decided, after a hearing of three days, and the decision is reported to have given general satisfaction." The equity jurisdiction of the court of exchequer is now abolished, having been transferred to the court of chancery in 1841. The only occasion on which the chancellor now takes his seat in the exchequer is on the annual nomination of sheriffs; when, although the due order has been otherwise stated, it appears that the actual practice is for him to take his seat first of all the judges who assemble on the occasion; the lord chancellor following next, then the chief justice of the king's bench, then the chief justice of the common pleas, then the chief baron, &c.

"It is difficult," says Mr. Thomas, "to describe the present various functions of the chancellor of the exchequer. In fact, he exercises all the powers vested in the treasury board, and has therefore the entire control and management of all matters relating to the receipt and expenditure of the public money, whether arising from taxes granted by parliament, or from other sources of revenue in the United Kingdom or the colonies, as well as of the private revenue of the sovereign, and also the custody of all public property, or property belonging to the sovereign. In the execution of these duties he has to frame regulations and establishments for conducting the business of all the financial departments in the country, and also to control the expenditure and fix the salaries and expenses not only of those departments, but of all other departments in which there is an expenditure of public money. He has also to decide, within the limits of the law, on all questions between the sovereign and the subject arising from the receipt and expenditure of public money, &c. &c. Besides the high functions performed by the chancellor of the exchequer in connexion with the treasury board, it is also his

duty to keep the seal of the court, and to affix the same to all instruments requiring to be sealed: the ministerial duty is performed, agreeably to ancient usage, by an officer called the sealer; and this office is in the gift of the chancellor of the exchequer. The office of sealer and under-secretary to the chancellor is held by the same officer: the office of principal secretary to the chancellor was abolished in 1830. When leases of crown lands passed under the exchequer seal, the sealer was in the habit, before affixing the seal of the court, to examine and ascertain that the instrument brought to be sealed corresponded with the dockets previously entered in the secretary's office. All conveyances and leases of crown lands are now made under the hands and seals of the commissioners of woods, forests, and land revenues."

There are two seals used in the office: the one, the great seal of the court of exchequer, which is not used more than ten or twelve times in the year, and then jointly with the other seal, except on what are called seal days, when the great seal is separately used in passing the accounts in court; the other, a small one, called the initial seal, from its containing formerly the initials of the name of the chancellor for the time being, but now the letters C. E., substituted five or six years ago, when Mr. F. T. Baring was chancellor, which is affixed to all writs issuing from the office of pleas, and the office of the queen's remembrancer; and "is," says Mr. Thomas, "in daily use, and seldom idle during official hours." The fees received at the exchequer seal office went to the chancellor till 1831, when he was placed on a fixed salary, and the fees directed to be carried to the treasury fee fund.

Another duty which the chancellor of the exchequer performs is to preside, in the absence of the lord chancellor, at the court for what is called the trial of the pix, which is held at the receipt of the exchequer. The pix is the box in which the coins are contained that have been selected for trial or assay before the coinage of which they make part is allowed to be issued from the mint. It is sealed with three seals, and secured with as many locks, the keys of which are kept by the master of the mint, the chancellor of the exchequer, and the queen's assayer; and the trial is conducted in presence of such members of the privy council as may be summoned, and of a jury of twenty-one freemen of the goldsmiths' company, nominated by the wardens of the company. The coins are compared with the trial plates, "which are kept," says Mr. Thomas, "in the ancient treasury in the chapel of Edward the confessor, in the cloisters of Westminster Abbey, the keys of which, and of the box in which the trial plates are deposited, are now in the custody of the comptroller of the exchequer and the lords of the treasury." The accounts of public accountants, when audited by the commissioners for auditing public accounts, are also declared before the chancellor of the exchequer.

It would occupy too much space to detail at length the history of the various changes which have been made from time to time in the system of the exchequer, and in the manner in which the accounts of the public revenue have been kept, and payments made into and out of that establishment. Formerly, when money was paid in, the entry, after being made in a book, was transcribed upon a slip of parchment called a bill; and then from that a stick or rod of hazel or some other wood was prepared with certain notches cut upon it indicating the sum in the bill. This was called striking or levying a tally. The tally was then cleft from the head to the shaft through the notches, and one of the two parts retained by the chamberlains of the exchequer, while the other, called a counter-tally, or foil, was given to the party paying in the money, and was his discharge in the exchequer of account. The tallies were not abolished, and indented cheques substituted as receipts, till 1783. At the same time the offices of the chamber-

lains were abolished, but not determined; and it was not till 1826 that the last of the chamberlains resigned. Finally, in 1834, the entire ancient constitution of the receipt of the exchequer was put an end to; and instead of the auditor, four tellers, clerk of the pells, and subordinate officers, the following new officers were appointed:—namely, a comptroller-general of the receipt and issue of his majesty's exchequer, an assistant-comptroller, a chief clerk, and such number of clerks and assistants as should be regulated and established from time to time by the commissioners of the treasury. Up to this time the accounts at the exchequer had been kept in Latin and in Roman numerals; it was not till now that this cumbersome and barbarous method was dispensed with even in receipts and vouchers.

Constitutionally, it may be added, the exchequer is regarded as subordinate to the treasury. An act passed in 1697 (stat. 8 and 9 Will. III, c. 28,) entitled 'An act for the better observation of the course anciently used in the receipt of exchequer,' contains a clause providing that "this act, or any thing herein contained, shall not extend to lessen or diminish the lawful power, order, rule or government, which the commissioners of the treasury, and the treasurer for the time being, have and ought to have over the officers and ministers of the said receipt, or any other lawful power which the said commissioners of the treasury, or treasurer for the time being, have and ought to have in the execution of their places or trusts respectively."

Perhaps the next most important administrative office in the government, after those of the first lord of the treasury and the chancellor of the exchequer, is that of the **SECRETARIES OF STATE**. There are at present three secretaries of state: the secretary for the home department, the secretary for the foreign department, and the secretary for the colonies; but, to adopt Mr. Thomas' words, "whatever be the number of secretaries, they constitute but one officer, and are co-ordinate and equal in rank and authority. Each is competent to execute any part of the duties of the secretary of state, the division of duties being mere matter of arrangement."

The earliest mention of the king's secretary occurs in 1253, the 37th year of the reign of Henry III. The duties of the king's secretary, however, in those early times, were very different from those of the modern secretaries of state; and, at first, at least, probably referred more to matters in which the king was personally interested than to the public concerns of the country. Although the appointment, too, was no doubt always an honorable and distinguished one, and seems to have frequently led to higher preferment, the king's secretary was not uniformly a member of the council till the reign of Henry VI. Two secretaries, styled the king's principal secretaries, were first appointed by Henry VIII, in 1539 or 1540. One of them he appears to have usually retained near his person when out of London; the other was left to act with the privy council. A third secretary was appointed by Edward VI, in 1553; but in the early part of the reign of Elizabeth there was only one. It was not till 1574 that a second was again appointed. The title secretary of state does not occur till the end of the reign of Elizabeth: the earliest mention that has been found of it is in a document of the year 1601, in which Robert Cecil is styled "Our Principal Secretary of Estate." After this, three secretaries were occasionally appointed for a time—as, for instance, in 1616 and 1617; but the regular number continued to be two till the reign of Anne, when, in February, 1708, upon the union with Scotland, a third was appointed, who was considered secretary of state for Scottish affairs. This third secretary, however, was discontinued in 1746; and from that time there were again only two secretaries of state till February, 1768, when a third was once more appointed, who was regarded as secretary of state for the colonies;

but in 1781 the office of colonial or third secretary was abolished, leaving only two secretaries of state as before. These had long been known as secretary for the northern and secretary for the southern departments—the northern department comprehending (at least at this time) Denmark, Flanders, Germany (the principalities and states, as well as the empire,) Holland, Poland with Saxony, Prussia, Russia, Sweden and the Baltic; the southern department comprehending France, Portugal, Switzerland, Spain, Italy, the Barbary States, and Turkey, to which were now added the colonies and plantations, which had hitherto been superintended by a separate secretary. But in the next year (1782) a new arrangement was made: the northern was styled the foreign department, the southern the home department; and the duties of the two secretaries became what these new names indicated. This continued to be the state of things till July, 1794, when a third secretary was appointed to take charge of the war department, the business of which, since the commencement of the war with France in the preceding year, had been transacted at the office of the home secretary. In 1801 the home office was further relieved by the transference of the business of the colonies also to the office of the war secretary, who was now styled the secretary for the department of war and the colonies; and this is the arrangement that still subsists, except that the secretary for the department of war and the colonies is now commonly called the colonial secretary, or secretary for the colonies, simply. He must not be confounded with the secretary-at-war, who is not one of the principal secretaries of state.

The three principal secretaries of state are always privy councillors and members of the cabinet; and one of them at least is always in the house of commons, most commonly two. When two secretaries were first appointed in the reign of Henry VIII, the warrant directed that when the king or the speaker should be present in the upper house, both secretaries should be present, but that at other times they should be alternately one week in the upper and the other in the lower house, unless when some special matters were to be treated of in the lower house, in which case they should both be present. In the statute of Precedence (the 31 Hen. VIII, c. 10,) passed the same year, it had been enacted, that if the secretary should be under the degree of a baron he should have a place in the upper house of parliament upon one of the wooolsacks; and it is still held that the secretaries of state, even when commoners, have the right of sitting in the uppermost part of the sacks in the house of lords.

The secretaries of state are constituted or appointed by the sovereign delivering to them the seals of office; and each has now also a patent containing his grant of salary. The oldest patent that has been found, however, is dated in 1558, the last year of queen Mary. "Three seals," says Mr. Thomas, "are now delivered to each secretary of state by the king (or queen) on his appointment: namely, the signet, which contains the royal arms and supporters; another seal of a smaller size, being an escutcheon of the king's arms only; and a still smaller seal, called the cachet, which is similarly engraved. The signet being constantly required in the signet office for warrants to the privy seal, probably caused the existence of the second seal above mentioned, which always remains in the secretary of state's offices, and is affixed to the instruments which receive the royal signature, and which, but for the reason just stated, would pass under the signet. The cachet is only used for sealing the king's (or queen's) letters to sovereign princes.

On the authority of the first report on fees (1786) Mr. Thomas states that "the business of the secretary of state's office for the home depart-

ment comprises whatever relates to the internal government of Great Britain and Ireland (by correspondence directly with the lord lieutenant, or through the Irish secretary,) Jersey, Guernsey, Alderney, Sark, the Isle of Man (revenue and admiralty excepted;) also crown grants, army commissions, church preferments in the sovereign's gift, appropriations of lord lieutenants, appointments in the militia, and business relative to criminals, pass through this office, and are laid by the secretary of state before the sovereign for signature or approbation."

The business of the secretary for the foreign department consists in the superintendence of all the relations of the country with foreign states. Treaties, leagues, ratifications, and other instruments passing between the sovereign and other states, which are now prepared in this office, were formerly prepared by the prothonotary of the court of chancery, and enrolled in that court; but the treaty rolls in chancery, which commenced in the reign of Edward I, end in 1625, the twenty-second year of James I.

A colonial office, under the name of the council of foreign plantations, was established by Charles II, in December, 1660. In September, 1672, the council of foreign plantations was united with the council of trade, which had been established in November, 1660; and the united board was called the council of trade and plantations. This council was suppressed in December, 1675; but in December, 1695, it was revived by king William, who appointed, by patent, commissioners for promoting trade generally, and for inspecting, managing, &c., the plantations in America and elsewhere; and such commissioners continued to be appointed from time to time, notwithstanding the establishment of the office of secretary of state for the colonies in 1768. The council of trade and plantations was abolished, along with the colonial secretaryship, in 1781. The management of the affairs of the colonies, it has been already stated, was then transferred to the home office, where it continued till 1801. It formed a subordinate branch, and was conducted, in what was called the office for plantations, by an under secretary and three clerks. The duties of the colonial branch of the present department of war and the colonies extend over all the foreign possessions of the crown except the East Indies. "In the war department of the office," Mr. Thomas states, "are made out all military commissions, all removals of troops; also the military order of the bath is specially under the control of this secretary; and from his office all promotions are gazetted. In time of war the correspondence with the commanders of armies engaged in the war belongs to this department, as well as to plan and arrange all military operations abroad—the secretary-at-war and commander-in-chief having merely to provide the means of carrying them into execution."

The salary of each of the secretaries of state, which had been fixed in 1795 at 6000*l.* per annum, was reduced in 1831 to 5000*l.*

Attached to the office of secretary of state is the signet office, through which all instruments pass that require the king's signet on their way to the office of the secretary of state (in most instances that of the home department,) where the signet is kept and the signet seal affixed to them. There used to be four clerks of the signet; but in 1832 authority was given to the lords of the treasury to abolish the office of any of them as vacancies should arise; and one of the four clerkships has since been abolished accordingly.

The state paper office is regarded as a branch of the office of the secretary for the home department. An office for keeping state papers, &c., appears to have been first established in 1578. The state papers were removed to the present office, in St. James' park, in 1833.

Next in importance among the administrative offices of government may

be reckoned the **BOARD OF TRADE AND PLANTATIONS**, which is a committee of the privy council, now presided over by a president and a vice-president, who in point of fact are the only working members of the board. The president of the board of trade is usually a member of the cabinet. He and the vice-president have each a salary of 2000*l.* per annum.

After the abolition, as already mentioned, of the board of trade and plantations in 1781, while the business of the colonies was transferred to the office of the secretary of state for the home department, the superintendence of the affairs of trade was managed by a committee of the privy council; but it was not till August, 1786, that a regular establishment was formed for that purpose. The general business of the board is of a very miscellaneous character. Mr. Thomas' account is as follows:—"All matters relating to the interest of trade which come before the several departments of the government are usually referred to the board of trade, either for the information of its members or for the purpose of obtaining their advice. Thus, for example, there are frequent communications with the foreign office on the subjects of the negotiations of commercial treaties, of difficulty arising out of them, and of the proceedings necessary to give effect to them; with the treasury, on the alterations made or contemplated in the laws of the customs, on cases of hardship to individuals arising from the operation of those laws, and on points connected with them which require solution; and with other departments on matters of interest in a commercial point of view. The preparation also of bills and of orders in council for carrying out the intentions of the government on these subjects frequently falls to the care of this board. The correspondence of the board with private individuals on the subjects of which it has cognizance is likewise extensive." Every private bill passing through parliament is submitted to the board of trade; and, in cases where the public interest is affected, it frequently interferes to procure the modification or rejection of certain clauses. All applications made to the queen in council by committees or individuals seeking charters or letters patent, and all cases of parties desiring to establish joint stock banks, are referred to this board to be reported on. And so likewise are all acts passed by colonies having legislative governments before they are laid before her majesty; but in regard to these the colonial secretary, through whom they are transmitted, recommends what should be done, and his recommendation is always followed as a matter of course. Still, all acts of this class must receive the formal sanction of the board of trade before being assented to by the crown. Such also of the ordinances of what are called crown colonies (that is, those having no legislative assemblies) as relate to matters of trade are usually submitted to this board either by the colonial secretary or by the lords of the treasury.

The board of trade contains the following subordinate departments:—1. The corn returns department; 2. The statistical department (established in 1832;); 3. The railway department (originally constituted in 1840, enlarged in its powers in 1844, and again modified and its functions considerably curtailed in 1845.) The following offices also are stated to be more or less under the superintendence of the board of trade:—1. The school of design; 2. The office for the registry of designs; 3. The office for the registration of joint stock companies; 4. The coal whippers' office.

Another minister who is sometimes, but less frequently, a member of the cabinet, is the chief commissioner of the woods, forests, and land revenues of the crown. The land revenues of the crown were originally collected by the sheriffs of counties, and by other accountants, called escheators, appointed by the crown, who paid their rents into the exchequer. Surveyors of crown lands appear to have been first appointed early in the reign of

Edward I, or about 1276. In 1512, in the beginning of the reign of Henry VIII, Sir R. Southwell and B. Westby, one of the barons of the exchequer were appointed by letters patent general surveyors and approvers of the king's lands, &c. In 1515 certain other persons were directed by statute to be appointed the king's general surveyors, and declared to be chief auditors and to have pre-eminence above all other auditors. At this time, it appears by the act, there were at least thirty-two receivers of the king's rents and profits, of whom five were called general receivers. In 1535 a court was erected by statute, called the court of augmentations of the revenues of the king's crown, for the management of the lands of the endowed monasteries not having revenues of above 200*l.* a-year, all of which had been given by parliament to the king, and also of all lands already purchased, or which should in future be purchased by the king. Up to this time the superintendence of the royal forests, at least from the grant of the *charta de foresta*, in 1295, the ninth year of Henry III, had been in the two itinerating justices, or justices in eyre, as they were called (from the old French, *eyre*, a journey,) the one for the north, the other for the south of the Trent. A court of general surveyors of the lands belonging to the crown, under the survey of which certain of the crown woods, forests, and lands were placed, was first erected in 1541 by stat. 33 Hen. VIII, c. 39. But both this court and the court of augmentations were dissolved in 1546; and in their stead a new court of augmentations was erected, under whose survey were placed all the lands, &c., which had been superintended by the two abolished courts, as well as all lands, &c., in England, Wales, Calais, and the marches thereof, which might thereafter come to the king by any act of parliament, or gift, grant, surrender, bargain or sale, or by forfeiture or attainder, or by escheat. In 1554, however, the first year of queen Mary, the court of augmentations was abolished, and the business annexed to the exchequer, the letters patent issued under authority of the statute directing that all honors, manors, lands, &c., in the survey and order of the augmentations, and arrears, should be levied henceforth by the sheriff of the county where the lands, &c., lay, or by any other person appointed by the lord treasurer and the court of exchequer to pay the revenue at the receipt of the exchequer. Still a surveyor of the woods, at least for the south, or, as it was often expressed, for *this* side of Trent, was retained; as were also particular surveyors of the lands of each county. In 1611, the ninth of James I, the office of surveyor general of all honors, castles, lordships, manors, lands, tenements, woods, &c., belonging to the crown was granted to Charles, Duke of York (afterwards Charles I;) and in the beginning of the next reign, besides such a surveyor general of lands, there appear to have been surveyors of woods both on this side and beyond Trent. The number of auditors in the court of exchequer, which had been originally six, and had been increased to seven when the auditing of the land revenue was assigned to that court, was in 1706 reduced to three; namely, one for the four counties of Chester, Derby, Lincoln, and Nottingham, another for all the remaining counties of England except Monmouth, and a third for the principality of Wales with Monmouth. In 1792 the rents in those several divisions were collected and accounted for by thirteen receivers, of which eleven were for the English counties and two for north and south Wales. In 1786 commissioners had been appointed to inquire into the state and condition of the woods, forests, and land revenues of the crown; and in their seventeenth report, made in 1793, they state that the two offices of surveyors of woods on the north and south of Trent had then for many years been united; that the surveyor general of woods was constituted by letters patent surveyor general of all his majesty's woods and

forests, parks and chaces, and of lands of the ancient inheritance of the crown, on the south of Trent, and was appointed by the same patent to the like office for the north of Trent, a separate salary being paid for each office; that formerly there had been generally two surveyors of woods and forests, in conjunction with whom the surveyor general of crown lands acted in the business of their department, that officer himself being under the immediate superintendence and control of the treasury; but that at the beginning of the then current (or eighteenth century, when the greater part of the estates had been granted away, and the civil list act of queen Anne had rendered the lands of the crown inalienable except for certain terms, less attention appeared to have been given to the land revenue; so that the co-operation of the surveyor general of the crown lands in the management of the forests was discontinued, and the woods and forests were left to the management of a single officer without any effectual control, as the demised estates of the crown were to the surveyor general of the crown lands. In 1794 some improvements in the system of managing the land revenue were established by the stat. 34, Geo. III, c. 75, under the authority of which the surveyor general received an establishment of officers and made a report every three years. In 1803, also, certain new regulations were made in the office of the surveyor general of woods by stat. 43, Geo. III, c. 31; which, however, was repealed, and other arrangements made, in 1806, by stat. 46, Geo. III, c. 142. At last in 1810, by stat. 50, Geo. III, c. 65, the offices of surveyor general of the land revenues of the crown, and surveyor general of the woods, forests, parks, and chaces, were united under a board of commissioners, called the commissioners of his majesty's woods, forests, and land revenues, the number of whom it was enacted, should be not less than two, nor more than three. This is substantially the system that still exists. In 1816 the stat. 56, Geo. III, c. 16, gave additional powers to the commissioners, by abolishing the then receivers of rents, &c., of the land revenue, and empowering the commissioners to appoint others accustomed to act as surveyors of lands or land stewards, or otherwise skilled in the management of lands. In 1817 the offices of wardens, chief justices, and justices in eyre, north and south of Trent, were abolished by stat. 57, Geo. III., c. 61, and their powers vested in the first commissioner of woods and forests upon the termination of the then existing interests. In 1821, by another act, the right of preparing leases of crown lands, &c., was taken from the clerk of the pipe in the court of exchequer, and the commissioners were empowered to prepare them under authority from the treasury. In 1828 the management of the Irish land revenue was vested in the commissioners. The laws relating to the woods, forests, &c., were consolidated in 1830 by the statute 10, George IV, c. 50; which was amended in 1845 by the 8 and 9 Vict., c. 99. In 1832 the stat. 2, Will. IV, c. 1, entirely abolished the auditors of land revenue, and directed all the accounts to be audited by the commissioners of audit, and established the office of land revenues, records, and enrolments, for the enrolment of all leases and other deeds formerly enrolled by said auditors, and of all covenants, &c., entered into by the commissioners. This act also united to the office of the commissioners of woods, forests and land revenues the office of surveyor general of works and buildings. Mention is found of surveyors of the king's works so early as in the first years of the reign of Edward I. In later times there are many notices of the surveyor of victuals and works in north Wales, the clerk and surveyor of the king's works, the comptroller of the king's works in England, &c. In 1613 Inigo Jones obtained the reversion of the office of surveyor of the works of the tower, &c. In 1661 Sir John Denham, the poet, was appointed his majes-

ty's surveyor general of works. At the commencement of the reign of Geo. I, it appears that the board of works consisted of a surveyor, a comptroller, a master mason, and a master carpenter. Orders, however, were now issued directing that the board should consist of the surveyor, comptroller, and paymaster of his majesty's works, of the secretaries of the treasury, of the surveyor general of crown lands, and of the surveyor general of woods on both sides of the Trent. Soon after, the care and inspection of the gardens and waters belonging to the royal palaces were assigned to a new officer, styled the surveyor of his majesty's gardens and waters, who was instructed to act in conjunction with the board of works. In 1717 the keeper of the king's private roads and bridges and conductor of the royal progresses was made a member of the board of works, and the business of his office was united to that of the board. The board as thus constituted, however, was dissolved the following year, and the arrangement which had subsisted in the reign of Anne restored. From this time the office of surveyor general of works ceased to be held by a professional person, and was executed by deputy. Soon after the accession of George III, the offices of surveyor of the royal gardens and surveyor of the private roads also ceased to be held by professional persons. Two architects were now added to the board of works. In 1667 a new set of regulations was issued, by which the board was made to consist of the surveyor general, the comptroller, the master mason, the master carpenter, and the two architects. In 1781, by stat. 22, Geo. III, c. 82, the board was suppressed, and it was directed that all his majesty's buildings which had been under its management should henceforth be under the direction of some one person, to be constituted and appointed by his majesty, during pleasure, surveyor or comptroller of his majesty's works. It was this office which was united to the office of the commissioners of woods, forests, and land revenues, in 1832. The royal gardens, however, by the act of 1781 (Mr. Burke's famous economical reform act) had been placed under the direction of a surveyor or comptroller of the king's gardens, being by profession a gardener or improver of grounds, and that arrangement, we believe, still subsists.

The above are all the public departments, commonly so called, to which Mr. Thomas' notes refer. Two-thirds of his volume are occupied with the state-paper office and the record office. Upon those portions of it we have not entered; but, adopting our own arrangement, we have given such an abstract of the remainder as comprehends most of the facts therein stated likely to prove popularly interesting, and as will put the general reader in possession of all that he will probably care to know about the origin, history, and present state of the several government offices treated of. Mr. Thomas' seventy folio columns, however, or thereby, from which our abstract has been made, contain, of course, many particulars in the highest degree curious and important in an antiquarian point of view, which it has been impossible to notice within our much narrower limits; and whoever would study the subject in all its extent and details must resort to the original volume.

Another important department of the government is the ADMIRALTY. Anciently the office of lord high admiral was always held by an individual. It was first put in commission in November, 1632. At the restoration the duke of York was appointed lord high admiral. In 1684 Charles II took the office into his own hands; and James II, on his accession in the following year, also declared himself lord high admiral. The office was again held in commission from the revolution till the accession of Anne in 1702, when her husband prince George of Denmark was appointed lord high admiral, with a council of four persons to assist him: he held the office till his death

in November, 1708, when the earl of Pembroke was appointed his successor, with a similar council. The earl resigned in November, 1709; and the office was again held in commission from that time till May, 1827, when, on the formation of the Canning ministry, the duke of Clarence (afterwards William IV.) was appointed lord high admiral, but without a seat in the cabinet. His royal highness held the office till September, 1828, since which time it has been again held in commission. There used formerly to be seven commissioners: at present the number is only six. The patent appoints them commissioners for executing the office of her majesty's high admiral of the United Kingdom of Great Britain and Ireland, and of the dominions, islands, and territories thereunto belonging, and that of her majesty's high admiral of Jamaica, Barbadoes, St. Christopher, Nevis, Montserrat, Bermudas, and Antigua in America, and of Guinea, Binny, and Angola in Africa, and of the islands and dominions thereof, and also of all and singular her majesty's other foreign plantations, dominions, islands, and territories whatsoever, and places thereunto belonging, during her majesty's pleasure; and gives them, or any two or more of them, full power and authority to do, exercise, and perform all and every act, matter, and thing of right belonging or appertaining to the office of high admiral, whether concerning the superintendance of the navy or "the right and jurisdiction" attached to the office. The judge of the court of admiralty, however, who used to be the deputy of the lord high admiral, has now a commission from the crown under the great seal. The first lord of the admiralty, who occupies an official residence in Whitehall, is always a member of the cabinet, and it is he who principally exercises the powers of the office; but the places of the other commissioners, or junior lords, as they are called, are by no means sinecures. Two of them at least are always professional men. The first lord has a salary of 4,500*l.*; the junior lords have each 1,000*l.* a year, and they have also official residences. The business of the civil department of the navy used to be managed at what was called the navy pay-office in Somerset house; but that office was suppressed in 1832, and the business transferred partly to the admiralty, partly to the office of the paymaster-general.

The government of the army, under the sovereign, who is constitutionally supreme head or generalissimo of all the national forces, both by land and sea, is in the commander-in-chief. He is occasionally, though rarely, a member of the cabinet; and in administering the affairs of the army he acts, of course, in compliance with the directions and in conformity with the views of the ministry for the time being, whose confidence therefore he must in his official capacity enjoy; but when not in the cabinet he is scarcely to be considered as himself a minister. Sometimes he does not even belong to the same political party with the existing ministers. The late lord Hill, for example, retained his post of commander-in-chief through all the changes of ministry that took place between 1828 and 1842; and now the duke of Wellington continues to hold the office under a whig ministry, having previously held it under a tory one. The office of the commander-in-chief is at the Horse Guards in Whitehall.

The officer by whom the regular communication is kept up between the war-office and the ministry is the secretary at war, who may therefore be regarded as the civil officer of the army. He is occasionally a member of the cabinet, and is always a privy councillor, and distinctly one of the ministers. His office is at the Horse Guards.

The paymaster-general is also sometimes, though more rarely, in the cabinet. In his particular office his duties are merely ministerial, consisting in the making of payments under warrants from the treasury or the secretary at war; but in his capacity of a member of the cabinet, of course, he

enjoys whatever consideration and influence his personal qualifications and political position may entitle him to.

The master-general of the ordnance has also sometimes had a seat in the cabinet. The business of the ordnance office, which consists in the supply of military stores to both the army and the navy, is conducted partly at the office in Pall-Mall, partly in the Tower.

Another minister who is frequently a member of the cabinet is the president of the board of control for the affairs of India, often called the India board. The board of control was established in 1784, and was originally composed of six privy councillors, together with the chancellor of the exchequer and the principal secretaries of state; but it is not now necessary that all the members should be privy councillors. The president of the board of control may be regarded as a secretary of state for the affairs of India. The office of the board is in Cannon Row, which is within the limits of Whitehall.

The lord-lieutenant of Ireland, though always a nobleman and a privy councillor, is never now a member of the cabinet, nor is he considered as even one of the ministers. The direction of affairs rests principally with the officer styled the lord-lieutenant's chief secretary, but who is in reality secretary of state for Ireland. The Irish secretary is sometimes in the cabinet, and is always a member of one or the other house of parliament, more usually of the house of commons. He has offices both in Dublin and in London.

There have been some instances in which the master worker, commonly called the master of the mint, has been a cabinet minister; and he is always considered a member of the administration.

The present duke of Richmond sat in the cabinet as postmaster-general from November, 1830 to May, 1834; but none of his predecessors, we believe, had ever done so. The office of postmaster-general used, until within these few years, to be held by two joint commissioners, who were incapacitated from sitting in the house of commons; nor has the office ever been considered as a political one, although always held by adherents of the ministry for the time being.

The three great officers of state, the lord chancellor, the lord president of the council, and the lord privy seal, are uniformly members of the cabinet; as is also the chancellor of the duchy of Lancaster, who formerly used to preside in the court of the duchy, held in Westminster Hall; but whose office, although the court still subsists, is now practically a sinecure.

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## THE QUEEN'S MINISTERS.

From the English Court Calendar, 1847.

|                                     |                                 | Salary. |
|-------------------------------------|---------------------------------|---------|
| First Lord of the Treasury          | * Lord John Russell             | £ 5,000 |
| Chancellor of the Exchequer         | * Right Hon. Charles Wood.      |         |
| Lord Chancellor                     | Lord Coltenham                  | 14,000  |
| President of the Council            | * Marquis of Lansdowne          | 2,000   |
| Lord Privy Seal                     | Earl of Minto                   | 2,000   |
| Secretary of State, Home Department | * Rt. Hon. Sir George Grey, Bt. | 5,000   |
| Do. do. Foreign                     | * Viscount Palmerston           | 5,000   |
| Do. do. Colonial                    | Earl Grey                       | 5,000   |
| First Lord of the Admiralty         | Earl of Auckland                | 4,500   |

|                                      | Salary.                                    |
|--------------------------------------|--------------------------------------------|
| President of the Board of Control    | * Rt. Hon. Sir J. C. Hobhouse, Bt. £ 2,000 |
| Chancellor of the Duchy of Lancaster | Lord Campbell                              |
| First Commiss'r of Woods and Forests | * Viscount Morpeth                         |
| President of the Board of Trade      | Earl of Clarendon                          |
| Chief Secretary for Ireland          | * Rt. Hon. Henry Labouchere                |
| Postmaster General                   | Marquis of Clanricarde                     |
| Paymaster General                    | * Rt. Hon. T. B. Macaulay 2,500            |
| * The above form the Cabinet.        |                                            |
| Lord Chamberlain                     | Earl Spencer                               |
| Lord Steward                         | Earl Fortescue                             |
| Earl Marshal and Master of the Horse | Duke of Norfolk                            |
| Vice-President of the Board of Trade | * Rt. Hon. T. Miller Gibson                |
| Commander-in-Chief                   | Duke of Wellington.                        |
| Master General of the Ordnance       | Marquis of Anglesea.                       |
| Master of the Mint                   | * Rt. Hon. R. L. Sheil.                    |
| Attorney General                     | * Sir John Jervis.                         |
| Solicitor General                    | * David Dundas.                            |

IRELAND.

|                            |                              |        |
|----------------------------|------------------------------|--------|
| Lord Lieutenant of Ireland | Earl of Bessborough          | 20,000 |
| Chief Secretary            | * Rt. Hon. Henry Labouchere. |        |
| Lord Chancellor            | Rt. Hon. Maziere Brady       | 8,000  |
| Commander of the Forces    | Lieut. Gen. Sir E. Blakeney. |        |
| Attorney General           | Rt. Hon. Richard Moore.      |        |
| Solicitor General          | J. H. Monahan, Esq.          |        |

\* Members of Parliament.

DEBTS OF THE AMERICAN STATES.

By an American Merchant residing in London.

"Repudiation," first sounded in Mississippi, and echoed in Indiana, has, in the short space of a few months, destroyed that noble character for patriotism and honor which our country had sustained for more than fifty years; and in Europe, our once proud republic is now only referred to in derision, or spoken of to be compared unfavorably with their own forms of government.

The principle adopted in some of the states of repudiating honest debts is reprobated in this country, in France, and in Holland, by all parties, and in all societies; and Americans who have sensitive feelings, regarding their national character abroad, will now derive little pleasure in visiting the countries I have named, for they will often experience the truth of your remark, that "public disgrace is each citizen's dishonor."

It is not more the promulgation of the principle in two or three states than the apathy with which repudiation is viewed in the other states, that has produced here the feeling which I have named. When McNutt proposed this shameful doctrine—had the president of the United States, the congress, the governors and legislatures of other states, aided by the respectable portion of the press, denounced, as they should have done, this dishonest prin-

ciple, in the energetic language contained in your letter, the honor of our republic would not have been tarnished, nor the nation's credit prostrated; and, instead of the refusal of European capitalists to loan five millions of dollars at 6 per cent. they would gladly have lent twenty millions at 4½ per cent. per annum.

The public here perfectly understand, appreciate, and are willing to indulge a state like Maryland, largely in debt, whose rulers are making laws and whose citizens are submitting to them, for the purpose of maintaining the faith of the state; but the doctrine of repudiating honest debt by a civilized community the people of Europe cannot comprehend.

In the United States there is a very erroneous opinion with regard to the power of the great European houses, as they are termed, of themselves, to take large loans; they have not the ability, and do not act without that more powerful ally, the public, to second and support their contracts, or their capital would soon be rendered unavailable.

Since repudiation first obtained a footing in Mississippi, but very few sales of state stocks have been made here, and a much larger amount has been sent to New York and sold for English capitalists than has been bought on their account. The state stocks now held in Europe, therefore, were nearly all bought at *very high rates*, and the American public have become so accustomed to late quotations, that few persons have any idea of the very high prices which were formerly paid for them in the European markets, and you will no doubt read the following list with much surprise. The first state stock appeared in the London market in 1817, and from that period (but principally from 1830) to the year of "repudiation," all the great loans were made and most of the stocks sold in Europe. They produced as follows:

|                |                              | When first introduced. | Prices up to 1841 in U. S. currency. |
|----------------|------------------------------|------------------------|--------------------------------------|
| Massachusetts  | 5 p. ct. dollar and sterling | 1837-'38               | 100 ● 110                            |
| New York       | 6 do. do.                    | 1817                   | 190 ● 125                            |
| Do.            | 5 do. do.                    | 1822                   | 90 ● 115                             |
| Pennsylvania   | 5 do. do.                    | 1824                   | 80 ● 115                             |
| Maryland       | 6 do. do.                    | 1836                   | 105 ● 125                            |
| Do.            | 5 do. do.                    | 1830                   | 90 ● 110                             |
| Do.            | 5 do. sterling               | 1839                   | 75 ● 90                              |
| Virginia       | 6 do. dollar                 | 1824                   | 110 ● 115                            |
| Do.            | 5 do. do.                    | 1826                   | 90 ● 105                             |
| South Carolina | 5 do. sterling               | 1834                   | 95 ● 105                             |
| Florida        | 6 do. do.                    | 1837                   | 95 ● 100                             |
| Alabama        | 5 do. dollar                 | 1834                   | 100 ● 105                            |
| Do.            | 6 do. do.                    | 1838                   | 80 ● 100                             |
| Louisiana      | 5 do. do.                    | 1824                   | 90 ● 115                             |
| Do.            | 5 do. sterling               | 1839                   | 95 ● 100                             |
| Mississippi    | 6 do. dollar                 | 1832                   | 110 ● 120                            |
| Do             | 5 do. sterling               | 1838                   | 85 ● 100                             |
| Arkansas       | 6 do. do.                    | 1839                   | 95 ● 100                             |
| Indiana        | 5 do. dollar                 | 1837                   | 80 ● 110                             |
| Do.            | 5 do. sterling               | 1839                   | 90 ● 110                             |
| Illinois       | 6 do. dollar                 | 1838                   | 80 ● 100                             |
| Do.            | 6 do. sterling               | 1840                   | 80 ● 85                              |
| Kentucky       | 6 do. dollar                 | 1839                   | 85 ● 100                             |
| Tennessee      | 6 do. do.                    | 1839                   | 85 ● 100                             |
| Ohio           | 5 do. do.                    | 1828                   | 100 ● 120                            |
| Do.            | 6 do. do.                    | 1828                   | 90 ● 120                             |
| * Michigan     | 6 do. do.                    | 1840                   | 85                                   |

Thus it appears that, instead of from 15 to 60 cents on the dollar, as stated by the Philadelphia editor, the average cost of all the state stocks held in

\* Nearly all pledged by Bank of the United States.

Europe, in the currency of the United States, is nearly 100! I include at 85 the large amount of Pennsylvania, Mississippi, Illinois, Indiana, and Michigan, pledged by the Bank of the United States as collateral security for the following loans, viz.

|                                        | Florins.  | £ sterling. |
|----------------------------------------|-----------|-------------|
| Hope & Co., Amsterdam . . . . .        | 5,500,000 | 450,000     |
| Rothchilds, London and Paris . . . . . |           | 900,000     |
| Denison & Co., London . . . . .        |           | 800,000     |

The bank issued her bonds in 1840 for the above amount, £2,150,000, (secured by the stocks named at 80) which were greedily taken by the European public at from 90 to 98, all of which, as also most of the interest, remains unpaid.

DEBTS OF THE UNITED STATES.

From American Almanac, 1847.

| States.               | Absolute Debt.       | Contingent Debt.  | Total Debt.        | Annual interest on absolute debt. |
|-----------------------|----------------------|-------------------|--------------------|-----------------------------------|
| Maine, .....          | \$1,274,285          |                   | \$1,274,285        | \$76,457                          |
| New Hampshire,.....   | None.                |                   | None.              |                                   |
| Vermont,.....         | 279,960              |                   | 279,960            | 16,798                            |
| Massachusetts,.....   | 1,039,215            | \$5,049,556       | 6,088,771          | 59,336                            |
| Rhode Island,.....    | 152,719              |                   | 152,719            | 9,163                             |
| Connecticut,.....     | None.                |                   | None.              |                                   |
| New York,.....        | 25,575,570           | 1,713,000         | 27,288,570         | 1,391,992                         |
| New Jersey,.....      | None.                |                   | None.              |                                   |
| Pennsylvania,.....    | 40,986,393           |                   | 40,986,373         | 2,048,320                         |
| Delaware, .....       | None.                |                   | None.              |                                   |
| Maryland, .....       | 11,986,785           | *1,376,891        | 13,363,676         | 655,421                           |
| Virginia, .....       | 7,384,794            | 1,476,295         | 8,861,089          | 641,746                           |
| North Carolina, ..... | None.                |                   | None.              |                                   |
| South Carolina,.....  | 3,234,502            | 2,000,000         | 5,234,502          | 170,798                           |
| Georgia,.....         | 1,727,760            |                   | 1,727,760          | 109,296                           |
| Florida,.....         | 3,900,000            | 950,000           | 4,850,000          | 294,000                           |
| Alabama, .....        | 9,207,556            | 4,438,522         | 13,646,078         | 557,746                           |
| Mississippi, .....    | 2,271,707            | 5,000,000         | 7,271,707          | 128,000                           |
| Louisiana, .....      | 1,380,566            | 14,857,565        | 16,238,131         | 78,914                            |
| Arkansas, .....       | 2,676,000            | 1,044,570         | 3,720,570          | 160,250                           |
| Tennessee,.....       | 3,254,417            |                   | 3,254,417          | 173,349                           |
| Kentucky, .....       | 4,409,456            |                   | 4,409,456          | 258,354                           |
| Ohio, .....           | 19,251,180           |                   | 19,251,180         | 1,140,707                         |
| Michigan, .....       | 4,394,510            |                   | 4,394,510          | 266,000                           |
| Indiana, .....        | †15,072,080          | 1,390,000         | 16,462,080         | 607,772                           |
| Illinois, .....       | 14,633,969           |                   | 14,633,969         | 712,533                           |
| Missouri, .....       | 684,997              |                   | 684,997            | 73,100                            |
| Texas,.....           | 4,856,601            | 5,092,406         | 9,949,007          | 300,000                           |
| <b>Total, .....</b>   | <b>\$179,636,022</b> | <b>44,388,805</b> | <b>224,023,827</b> | <b>9,930,052</b>                  |

\* Arrears of interest due December 1, 1845.

† Including \$2,777,320 arrears of interest up to Jan. 1, 1846, and \$1,204,760 of domestic debt, for which treasury notes bearing interest are now outstanding.

| States.              | Amount<br>of<br>School Fund. | Other<br>productive<br>Property. | Other prop'y<br>not now<br>productive. | Ordinary an-<br>nual expen-<br>diture, exclu-<br>sive of debts<br>and schools. |
|----------------------|------------------------------|----------------------------------|----------------------------------------|--------------------------------------------------------------------------------|
| Maine,.....          | \$100,000                    | \$369,104                        |                                        | \$154,681                                                                      |
| New Hampshire,.....  |                              |                                  |                                        | 140,000                                                                        |
| Vermont, .....       | 234,900                      | 716,137                          |                                        | 96,503                                                                         |
| Massachusetts, ..... | 810,494                      | 1,711,647                        |                                        | 357,107                                                                        |
| Rhode Island,.....   | 433,635                      |                                  |                                        | 43,316                                                                         |
| Connecticut,.....    | 2,070,055                    | 400,400                          |                                        | 98,105                                                                         |
| New York,.....       | 6,374,144                    | 30,723,336                       |                                        | 793,576                                                                        |
| New Jersey,.....     | 380,000                      | 224,059                          |                                        | 111,380                                                                        |
| Pennsylvania, .....  |                              | 30,848,761                       |                                        | 437,437                                                                        |
| Delaware,.....       | 175,750                      | 521,529                          |                                        | 17,129                                                                         |
| Maryland, .....      |                              | 3,215,919                        | \$5,000,000                            | 188,653                                                                        |
| Virginia,.....       | 541,200                      | 6,054,643                        | 4,747,327                              | 554,996                                                                        |
| North Carolina,..... |                              | 363,000                          |                                        | 63,468                                                                         |
| South Carolina,..... |                              | 4,371,255                        |                                        | 215,287                                                                        |
| Georgia, .....       | 263,000                      |                                  |                                        | 113,986                                                                        |
| Florida, .....       |                              |                                  |                                        |                                                                                |
| Alabama, .....       | 927,850                      | 6,300,000                        |                                        | 127,386                                                                        |
| Mississippi, .....   |                              |                                  | 2,000,000                              | 156,000                                                                        |
| Louisiana, .....     |                              |                                  | 2,416,938                              | 515,207                                                                        |
| Arkansas,.....       |                              |                                  |                                        | 33,830                                                                         |
| Tennessee,.....      | 884,043                      |                                  |                                        | 165,000                                                                        |
| Kentucky, .....      | 1,221,819                    | 2,625,369                        | 3,000,000                              | 263,000                                                                        |
| Ohio,.....           | 1,455,124                    | 17,605,933                       | 1,068,450                              | 201,472                                                                        |
| Michigan, .....      | 457,042                      | 4,204,430                        |                                        | 95,000                                                                         |
| Indiana, .....       | 279,663                      | 141,000                          | 5,000,000                              | 71,122                                                                         |
| Illinois,.....       |                              |                                  |                                        | 158,000                                                                        |
| Missouri, .....      |                              |                                  |                                        | 136,555                                                                        |
| Texas,.....          |                              |                                  |                                        | 150,000                                                                        |
| <b>Total,.....</b>   | <b>\$16,608,719</b>          | <b>110,396,552</b>               | <b>23,232,715</b>                      | <b>5,455,186</b>                                                               |

These tables are believed to be very accurate, being compiled almost exclusively from official reports made by the treasurers and auditors to the legislatures of the several states, near the 1st of January, 1846. The account of the state debts, in particular, is full, and may be depended upon; that of the several kinds of property owned by the states, of course is more defective; for the state archives seldom afford complete materials for accurate accounts of this sort, and the property is sometimes estimated at a nominal valuation, which is much above its market value. The editor of the American Almanac respectfully invites his correspondents in the several states to communicate such errors as they may detect in these tables, and they will be republished in the volume for 1848 in a revised and perfect condition. The object here is to give only a summary of the facts, so as to afford the means of comparing the states with each other. Their financial condition is shown at much greater length under the head of "Individual States." Official returns published in this work for 1843, (page 135,) showed that the total of the debts of the states in 1842 was \$198,818,736. It is apparent, then, that there has been no great reduction of these debts.

## STATE FINANCES.

## RESUMPTION IN MARYLAND.

*An Act entitled, an act relating to the Public Debt of Maryland.*

**Section 1.** Be it enacted by the general assembly of Maryland. That the treasurer of the state be, and he is hereby authorized and directed to resume the payment of the current interest on the public debt, on the first day of January, 1848, and to make all arrangements which may be necessary to carry the provisions of this act into effect.

**Section 2.** And be it enacted, That the commissioner of loans be, and he is hereby authorized and directed, whenever after the first day of October, 1847, he may be requested to do so by any one holder or holders of coupons, or certificates of interest due and unpaid upon the public debt of the state of Maryland, up to the said first day of October, inclusive, and upon the delivery to him of the said coupons and certificates of interest to be cancelled, to issue to such holder or holders the bond or bonds of the state of Maryland for the amount of such coupons or certificates respectively, which bond or bonds shall be redeemable at the pleasure of the state; and shall on face of the same be entitled of the year in which the said coupons or certificates of interest were due, and shall bear interest at the rate of six per centum per annum, from the said first day of October, payable annually at the loan office in Maryland; provided, that the interest payable upon the main public debt now existing, shall always be first fully paid and discharged up to the first day of October, inclusive, in each and every year, before any interest is paid on the bonds given for coupons and certificates of interest aforesaid; and if after paying the ordinary expenses of the state and the interest on the said main public debt, in any year there should not remain in the treasury funds adequate to pay the full amount of six per cent. on the bonds so given for coupons and certificates of interest, then there shall be paid to the holder or holders of any such bonds, a rate of interest proportioned to the disposable balance remaining in the treasury, and there shall also be given to such holder or holders a certificate or certificates, for the difference between said proportionable interest so paid and six per centum, on said bond or bonds, which certificates shall be paid out of any unappropriated surpluses thereafter coming into the treasury; and provided further, that such payment of interest on the said bonds given for coupons and certificates of interest, or such payment of certificates given for the difference between six per centum and the interest actually paid in any year on said bonds as aforesaid, shall not in any case interfere with the regular payment of the interest on the main public debt as aforesaid, and of the ordinary expenses of the state.

**Section 3.** And be it enacted, That the commissioner of loans be and he is hereby directed to keep an accurate record of all the bonds issued for coupons and certificates of interest, according to the provisions of the second section of this act, specifying the date and amount of every such bond, the person or persons to whom the same shall be issued, and the year and quarter, in and upon which the coupons and certificates of interest became due, for which the bonds authorized by this act shall be given; and it is hereby declared to be the duty of the said commissioner, to transmit to the governor and treasurer of this state, on the first day of December in each and every year thereafter, a true copy of the said record to be communicated to the general assembly.

**Section 4.** And be it enacted, That from and after the first day of October

next, all taxes and dues of what nature soever levied or to be hereafter levied for the use of the state shall be paid in current money.

*Section 5.* And whereas, There is great inequality in the amounts required at the different quarters of the year, for interest on the public debt, while the receipts of revenue are more equally distributed through the year.

Be it further enacted, That in case of any temporary deficiency in the treasury to meet the interest due on the public debt, at any time or times at which it may be payable, or in case the treasurer in his judgment should anticipate such deficiency, the treasurer shall be and he is hereby authorized in his discretion to borrow on the hypothecation of the bank stocks belonging to the state, such amount of money as may be requisite to supply such deficiency, to be repaid out of the first proceeds from revenue which may thereafter come into the treasury.

*Section 6.* And be it enacted, That all surplus money which may at any time be in the treasury not required in the judgment of the treasurer, to pay the ordinary expenses of the state, the current interest on the main public debt, the interest on the bonds given for coupons and certificates of interest as aforesaid, and the certificates given for the difference between six per centum and the interest actually paid in any year on the said bonds, shall be by the said treasurer applied first to the payment of such interest in arrear as may remain unfunded, and after such unfunded interest is entirely discharged, either to the purchase or redemption in his discretion of the bonds issued for arrears of interest under the second section of this act, until all said bonds shall have been purchased or redeemed, after which all such surplus money shall be applied to the increase of the sinking fund, and the extinguishment of the main debt.

*Section 7.* And be it enacted, That all acts and parts of acts of assembly inconsistent with the provisions of this act, be and the same are hereby repealed.—*Passed March, 1847.*

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## LEGAL MISCELLANY.

### RIGHTS OF STOCKHOLDERS.

Superior Court of New York, March 8, 1847. *Henry Cotheal vs. John Brower.* Judge Vanderpool delivered the following opinion:—

This is an action of debt brought to recover the penalty created by a section of the Revised Statutes, vol. 1, page 601 §1, which is as follows:

“The book or books of any incorporated company in this state in which the transfer stock in any such company shall be registered, and the books containing the names of the stockholders in any such company shall at all reasonable times, during the usual hours of transacting business, be open to the examination of every stockholder of such company for thirty days previous to any election of directors; and if any officer, having charge of such books, shall, upon demand by any stockholder, refuse or neglect to exhibit such books, or submit them to examination, he shall for every such offence, forfeit the sum of two hundred and fifty dollars, the one moiety thereof to the use of the people of this state, and the other moiety to him who will sue for the same, to be recovered, by action of debt, in any court of record, together with the costs of such suit.”

The defendant was the president of the East River Mutual Insurance Company, which was chartered on the 24th April, 1838, and is therefore

subject to the above section of the revised statutes. The election of directors of the company was appointed for and held on the 11th of May, 1846.

The plaintiff called, as a witness, Alexander J. Cotheal, who testified, that on the 29th of April, 1846, he called at the office of the company; that witness was a stockholder; that he asked to see the books containing transfers of stock and the names of stockholders, which was shown to him, and he then commenced copying off the list, and had proceeded as far as a few names in "D," when the defendant closed the book from which he was taking the names of said stockholders, and said, he, the witness, had no right to copy from the book; that he, witness, had no right to see any but his own name; that defendant had taken advice on the subject. That on the 30th of April witness called again at the office of said company for the same purpose, when the book containing the list of stockholders and the assets of the company was handed to him; but the defendant refused to let him take memoranda. He would only let him copy his own name.

Several other witnesses were called, showing a willingness on the part of the defendant to let Cotheal inspect the books, and a refusal to let him take copies of the names of the stockholders. The cause was tried before Judge Oakley in October, 1846, and under his charge the jury found a verdict of \$250 for the plaintiff.

The question is, whether the defendant, by refusing to permit the stockholder Cotheal to copy from the books, subjected himself to the penalty of the act.

It is contended by the defendant that his permission to let Cotheal see the book and read over, if he saw fit to do so, the list of stockholders, satisfied the statutes, and that an "examination" of the books does not include the right to take copies.

The statute makes it imperative upon any officer having charge of certain books of an incorporated company, to submit them to the examination of any stockholder for thirty days previous to any election of directors, and has affixed a penalty for refusing or neglecting so to do. At common law a stockholder has a right to examine the books of the corporation in which he holds stock. One who had an interest in any public books, whether bank, East India or parish books, has a right, not only to inspect them when they are material, but to take copies from them. 2 Starkey on Ev. 736, 7 Mad. 129, 2d L'd Raym. 851. In *Gerry vs. Hopkins*, 2 L'd Raym. 851, an order was made for the production of the books of the East India Company in a case between parties having stock there, on the ground that the books were the title of the buyers, or owners of stock. In Massachusetts it has been held that even a bank depositor has a right, on proper occasions, to inspect the books of the bank, on the ground that the bank officers, having charge of them, are the agents of both parties. [Commonwealth vs. Knapp, 3 Pick. 96.] It is, perhaps, not necessary on this occasion, that we should sanction or overrule the doctrine held by the supreme court of Massachusetts. The case of the Commonwealth vs. Knapp, may, however, be cited to show the strong repugnance of courts to the principle that corporations shall be permitted to conceal either their doings or their standing from those who have an interest to know them. The section upon which this action is founded, independently of its penal character, is but an affirmation of a common law right, which every stockholder in an incorporated company has to know who are the owners of its stock. This right of examination is sustained alike by considerations of justice and expediency. It is said it may lead to combinations that may prove injurious to the interest of the company. This possibility is counterbalanced by the combination, that it is just as likely to lead to combinations to save the company,

or advance its interests. The president and directors of a corporation are its officers and agents, its stockholders are their constituents. It is the interest of these constituents with which these officers or agents are charged. They are creatures of their choice, if not of their creation, and it would be against every principle of justice, to deny one of these constituents or principals the right of ascertaining from books or documents in the possession of these agents, who their fellow constituents or fellow principals are. To say, that it might lead to combinations, to displace all those in the direction, is an argument that strikes me with but little force. If an agent or trustee faithfully discharges his duty, it is the interest of the principal or *cestui que trust* to continue him in his place.

II. The defendant contends, that he had a right to refuse the stockholder, Cotheal, the privilege of copying the names of the stockholders; that merely permitting him to look over the list of names is a sufficient "*submitting them to examination*" to satisfy the statute. In this, I think he is wrong. Though penal statutes are to be construed strictly, so, that, if there be doubt as to their meaning, the person against whom they are sought to be enforced is entitled to the benefit of such doubt, yet, they are to be construed according to the fair and popular sense and meaning of words, and if they be doubtful, we have a right to look to the subject matter. Neither is it true, as has been sometimes said, that courts in the imposition of penal statutes are to narrow their construction. [Dwanis on Statutes, 737.] We are to look to the words in the first instance, said Butler J. in *R. v. Hodnett*, 1 T. R. 96, and where they are plain, we are to decide on them. If they be doubtful, we are then to have recourse to the subject matter. When a statute directs a party to submit books in his custody to the examination of one who has an interest in knowing their contents, the right to make memoranda, copies and extracts from them, is, necessarily, involved, especially when, as in this case, the privilege of examining is secured not as a favor, but as a *right*. If the party to whom the statute secures the right to examine, had no interest in the books, and the privilege of looking into them was given *as matter of favor*, and not as sanctioning a natural, pre-existing right, the very strict construction contended for by the defendant might, possibly, be defensible. But regarding the relation in which the stockholder here stood to the company, and his natural right to know the contents of the books in question, I consider the defendant subject to the penalty of the statute, for refusing to let Cotheal take such copies, and make such memoranda as he desired, within the period prescribed in the statute.

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#### BANKER'S CHEQUES.

A very respectable text writer,\* lays down the following rules with respect to cheques on bankers:—"Where a cheque is delivered to the banker of the holder for the purpose of obtaining payment, the banker has the same time to present it as a fresh holder would have had, viz. the whole of the business hours of the day, next after that on which he receives it." According to a recent English decision of the court of common pleas,† the assumption that a fresh holder would have an additional day, though true as regards a bill or note, is erroneous as respects a banker's cheque. No additional time is in general allowed for presenting a cheque through a banker, any more than if it remained in the hands of the payee, and if it be not presented

\* Roscoe's Treatise on Bills. † Alexander v. Birchfield, 7 M. & G. 1061.

for payment during business hours on the day following that on which it has been received, the drawer is discharged, and the loss falls on the payee, if the banker fails with the money of the drawers in his hands, after the time when the cheque should have been presented.

In the case in which the point of law was thus determined, the undisputed facts upon which it arose were simply as follow:—The defendant handed to the plaintiff, in the afternoon of Tuesday the 10th March, a cheque drawn by the defendant on Young & Son, his bankers. On the morning of Wednesday, the 11th of March, the plaintiff paid his cheque into the bank of Whitmore & Co., by whom it is presented to Young & Son, on the morning of Thursday the 12th March, and dishonored, Young & Son having that morning stopped payment. The defendant had ample funds in the hands of Young & Son, and if the cheque had been presented to them during business hours on Wednesday, it would have been paid.

The substantial question was, whether, under these circumstances, the drawer or the payee was bound to bear the loss? It was admitted on all hands, that if a cheque drawn upon a banker living in the same town, is presented on the day following that on which it is received from the drawer, it must be considered to have been presented within a reasonable time; but it was contended for the plaintiff, that if the holder of a cheque desires to procure payment through his bankers, he is entitled to keep it during the day he receives it, to pay it the next day to his banker, and the banker to present it to the drawee on the following day. In other words, that the holder has one day more for presenting a cheque through his banker than if he presented it himself.

In the course of the argument, several cases were cited relating to bills of exchange, as well as cheques, but the case which came nearest to that under consideration, and the only one referred to in the judgment of the court, was *Richford v. Ridge*, 2 Camp. 537. In that case, the holder of the cheque had discounted it with a banker in the country, by whom it was sent up on the following day to his London correspondents, who presented the day after they received it, but in the mean time, the party on whom it was drawn had become insolvent. In that case it was held, that the payee and not the banker, was bound to incur the loss, but the court of common pleas distinguished that case from *Alexander v. Birchfield*, on the ground that the defendant, by discounting his cheque in the country, must be taken to have assented to that being done, which was the usual and necessary course to produce payment of the cheque. The other cases cited, only established, that in the case of a bill of exchange, one day more is allowed for giving notice of dishonor when the bill is presented through a banker, than if presented by the party himself, but no case was adduced to show that any additional time was allowed under such circumstances for presenting the bill for payment, which would have been more in point.

The judgment of the court on the question of law was delivered, after consideration by the late Chief Justice *Tindal*, who after remarking on the absence of evidence of any course of dealing between the parties from which a contract could be implied, and of authority to show that the drawer was bound to pay, proceeded to observe, under the circumstances disclosed, "we cannot feel ourselves justified in laying it down as a rule of law, that the holder of a cheque is entitled to one day more for presenting it, by passing it through his bankers, nor can we see that such rule is called for as a matter of expediency or of pressing convenience. In the case of a cheque, the holder does not lose his remedy against the drawer by reason of non-presentation within any prescribed time after taking it, unless the insolvency of the party on whom it has been drawn has taken place in the interval; that is,

unless there is an actual loss to the drawer. And the instances of any such loss happening by reason of the insolvency of the drawee's taking place, during the additional time for presentment which is claimed and contended for on the part of the plaintiff, are probably so very few in the course of mercantile concerns, that it can scarcely be said to be an evil calling for an extension of the time of presentment; more particularly as the party who receives the cheque, may always protect himself against any danger of the insolvency of the drawee, where he intends the cheque to pass through his banker's, by stipulating that his banker's names shall be crossed upon the cheque, which would amount to an agreement on the part of the drawer of the cheque that the usual course of presentment through a banker, should be observed," upon these grounds the court determined that the verdict taken for the defendant should stand; and in effect, that the payee of the cheque had, under the circumstances of the case, no remedy against the drawer.—*N. York Legal Observer.*

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## MISCELLANEOUS.

**GOLD IN SIBERIA.**—The reign of the emperor Nicholas has been distinguished by the important discovery, that portions of the great eastern regions of Siberia are highly auriferous, viz. in the government of Tomsk and Teniseix, where low ridges similarly constructed to those on the eastern flank of the Ural, and like them, trenching from north to south, appear as offsets from the great east and west chain of the Altai, which separates Siberia from China; and here it is curious to remark, that, a very few years ago, this distant region did not afford a third part of the gold which the Ural produced; but, by recent researches, an augmentation so rapid and extraordinary has taken place, that, in 1843, the eastern Siberian tract yielded considerably upwards of two millions and a quarter sterling, raising the total gold produce of the Russian empire to near three millions sterling. [*Sir. R. S. Murchison, F. R. S.*]

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**PURITY OF ANCIENT COINS.**—Silver coins, after having been long in the earth, are often found covered with a salt of copper. This may be explained by supposing that the alloy of copper, at the surface of the coin, enters into combination with the carbonic acid of the soil, and being thus removed, its place is supplied by a diffusion from within; and in this way, it is not improbable that a considerable portion of the alloy may be exhausted in process of time, and the purity of the coin be considerably increased.—*Professor Henry.*

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**NEW BRITISH LOAN.**—The new loan effected by the British government of £8,000,000 sterling, (forty millions of dollars,) at an average interest of 3½ per cent. is a strong proof of the high credit, which amid great difficulties, and an enormous debt—but by a sacred adherence under all circumstances to good faith with the public creditor—that government enjoys.

The condition of this loan is that for £89 10s.—the contractor receives a certificate of stock for £100—bearing 3 per cent. interest. The subscriptions are to be paid as follows: On the 5th of March every subscriber is to deposit the 12 per cent. on the amount of his subscription, as security for the faithful performance of his contract, and 12 per cent. thereafter monthly.

**GAS IN HAVANA.**—The Havana Gas Company has gone into operation under most auspicious prospects. The company, both in fixtures and supply of gas, are as yet unable to keep pace with the demand, though their arrangements, as they thought, had been made on a sufficiently extended scale to meet the first demand, and to keep pace with the regular increase. The authorities offered the company \$10,000 to illuminate for *one night*, the Campo del Monti, in the approaching festivals for celebrating the queen's marriage, but the arrangements of the company were not sufficiently matured to enable them to accomplish it.

This enterprise was projected in 1843 or 1844, by our fellow townsman James Robb, Esq., and on which a capital of \$300,000 has been expended. The ex-queen of Spain and Mr. Robb, we believe, are the joint and sole proprietors of the whole concern.

We believe there is not a single instance where gas works have failed to be a profitable investment, and from what we learn of these in Havana, they give every prospect of far outstripping in point of profit, any other establishment of the kind in the world. Though only in operation a few months, they already supply gas to an extent nearly equal to one-half furnished by the New Orleans Company, which has been established 12 years, and from present prospects will outstrip the latter in a very short space of time. We have been induced thus to notice the subject, as one that gives such a striking proof of the indomitable energy of American enterprise, and which it affords us much pleasure to see so richly rewarded.—*N. O. Bul.*

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## BANK ITEMS.

**FARMERS' BANK OF VIRGINIA.**—Robert L. Baker, Esq., has been elected president of the Branch Farmers' Bank of Virginia, at Winchester, in place of James M. Mason, Esq., resigned.

**BANK OF VERGENNES.**—Samuel P. Strong, Esq. has been elected president of the Bank of Vergennes, Vermont, in place of F. Huntington, Esq. resigned.

**FARMERS AND MECHANICS' BANK, Philadelphia**—Singleton A. Mercer, Esq., has been elected president, and Edwin M. Lewis, cashier of the Farmers and Mechanics' Bank of Philadelphia, in place of Joseph Tagert, Esq., president, and William Patton, Jun. Esq., both of whom had resigned.

**MANUFACTURERS AND MECHANICS' BANK.**—John Jordan, Jr., Esq., was elected president of the Manufacturers and Mechanics' Bank of Philadelphia, on the 8th of March, in place of John Farr, deceased.

**TREMONT BANK.**—Amos T. Frothingham, Esq., has been elected cashier of the Tremont Bank, Boston, in place of James Dalton, Esq., resigned. Mr. D. had held the post for the long period of twenty-eight years.

The stock of the Commercial Bank at Wilmington, N. C. has been subscribed and the institution will probably go into operation in a short time.

A branch of the State Bank of Ohio, has been established at Troy in that state, under the name of the "Miami County Branch Bank." Joseph Brown, Esq. has been elected cashier, and operations have been commenced. Its good management is clearly indicated by a prompt subscription to the Bankers' Magazine.

A new bank has recently gone into operation at Portsmouth, Ohio, under the name of the "Bank of Portsmouth"—of which E. Kinney, Esq. is cashier. The location is a very desirable one for a new banking company.

The Postmaster General has declared that notarial notices of protest are considered by the department as legal notices, to the parties concerned, and should not be classed as letters, further than to rate the package containing them with letter postage by weight. Hence the sending of several of such notices under one envelope is not deemed a violation of the law.

**STATE BANK OF ILLINOIS.**—The act recently passed by the legislature extends till the 1st November, 1848, the time for winding up the affairs of the State Bank of Illinois. If they are not closed at that date, the governor is required to appoint three trustees, whose duty it shall be to take charge of all the assets of the said bank, and wind up its affairs, they being governed in doing so by the provisions of the act of 1845. All certificates issued by the bank in pursuance of the provisions of the last mentioned act, and all notes issued by it and in the hands of the county school commissioners or treasurers of school districts, are to draw six per cent. interest after the 4th of March next. After the same date, the debtors of the bank are exempted from the payment of interest on debts now due the bank. The real estate of the bank is made liable to taxation and sale on execution, in the same manner as the property of individuals.

**NEW BANKS.**—Bills are before the legislature of Massachusetts for incorporating the Appleton Bank, at Lowell; also, the Exchange Bank at Boston, capital \$400,000; and the Machinists' Bank at Taunton, capital \$100,000.

## SEMI-ANNUAL DIVIDENDS.

February, March and April, 1847.

|                                   |                                  | Per ct.                                       |
|-----------------------------------|----------------------------------|-----------------------------------------------|
| MASSACHUSETTS ..                  | Danvers Bank .....               | Danvers, 3                                    |
|                                   | Village Bank .....               | do. 3                                         |
|                                   | Warren Bank .....                | do. 3                                         |
|                                   | Bunker Hill Bank .....           | Charlestown, 4                                |
|                                   | Barnstable Bank .....            | Barnstable, 4                                 |
|                                   | Asiatic Bank .....               | Salem, 3                                      |
|                                   | Commercial Bank .....            | do. 3                                         |
|                                   | Exchange Bank .....              | do. 3                                         |
|                                   | Mercantile Bank .....            | do. 2½                                        |
|                                   | Merchants' Bank .....            | do. 3                                         |
|                                   | Naumkeag Bank .....              | do. 3½                                        |
|                                   | Salem Bank .....                 | do. 3                                         |
|                                   | Citizens' Bank .....             | Worcester, 3                                  |
|                                   | Chicopee Bank .....              | Springfield, 4                                |
|                                   | Agawam Bank, (9 months,) .....   | do. 4½                                        |
|                                   | Butchers and Drovers' Bank ..... | New York, 5                                   |
|                                   | NEW YORK .....                   | New York Life Insurance & Trust Company ..... | do. 3½ |
| National Bank .....               |                                  | do. 3½                                        |
| Bank of New York .....            |                                  | do. 5                                         |
| Fulton Bank .....                 |                                  | do. 5                                         |
| City Bank .....                   |                                  | do. 4                                         |
| Union Bank .....                  |                                  | do. 5                                         |
| Mechanics and Traders' Bank ..... |                                  | do. 4½                                        |
| Mechanics' Bank .....             |                                  | do. 4                                         |
| Canal Bank .....                  |                                  | Albany, 3                                     |
| City Bank .....                   |                                  | do. 4                                         |
| Commercial Bank .....             |                                  | Rochester, 3½                                 |

|                  |                                         |                |    |
|------------------|-----------------------------------------|----------------|----|
|                  | Westchester County Bank.....            | Peekskill,     | 3½ |
| NEW JERSEY.....  | Sussex Bank .....                       | Newton,        | 4  |
|                  | State Bank.....                         | Newark,        | 3½ |
|                  | Do.....                                 | New Brunswick, | 4  |
|                  | Belvidere Bank.....                     | Belvidere,     | 4  |
|                  | Mechanics and Manufacturers' Bank ..... | Trenton,       | 4  |
|                  | Farmers and Mechanics' Bank .....       | Rahway,        | 3  |
| MAINE .....      | Bank of Westbrook.....                  | Westbrook,     | 3  |
|                  | Canal Bank.....                         | Portland,      | 3  |
|                  | Casco Bank.....                         | do.            | 3  |
|                  | Merchants' Bank.....                    | do.            | 4  |
|                  | Cumberland Bank.....                    | do.            | 3½ |
|                  | Manufacturers and Traders' Bank.....    | do.            | 4  |
| VERMONT.....     | Bank of Vergennes.....                  | Vergennes,     | 3½ |
| MISSOURI.....    | Bank of State Missouri.....             | St. Louis,     | 4½ |
| LOUISIANA.....   | Bank of Louisiana .....                 | New Orleans,   | 4  |
| CONNECTICUT..... | Phenix Bank.....                        | Hartford,      | 4  |
| OHIO.....        | Franklin Bank.....                      | Cincinnati,    | 5  |
| MARYLAND.....    | Marine Bank.....                        | Baltimore,     | 3½ |
|                  | Farmers and Merchants' Bank.....        | do.            | 3  |
|                  | Commercial and Farmers' Bank .....      | do.            | 4  |
| GEORGIA .....    | Mechanics' Bank.....                    | Augusta,       | 4  |
|                  | Bank of Brunswick.....                  | do.            | 4  |

*List of Country Bank Paper redeemable at par in New York.*

|                        |                                           |                    |
|------------------------|-------------------------------------------|--------------------|
| \$50's and 100's ..... | Mechanics and Farmers' Bank, Albany.....  | Merchants' Bank.   |
| \$50's and over.....   | Bank of Troy .....                        | Do.                |
| \$50's and 100's ..... | Bank of Albany .....                      | Bank of N. York.   |
| \$100's and over.....  | Albany City Bank.....                     | B'k of State N. Y. |
| All denominations..... | Albany Exchange Bank.....                 | Merchants' Bank.   |
| Do.                    | Dutchess County Bank .....                | Manhattan Bank.    |
| Do.                    | Farmers' Bank, Troy.....                  | Merchants' Bank.   |
| Do.                    | Powell Bank, Newburgh.....                | Amer. Ex. Bank.    |
| Do.                    | Hudson River Bank.....                    | Leather Manuf.     |
| Do.                    | Farmers' Bank, Hudson.....                | Mechanics' Bank.   |
| Do.                    | Farmers and Drivers' Bank, Somers. ....   | Merchants' Ex.     |
| Do.                    | Farmers and Manuf. Bank, Poughkeepsie.... | State Bank.        |
| Do.                    | Kingston Bank.....                        | State Bank.        |
| Do.                    | Tanners' Bank, Catskill.....              | Amer. Ex. Bank.    |
| Do.                    | Catskill Bank.....                        | Mechanics' Bank.   |
| Do.                    | Highland Bank, Newburg.....               | Phenix Bank.       |
| Do.                    | Long Island Bank .....                    | Do.                |
| Do.                    | Bank of Poughkeepsie.....                 | Fulton Bank.       |
| Do.                    | Atlantic Bank, Brooklyn .....             | Do.                |
| Do.                    | Bank of Newburg.....                      | Mer. Ex. Bank.     |
| Do.                    | Ulster County Bank.....                   | Do.                |
| Do.                    | Westchester County Bank.....              | Do.                |
| Do.                    | Bank of Kinderhook.....                   | Amer. Ex. Bank.    |
| Do.                    | Prattsville Bank.....                     | Mechanics' Bank.   |
| Do.                    | Commercial Bank, Albany.....              | B'k of Commerce.   |
| Do.                    | Merchants' Bank, Poughkeepsie.....        | Phenix Bank.       |

NEW JERSEY.

|                     |                                          |                  |
|---------------------|------------------------------------------|------------------|
| \$5 and over .....  | State Bank, Elizabethtown.....           | Merchants' Bank. |
| \$5 and over .....  | State Bank, Newark.....                  | Manhattan do.    |
| \$5 and over .....  | State Bank, New Brunswick.....           | Phenix do.       |
| \$10 and over ..... | State Bank, Morris.....                  | North River do.  |
| \$10 and over ..... | Morris County Bank.....                  | Do. do.          |
| \$5 and over .....  | Newark Banking and Insurance Company.... | Merchants' do.   |
| \$5 and over .....  | Mechanics' Bank, Newark.....             | Mechanics' do.   |
| \$10 and over ..... | Farmers and M. Bank, Rahway.....         | Merchants' do.   |
| \$10 and over ..... | Sussex Bank.....                         | Merch. Ex. do.   |
| \$10 and over ..... | Belvidere Bank .....                     | Do. do.          |
| \$10 and over ..... | Commercial Bank, Perth Amboy.....        | Mechanics' do.   |
| \$10 and over ..... | Farmers and Merchants', Middle'n Pt..... | Fulton do.       |
| \$5 and over .....  | Orange Bank .....                        | Amer. Ex. do.    |
| \$5 and over .....  | Trenton Banking Company.....             | Manhattan do.    |

## MISCELLANEOUS.

Easton Bank, Pa.....all, Union Bank.

On the 18th the Bank of England declared a dividend of 3½ per cent. payable April 5, and the governor declared his intention of moving a bonus of 1 per cent. additional.

The emperor of Russia has purchased from the Bank of France the greater portion of the French 5 per cent. stock, held by that establishment, to the amount of 50 millions of francs. The treaty was concluded and signed by the government and the bank and the Russian charge, and approved by the bank directors the next day. As soon as the fact was known 3 per cents. rose one franc, (20 centimes,) but afterward receded. The French papers, though allowing that the transaction gave immediate relief to the bank, yet were alarmed at the power thus obtained by the emperor Nicholas. It seems that the first advances in the business came from the emperor himself.

## BOSTON BANKS.

| Name.                 | Capital.  | Dividends. |       |       | Amount, April, 1847. | Market price of Stock. |
|-----------------------|-----------|------------|-------|-------|----------------------|------------------------|
|                       |           | 1845.      | 1846. | 1847. |                      |                        |
| Atlas,.....           | \$500,000 | 6          | 6     | 3     | \$15,000             | 96                     |
| Atlantic,.....        | 500,000   | 6          | 6     | 3     | 15,000               | 100                    |
| Boston,.....          | 600,000   | 7          | 7     | 3½    | 21,000               | 110                    |
| Boylston,.....        | 150,000   |            | 5     | 4     | 6,000                | 99                     |
| City,.....            | 1,000,000 | 6          | 6     | 3     | 30,000               | 97½                    |
| Columbian,.....       | 500,000   | 5½         | 6     | 3     | 15,000               | 100                    |
| Eagle,.....           | 500,000   | 6½         | 6½    | 3     | 15,000               | 100                    |
| Freeman's,.....       | 200,000   | 7          | 8     | 4     | 8,000                | 104                    |
| Globe,.....           | 1,000,000 | 6          | 6½    | 3½    | 35,000               | 102½                   |
| Granite,.....         | 500,000   | 6          | 7     | 3     | 15,000               | 100                    |
| Hamilton,.....        | 500,000   | 6          | 7     | 3½    | 17,500               | 100                    |
| Market,.....          | 560,000   | 8          | 9     | 4½    | 25,200               | 107                    |
| Massachusetts,.....   | 800,000   | 5 4-5      | 6     | 3     | 24,000               | 97½                    |
| Mechanics',.....      | 120,000   | 7          | 8     | 4     | 4,800                | 95                     |
| Merchants',.....      | 3,000,000 | 7          | 7     | 3½    | 106,000              | 101                    |
| New England,.....     | 1,000,000 | 6          | 6     | 4     | 40,000               | 100                    |
| North,.....           | 750,000   | 6          | 6     | 3     | 22,500               | 92½                    |
| Shawmut,.....         | 500,000   | 6          | 6½    | 3     | 15,000               | 96½                    |
| Shoe and Leather..... | 500,000   | 6½         | 7½    | 4     | 20,000               | 105                    |
| State,.....           | 1,800,000 | 6          | 6     | 3     | 54,000               | 97                     |
| Suffolk,.....         | 1,000,000 | 8          | 8     | 5     | 50,000               | 121                    |
| Traders',.....        | 400,000   | 6          | 6     | 3½    | 14,000               | 95½                    |
| Tremont,.....         | 500,000   | 6          | 6     | 3     | 15,000               | 100                    |
| Union,.....           | 800,000   | 6          | 6     | 3½    | 28,000               | 100½                   |
| Washington,.....      | 500,000   | 5½         | 6     | 3     | 15,000               | 95                     |
|                       |           |            |       |       | \$625,000            |                        |

## DEATHS.

At Charleston, S. C., JOHN S. COGDELL, Esq., President of the Bank of South Carolina.

At Philadelphia, on the 1st of March, after a short and severe illness, JOHN FARR, Esq., in the 56th year of his age. Mr. Farr came to this country from England about 30 years ago, and settled in Philadelphia. He immediately took an active part in Sunday Schools, which were then comparatively in their infancy, and was one of the projectors, if not one of the first managers of the American Sunday School Union. Mr. Farr was the senior partner of the firm of Farr, Powers & Weightman, proprietors of the most extensive chemical manufacturing establishment in the United States. He was also President of the Manufacturers and Mechanics' Bank, and held other positions of public trust and responsibility. In all these relations he maintained the highest reputation for strict integrity; his life has been that of a consistent, active christian, and we may well say that "our loss is his gain."

PRICES OF STOCKS,

NEW YORK, APRIL 22, 1847.

| GOVERNMENT SECURITIES. Offered. Asked. |      |      |      |                               |      |      |  | Offered. Asked. |  |
|----------------------------------------|------|------|------|-------------------------------|------|------|--|-----------------|--|
| U. S. Treasury notes,                  |      | —    | 103½ | Tradesmen's Bank,             | 117½ | 122½ |  |                 |  |
| U. S. Loan 6 per ct.                   | 1862 | 105  | 106  | Chemical Bank,                | 140  | 157  |  |                 |  |
| STATE SECURITIES.                      |      |      |      | Fulton Bank,                  | 115  | 118  |  |                 |  |
| New York 7 per cent.                   | 1848 | 101½ | 103½ | N. Y. Chemical Manufac. Co.   | 92   | 94   |  |                 |  |
| do. 7 do.                              | 1849 | 102  |      | Del. & Hud. Canal Co. Bank,   | 160  | 165  |  |                 |  |
| do. 6 do.                              | —    | 104  | 107  | Dry Dock Bank,                |      |      |  |                 |  |
| do. 5½ do.                             | —    | 100  | 101  | Butchers & Drovers' Bank,     | 109  | 112  |  |                 |  |
| do. 5 do.                              | 1850 | 97   | 98   | Mechanics & Traders' Bank,    | 100  | 105  |  |                 |  |
| do. 5 do.                              | 1853 | 97   | 98   | National Bank,                | 100  | 100  |  |                 |  |
| do. 5 do.                              | 1858 | 97   | 98   | Merchants' Exchange Bank,     | 105  | 106  |  |                 |  |
| do. 5 do.                              | 1860 |      |      | Leather Manufacturers' do.    | 101  | 104  |  |                 |  |
| do. Astor Fives.                       |      |      |      | Seventh Ward Bank,            | 94½  | 96   |  |                 |  |
| do. 4½ do.                             | —    | —    | —    | State Bank of New-York,       | 85   | 89   |  |                 |  |
| Ohio 6 per cent.                       | 1850 | 98½  | 99   | Bank of Commerce,             | 89   | 91   |  |                 |  |
| do. 6 do.                              | 1860 | 98½  | 99   | Do. do. Scrip,                | 95   | 95½  |  |                 |  |
| do. 6 do.                              | 1870 |      | 90   | N. A. Trust & Banking Co.     | 94   | 9½   |  |                 |  |
| do. 5 do.                              | 1856 |      |      | Del. & Hud. Canal Scrip Stock |      | 158  |  |                 |  |
| do. 7 do.                              | —    | 105  | 105½ | Mechanics' Banking Associa.   | 95   | 95   |  |                 |  |
| Kentucky 6 per cent.                   | 1871 | 99½  | 100  | American Exchange Bank,       | 92   | 94   |  |                 |  |
| do. 5 do.                              | —    | —    | —    | Long Island Bank,             |      |      |  |                 |  |
| do. payable in N. Y.                   | —    | 85   | 89   | Brooklyn Bank,                |      |      |  |                 |  |
| Illinois 6 per cent.                   | 1860 | —    | —    | Atlantic Bank, Brooklyn,      |      |      |  |                 |  |
| do. 6 do.                              | 1870 | 39½  | 39¾  | TRUST COMPANIES.              |      |      |  |                 |  |
| Indiana St'g 5 per ct. 25 yrs.         |      | 39½  |      | N. Y. Life Ins. & Trust Co.   | 108  | 112  |  |                 |  |
| do. Dol. 5 do. 35 yrs.                 |      | 39   | 39½  | Farmers' Loan & Trust Co.     | 32   | 32½  |  |                 |  |
| Arkansas 6 per ct.                     | —    | 30   | 37   | Ohio Life Ins. & Trust Co.    | 101  | 103  |  |                 |  |
| Michigan 6 per ct.                     | —    | —    | —    | MISCELLANEOUS.                |      |      |  |                 |  |
| Pennsylvania 5 per ct.                 | —    | 73   | 73½  | New-York Gas Light Co.        | 114½ | 120  |  |                 |  |
| CITY, &c.                              |      |      |      | Manhattan Gas Light Co.       | 95   |      |  |                 |  |
| N.Y. City 7 per ct.                    | 1847 | 101½ |      | Canton Co. Balt.              | 35   | 35½  |  |                 |  |
| do. 7 do.                              | 1852 | 101½ |      | East Boston Co.               | 19½  | 21   |  |                 |  |
| do. 7 do.                              | 1857 | 105  | 108  | FOREIGN INSTITUTIONS.         |      |      |  |                 |  |
| do. 5 do.                              | 1850 | 92   |      | United States Bank,           | 4½   | 4½   |  |                 |  |
| do. Water Loan do.                     | 1858 | 91   | 94   | N. O. Canal & Banking Co.     | 60   | 65   |  |                 |  |
| Brooklyn 6 per ct.                     | —    | —    | —    | City Bank of N. Orleans,      | 85   | 87   |  |                 |  |
| BANKS.                                 |      |      |      | Commercial Bank of N. O.      | 29   |      |  |                 |  |
| Bank of New York,                      |      | 119  | 122  | Franklin Bank, Cincinnati,    | 105  |      |  |                 |  |
| Manhattan Bank,                        |      | 107  | 109  | La Fayette Bank, do.          | 81   | 85   |  |                 |  |
| Merchants' Bank,                       |      | 106  | 108  | Illinois State Bank,          | 16½  | 17½  |  |                 |  |
| Mechanics' Bank,                       |      | 114  | 119  | Vicksburg Com. & R. R. Bk.    | 11   | 11½  |  |                 |  |
| Union Bank,                            |      | 99   | 99   | Morris Canal & Banking Co.    | 19½  | 19½  |  |                 |  |
| Bank of America,                       |      | 106  | 112  | RAILROADS.                    |      |      |  |                 |  |
| City Bank,                             |      | 85   | 90   | New York & Erie,              | 59   | 59   |  |                 |  |
| Phenix Bank,                           |      | 94   | 97   | Mohawk,                       | 66½  | 68   |  |                 |  |
| North River Bank,                      |      |      |      | Harlem,                       | 51   | 51½  |  |                 |  |
|                                        |      |      |      | Utica and Schenectady,        | 115  | 120  |  |                 |  |

THE  
**BANKERS' MAGAZINE,**  
 AND  
**State Financial Register.**

MAY, 1847.

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CONTENTS.

| ARTICLE.                                                                                                                           | PAGE. |
|------------------------------------------------------------------------------------------------------------------------------------|-------|
| I.—THE MONEY MARKET: with a comparative view of the Bank of England and Bank of France in 1845 and 1847, . . .                     | 609   |
| II.—THE BANK OF FRANCE: its history, management, and recent operations, . . . . .                                                  | 615   |
| III.—BIOGRAPHY: sketch of Robert Morris, founder of the Bank of North America, . . . . .                                           | 620   |
| IV.—THE UNITED STATES LOAN OF 1847, . . . . .                                                                                      | 624   |
| V.—HISTORY OF COTTON: with a sketch of its early introduction into the American colonies, . . . . .                                | 625   |
| VI.—BANK OF ENGLAND: description and dimensions of . . . . .                                                                       | 627   |
| VII.—COST OF GOVERNMENT: comparative view of the cost of government in the United States and in Europe, . . . . .                  | 629   |
| VIII.—CUSTOMS REVENUE OF THE UNITED STATES: official exhibit of receipts and expenditures from 1789 to 1845, . . . . .             | 635   |
| IX.—THE BRITISH CABINET: history and construction of, with official duties of its members, . . . . .                               | 636   |
| X.—DEBTS OF THE UNITED STATES: absolute and contingent debt, annual interest and expenditures, and school funds of each, . . . . . | 657   |
| XI.—STATE FINANCES: resumption in Maryland, . . . . .                                                                              | 661   |
| XII.—LEGAL MISCELLANY: 1. Rights of Stockholders,<br>2. Bankers' Cheques, . . . . .                                                | 662   |
| XIII.—MISCELLANEOUS, . . . . .                                                                                                     | 666   |
| XIV.—BANK ITEMS, DIVIDENDS, DEATHS, &c., . . . . .                                                                                 | 667   |
| XV.—STOCKS, EXCHANGES, &c., . . . . .                                                                                              | 671   |

THE  
**BANKERS' MAGAZINE,**  
 AND  
**State Financial Register.**

VOL. I.

JUNE, 1847.

NO. XII.

**THE MONEY MARKET.**

Since the publication of our last number large additions to the specie in the country have been made. The steamer which left Liverpool on the 4th May brought over £200,000, and the packets at New York have since the first of May brought over probably as much more in the aggregate.

In order to make known to our readers the immense drain of specie from Europe to this country, we have obtained official statements of the amount of gold and silver imported *direct from foreign ports into Boston and New York* since 1st January last, as follows :

| Imports of Coin, 1847. | At Boston.         |                 | At New York.<br>Gold and Silver. |
|------------------------|--------------------|-----------------|----------------------------------|
|                        | Gold.              | Silver.         |                                  |
| January, 1847,         | \$1,955,560        | \$39,690        | \$57,952                         |
| February, 1847,        | 1,365,399          | 20,783          | 1,492,133                        |
| March, 1847,           | 1,533,311          | 10,385          | 1,123,076                        |
| April, 1847,           | 1,809,399          | 11,194          | 2,816,632                        |
| (May, to 21st.)        | 3,320,635          | 2,183           | 1,184,116                        |
|                        | <u>\$9,984,394</u> | <u>\$84,235</u> | <u>\$6,673,909</u>               |

Of the amount imported into New York \$6,632,714 was in gold, and \$41,195 in silver—making a total at both ports, for four months and twenty-one days, of *gold* \$16,617,108; *silver* \$125,430; *grand total* \$16,742,538.

When we consider that this embraces the entries through the custom houses at two ports only, while considerable arrivals have occurred at New Orleans, Baltimore and Philadelphia within the same period, and that large amounts are brought into the country by emigrants at the various ports, we may safely estimate the addition of coin for the period named, at twenty millions.

This sudden rush of money to the United States may create an equally sudden expansion of loans. This is to be dreaded, for the flow of money like that of water should be slow and uniform. In less than two years the

exchanges may turn against us and a large portion of this new coin be returned to Europe. Such is the excessive tenderness of the money market, that either a sudden rise or a sudden fall is to be dreaded.

This flow of coin from Europe to America will be checked in a great measure while exchange rules at our present quotations, viz. 6½ a 7½.

The official statement of the condition of the banks of the state of New York shows an aggregate amount of specie on hand, on the 1st May, 1847, of \$11,312,000 and of loans \$70,216,000, being an increase since the 1st of February last of \$2,100,000 in specie, and \$6,600,000 in loans. The circulation has increased within the same period \$2,600,000. These facts indicate a large and sudden increase of banking facilities to the people of the state, accompanied by an addition of eight or ten new banks which have commenced or are about to commence operations. Of these there are three in the city of New York and one in Williamsburg.

Our advices from Liverpool are to the 4th May, and they concur in showing increased tightness in the English money market. This will be demonstrated by the following extracts from the circular of Brown, Shipley & Co., Liverpool.

*(Per Britannia.)*

LIVERPOOL, 3rd May, 1847.

Since the departure of the last steamer, 20th ult., there has been a panic in the money market with a pressure quite unexampled of late years. Higher rates have been paid on discounts of bills than even in 1837 and 1839, and during some days the most undoubted paper could not be discounted on any terms. The apprehended consequences of a continuance of this state of things have been strongly pressed on the government and the Bank of England from various quarters, and though it is understood that the latter has relaxed in some degree and discounted rather more freely the last few days, yet the severity of the pressure is only very partially relieved, notwithstanding the accounts that the Russian government is about to invest upwards of two millions sterling of its gold in the English funds. From the situation of the bank it is evident that it must maintain a very restrictive course, and there seems no reason to look for any thing but the continuance of a very stringent money market and a high rate of interest, at least until we have a pretty satisfactory assurance as to the result of the next harvest.

This panic has of course been severely felt on the cotton trade of the country—causing spinners to continue or extend their system of working short time, until now the consumption is probably reduced to the extent of one-half; and a great degree of gloom prevails throughout the manufacturing districts. Our cotton market has been better sustained than might have been expected (under the influence of the short crop accounts) but has declined ½d. per lb. The sales for the week ended 30th ultimo amounted to 23,800 bales, of which 5,230 were upland at 6 a 6½—10,400 Orleans at 6 a 7½, with 20 fancy bales at 9 to 9½—3,420 Alabama and Mobile at 5½ a 7—and 100 Sea Island at 12 a 20d. per lb. About 1,500 bales were taken on speculation during the week. The business on Saturday the 1st inst. was 7,000 bales, and to-day about 4,000 have been sold. Of Saturday's business 3,000 bales were taken on speculation, but the speculative demand has been quite suspended to-day. Fair upland 6½—fair Mobile 6½—and fair Orleans 6½ per lb.

Confidence in the corn markets seems to have increased since our last notwithstanding some check and temporary depression from the scarcity of money. Western canal flour declined to 38s. per barrel, but has rallied and is now worth 40s. to 41s., and Philadelphia and Baltimore may be quoted 39s. American wheat 11s. to 12s. per 70 lbs. The supply of Indian corn having been rather beyond the demand it is of rather difficult sale at 49s. to 51s. per quarter, and Indian corn meal may be quoted 26s. per barrel.

Yours, respectfully,

BROWN, SHIPLEY & CO.

Some idea of the extraordinary pressure may be had from one fact stated by Lord Ashburton in debate upon an incidental inquiry as to the views of the government respecting the bank. He stated that bills having the names of *men of the highest credit* had been sold the day previous at the rate of 13 per cent. per annum.

The coin in the Bank of England had been reduced from £11,000,000 on the 27th March to £9,200,000 on the 24th April—within the same period the public and other deposits had been reduced from £17,800,000 to less than £17,000,000.

When we compare this state of things with the condition of the money market only two years since in London, we have just reason to fear that similar causes now existing with us will produce similar results in our own country. The coin in the Bank of England had been reduced in October, 1839, to two and a half millions, and the bank interest raised to 6½ per cent. After that date the coin accumulated rapidly until June, 1845, when it amounted to sixteen and a half millions, and the rate of interest fluctuated during 1843-4 from 1½ to 2 per cent. This abundant supply of money and exceedingly low interest invited customers, induced speculation, and was the immediate cause of the rail road mania of 1845. Such was the general prevalence of this fever that not less than £500,000,000 sterling was subscribed in the single year 1845 towards projected rail road undertakings, besides £60,000,000 for railways in course of execution in Great Britain.

Notwithstanding the fears which exist in the London market, and the fears of many in this country as to a crisis in England, it seems the Bank of England yet holds nine millions of coin, with five per cent. bank rate of interest: while in January, 1842, the amount on hand was only five and a half millions, and the rate of interest at the same time was gradually falling and was in fact reduced to 4½.

There was some inquiry at latest dates for American stocks, and the following were the quotations on 1st May:

|                                  |       |     |                                 |       |     |
|----------------------------------|-------|-----|---------------------------------|-------|-----|
| New York 5's . . . . .           | 88 a  | 89  | Indiana sterling 5's . . . . .  | 32½ a | 33½ |
| Pennsylvania 6's . . . . .       | 65½ a | 66  | Maryland sterling 5's . . . . . | 68 a  | 70  |
| Ohio 6's . . . . .               | 88 a  | 87  | Mississippi 6's . . . . .       | 48    |     |
| Massachusetts st'g 5's . . . . . | 101 a | 102 |                                 |       |     |

The stricture in the English money market has been somewhat alleviated by the overtures of the Emperor of Russia to invest two millions sterling in the English funds. It is only a few weeks since the Emperor purchased

fifty millions of francs in the French securities: which was an essential relief to the Bank of France. Russia has realized an immense amount of gold from her mines in Siberia. Such is the abundance of gold in the Russian and Siberian mines that it is likely to produce a financial revolution in Europe, similar to that which took place on the discovery of Peru. In the period of the last fourteen years, the produce of the Siberian mines has nearly doubled. Recent accounts state that eleven thousand persons are employed in washing the mineral. From official documents at St. Petersburg we learn that the value of gold extracted from the mines in 1845 was £3,160,000 sterling, and for the five preceding years, an aggregate of £12,792,000 sterling.

The overtures of the Emperor of Russia are probably for the new loan taken by the Barings and the Rothschilds. This new loan was contracted for (for the use of Ireland) on the 1st March by these great capitalists, on the terms of 89½ in cash for £100 stock in consols. The actual rate of interest therefore is £3, 7s. per ct., and much more favorable than the chancellor anticipated. This loan produced at the stock exchange 1½ and 2 premium on the day after the issue, but fell to 1 to 1½ per cent. discount within fifteen days. Messrs. Barings and Rothschilds finding the iron too hot may have looked abroad, say to St. Petersburg, *for a cooler*.

For many years past the London money market has given a tone, if it has not in a large measure controlled, the money market of this country. A scarcity there created an alarm here, and an impending crisis there was a presentiment of evil in Wall street. This is certainly not the case at present. We now see money abundant in Wall street and State street, and seeking temporary or permanent investment at five per cent., while throughout Great Britain and France prime bills are in the market at ten to thirteen per cent. per annum.

*"It is said that fortune contributes to every human arrangement some feature that explains and adorns the original design."* This observation has been most singularly sustained in the extraordinary combination of circumstances which have accompanied the introduction of the sub-treasury system into this country.

The sub-treasury could not have been introduced at a time more auspicious for its own success than the present. At any ordinary period the absorption by the general government of five or ten millions of coin, and confining it simply to government expenditures, would prove a serious evil—but it now so happens that not only this amount is replaced, but more than replaced, by the imports from abroad. The inconvenience, too, of the sub-treasury was proposed to be reduced by the adoption of treasury notes as a circulating medium between the government and its debtors and creditors. The abundance of money has, however, raised these notes in value, so that they no longer constitute a part of the circulating medium, and they are laid aside by capitalists as permanent investments. The moment they

shall become, by the scarcity of money, below par, they will more freely return upon the treasury.

The terms upon which the recent loan to the United States was contracted, present a strong contrast to the terms under which the government was compelled to borrow money in 1813, '14 and '15; and the present advance to six per cent. premium of the new loan indicates the great confidence among the people as to the security of the loan—for at the same moment the six per cent. bonds of Maryland are worth in the market 89, and the bonds of Kentucky 90.

BANK OF ENGLAND.

|         | Private securities. | Reserve of notes. | Bullion.   | Rate of discount. |
|---------|---------------------|-------------------|------------|-------------------|
| Jan. 1  | 14,654,905          | 9,437,736         | 15,066,691 | 3 per cent.       |
| “ 15    | 14,464,948          | 7,471,177         | 14,308,022 | 3½ “              |
| “ 22    | 14,450,711          | 7,269,311         | 13,948,681 | 4 “               |
| Feb. 5  | 14,106,072          | 6,432,343         | 12,901,658 | 4 “               |
| “ 19    | 15,071,256          | 6,575,174         | 12,299,109 | 4 “               |
| Mar. 5  | 15,819,148          | 6,711,809         | 12,044,934 | 4 “               |
| “ 19    | 17,358,712          | 6,217,261         | 11,449,461 | 4 “               |
| April 2 | 17,824,355          | 5,571,258         | 11,015,583 | 4 “               |
| “ 9     | 18,627,116          | 4,391,470         | 10,246,410 | 5 “               |
| “ 16    | 18,136,377          | 3,463,623         | 9,867,053  | 5 “               |
| “ 23    | 17,111,001          | 3,087,056         | 9,329,841  | 5 “               |

THE ENGLISH MONEY MARKET.

From the London Times.

Among the instruments employed by PROVIDENCE to check the aberrations of genius and the extravagance of hope, the daily recurrent question of income and expenditure is not the least powerful. The most unruly spirits are often tamed by the vulgar necessities of physical existence. The first wants of the body are a simple and a peremptory test for the speculations of the mind. Private life exhibits almost too uniform a result when ambition or enthusiasm clash with self-preservation, with the love of ease, or the ordinary cravings of sense. Men who will subject their visionary schemes to no other scrutiny, who repel the intrusion of friends, and shrink from the ordeal of self-examination and conscience itself, are dragged every now and then to the school where necessity, the sternest and kindest of teachers, compels them to count the cost, to strike the balance, to reduce chimeras to their available value, and castles in the air to their original void.

Now, this is very much the office which the annual announcement of the chancellor of the exchequer discharges for the nation. Masses of men, like individuals, are prone to wild desires and excessive expectations. Queen Mab can tickle the fancy both of rulers and people, so that forthwith they begin to dream of boundless aggrandizement, of infinite wealth, of increasing prosperity, of campaigns without reverse, of security without arms, of populousness without want, of splendor without inequality, and abundance without industry or risk. Every now and then the nation goes mad with some gigantic delusion of selfishness, passion, or caprice. But over and above periodical manias and intermittent folly, all states, from the greatest to the least, have their several dreams of pride or of progress. Rome steadily

reckoning on the conquest of the world was only an exaggeration of public ambition. It is as unnecessary as it would be invidious to describe the visions of glory and of power that severally fill the national mind of every European people. The civilization of this quarter of the globe has also its dreams common to all its component states, and distinct from the ideas more natural to the rest of the world. But we will only speak of ourselves. We are apt to imagine this empire steadily marching on to a gigantic development of arts and sciences, of intellect and goodness, of physical discovery, of social regeneration, of order, of wealth and happiness. Certainly there might be a worse dream, but it is nevertheless doomed to disappointment. It is often convicted of error, never more tangibly than when it is annually brought to the rough test of financial results. The reflection is forced on us, that if we cannot make the anticipated progress in these lesser things, what assurance or hope of success have we in the greater?

Ten years since the capital debt of this kingdom, funded and unfunded, was £788,398,570. Since that there have been some considerable fluctuations, and latterly by good management, and by good fortune, it has been reduced to £782,918,984, the amount in 1846. It was something to have arrested that fatal tendency to increase which the national debt of this country had shared with that of all other countries in the world. We might hope for a time when debt should cease. Though a generation had passed away since the debt reached its climax without materially affecting the unparalleled sum, still centuries perhaps were competent to the task. Alas for the vanity of human wishes! In a moment all the ground we had gained is relinquished. One natural disaster, the failure of a root, adds £8,000,000 to the debt, and throws us still farther from the end than we were in 1836. It is true we have labored to keep the peace with all the world; we have compromised our differences, abated our pretensions, swallowed affronts, and allowed ourselves to be slighted and cajoled, all for peace and quiet. We have pursued a rigorous economy and sacrificed the dignity of the throne and the legislature by a series of infinitesimal savings. Vain our precautions. All Ireland is suddenly cast on the bounties of the state. Five million paupers occupy the treasury, tumultuously sack the hoarded thrift of years, and entail in a season of peace the lavish expenditure of war.

The annual comparison of income and expenditure presents the same discouraging result. In 1836 there was a surplus of £2,130,092. For the next six years there was an increasing deficiency, which in 1842 amounted to £3,979,538. Since that the tables have been happily turned. In 1845 the surplus on the year was £3,817,642, and in 1846, notwithstanding the "bold experiments" in reduction of taxes, it was £2,846,308. But what is that to Ireland? It is gone. Not a trace is left behind. We are only too thankful that it was there to stand the first brunt of the famine. What a mercy it is that the potato rot has come in a time of surplus, and not of deficiency, and we have not been burdened above our means! However, that fund is clean vanished. The chancellor of the exchequer is already in the market for a loan; and after a surplus averaging nearly £3,000,000 a year for four years, the chancellor of the exchequer cannot encourage us to hope for one on the ensuing twelvemonth of more than a few odd thousands.

The balances in the exchequer are a matter of convenience and of credit. A government compelled to meet every sudden draw on its resources with a fresh issue of bills must needs be at the mercy of the market, and may sometimes find itself borrowing at a great disadvantage, besides inflicting serious injury on the holders of existent bills. These balances dropped down from £6,049,372 in 1836 to the almost nominal sum of £1,390,059 in the often and ill mentioned year 1842. From that date, as it were by a vigorous

effort, they have been pulled up to £9,131,282 in 1846. That balance is to be kept sacred for extraordinary demands. The expenditure we must reckon upon is to be met by a loan. The balance in the exchequer is reserved for expenses yet unseen. But when the £8,000,000 are gone under the labor rate and relief acts, what is there for the land improvement act, and other probable drains, but this cherished balance in the exchequer? Here, then, we have attained a climax, and henceforth we must descend.

In the course of the eleven years from 1836 to 1846 inclusive, taxes to the amount of more than £10,000,000, pressing particularly on industry or the general consumption, have been repealed. In one year alone—the memorable year 1845—nearly half that sum was struck at a blow from the national burdens. The present year has been confidently looked forward to by many as the expected epoch of a similar fiscal emancipation. Public opinion had already marked out the boon. But it cannot be. With Ireland converted into one vast pauper colony, with pauper landlords, pauper farmers, pauper peasants, all hanging on the treasury, there can be no more thought of remission. The working men of England must bear with their taxes. It stands to reason that they must. How else can they feed all Ireland, which they know they have to do?

Such, then, is our actual progress. Of eleven years we cannot give a better account than that we are much where we were at the beginning; if anything, with a rather worse prospect before us.

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## STOCK INVESTMENTS.

From a New York Correspondent.

In the annexed stock list you will find the value of each stock at different periods so as to yield 6 per ct. until redeemed. If you think that it would be interesting to add that value to your monthly quotations, as a guide for the speculator, or capitalist, I will send you a list of the values on the 1st June, July, August, &c. In that value the interest accrued at the time of purchase is taken into consideration.

I have another calculation which would prove useful, in showing the per centage produced on a purchase at any given price, and might attract attention if you gave a monthly list of sales of state stocks in our market with the above information.

Let us suppose that on the 15th May, the following sales were made, viz.

U. S. 6 per ct. of 1862, at 107 00 (redeemed in 16½ years.)

4½ months interest or 2 25 having accrued, the cost

is reduced to 104 75 which is equal to an investment at 5.563 per ct.

Again, 5 per ct. City Water Stock, of 1860, 13 years to run, at 92½, interest payable quarterly, yields 5.994 per ct.

My system has been thoroughly examined, by several competent persons and you can therefore rely upon its correctness. I have avoided two great errors in Mr. Price's tables: 1st. the interest I always deem to be reinvested at 6 per ct., and to accumulate every 6 months.

If a person were to buy stock, to yield 10 per ct. at the rate indicated by Mr. Price's tables, it would be necessary that he should always reinvest the dividends at 10 per ct. which is impossible, otherwise the result would turn out different.

2d. His tables show a 6 per ct. stock purchased at par, to yield more than 6 per ct., because he accumulates once a year. My tables enable a speculator to make a close comparison with every kind of investment, in stocks as well as on bond and mortgage.

| State and City Stocks<br>June 1st, 1847. |             | Pres. value<br>at 6 per ct. | State and City Stocks,<br>June 1st, 1847. |      | Pres. value<br>at 6 per ct. |
|------------------------------------------|-------------|-----------------------------|-------------------------------------------|------|-----------------------------|
| U. S. Loan, 6 per ct. $\frac{1}{2}$      | 1862 & 1856 | 102 50                      | N. Y. State 5 per ct.                     | 1851 | 97 80                       |
| Do. 5 "                                  | 1853        | 97 05                       | Do. 5 "                                   | 1853 | 95 67                       |
| N. Y. State 7 "                          | 1848        | 102 28                      | Do. 5 "                                   | 1858 | 93 13                       |
| Do. 7 "                                  | 1849        | 103 22                      | Do. 5 "                                   | 1859 | 92 66                       |
| Do. 6 "                                  | 1854        | 101 28                      | Do. 5 "                                   | 1860 | 92 21                       |
| Do. 6 "                                  | 1860        | 101 42                      | Do. 5 "                                   | 1862 | 91 42                       |
| Do. 6 "                                  | 1861        | 101 45                      | Do. 4 "                                   | 1849 | 97 30                       |
| Do. 6 "                                  | 1861        | 102 50                      | Do. 4 "                                   | 1858 | 88 64                       |
| Do. 6 "                                  | 1862        | 101 46                      | Do. 4 "                                   | 1859 | 88 29                       |
| Do. 6 "                                  | 1867        | 102 50                      | Do. 4 "                                   | 1864 | 85 50                       |
| Do. 5 $\frac{1}{2}$ "                    | 1860        | 96 86                       | City 7 "                                  | 1852 | 104 83                      |
| Do. 5 $\frac{1}{2}$ "                    | 1860        | 97 79                       | Do. 7 "                                   | 1857 | 108 24                      |
| Do. 5 $\frac{1}{2}$ "                    | 1861        | 96 71                       | Do. 5 "                                   | 1850 | 98 16                       |
| Do. 5 $\frac{1}{2}$ "                    | 1861        | 97 69                       | Do. 5 "                                   | 1856 | 94 14                       |
| Do. 5 $\frac{1}{2}$ "                    | 1865        | 95 92                       | Do. W. L'n. 5 p. c.                       | 1848 | 92 97                       |
| Do. 5 "                                  | 1848        | 100 36                      | Do. " 5 "                                 | 1860 | 92 01                       |
| Do. 5 "                                  | 1849        | 99 00                       | Do. " 5 "                                 | 1870 | 88 40                       |
| Do. 5 "                                  | 1850        | 98 12                       | Do. Fire L'n. 5 "                         | 1868 | 89 83                       |

N. B. The present value, to yield 6 per ct., includes the interest accrued since the last payment. The interest on State Stocks marked  $\frac{1}{2}$ , is payable semi-annually—on the others, quarterly.

## BANK STATISTICS.

*Comparative View of the Condition of the Banks of the State of New York at four different periods.*

| <i>Liabilities</i>            | Nov. 1, 1845.         | May 1, 1846.          | Feb. 1, 1847.         | May 1, 1847.          |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital.....                  | \$ 42,845,428         | \$ 42,829,014         | \$ 42,735,337         | \$ 43,176,198         |
| Profits undivided.....        | 5,018,043             | 5,115,450             | 5,333,757             | 5,641,560             |
| Circulation (old).....        | 881,404               | 824,506               | 766,277               | 754,005               |
| Do. registered.....           | 20,493,965            | 19,991,986            | 20,202,488            | 23,055,548            |
| Due treasurer of the state    | 631,063               | 291,964               | 371,833               | 296,401               |
| Due canal fund.....           | 1,581,330             | 354,364               | 911,690               | 534,822               |
| Due depositors on demand      | 31,773,991            | 31,720,750            | 31,830,595            | 35,799,954            |
| Special deposits.....         | 759,259               |                       | 607,029               | 1,011,522             |
| Bank balances.....            | 12,829,854            | 11,823,784            | 15,097,808            | 18,631,900            |
| Due treasurer U. S.....       | 3,002,649             | 3,493,622             | 342,766               | 178,517               |
| Miscellaneous.....            | 585,011               | 549,553               | 556,765               | 676,170               |
| <b>Total Liabilities.....</b> | <b>\$ 120,401,997</b> | <b>\$ 116,994,993</b> | <b>\$ 118,756,335</b> | <b>\$ 129,956,862</b> |
| <i>Resources.</i>             |                       |                       |                       |                       |
| Loans and discounts.....      | \$ 69,164,861         | \$ 66,807,739         | \$ 64,240,213         | \$ 70,216,117         |
| Loans to directors.....       | 4,157,716             | 4,876,216             | 4,672,973             | 4,806,415             |
| Loans to brokers.....         | 1,457,858             | 907,476               | 893,172               | 1,666,021             |
| Real estate.....              | 3,645,684             | 3,515,963             | 3,590,319             | 3,531,016             |
| Bonds and mortgages....       | 3,181,746             | 3,033,610             | 3,628,246             | 12,745,020            |
| Stocks, &c.....               | 10,962,822            | 10,989,417            | 10,222,687            | 11,652,804            |
| Due from directors.....       | 33,298                | 37,403                | 49,528                | 49,025                |
| Due from brokers.....         | 363,278               | 417,200               | 546,993               | 221,054               |
| Bank fund.....                | 236,268               | 172,944               | 172,540               | 175,902               |
| Loss and expense account      | 425,584               | 383,821               | 277,336               | 274,121               |
| Overdrafts.....               | 133,242               | 134,722               | 109,623               | 111,866               |
| Specie.....                   | 8,884,545             | 8,171,624             | 9,191,254             | 11,312,171            |
| Cash items.....               | 5,947,585             | 5,839,700             | 7,552,068             | 8,793,286             |
| Notes of solvent banks...     | 2,258,862             | 2,851,351             | 2,602,749             | 2,511,920             |
| Notes of suspended banks      | 14,482                | 5,162                 | 3,717                 | 3,301                 |
| Bank balances.....            | 9,533,605             | 8,850,645             | 11,102,397            | 11,886,434            |
| Add for cents.....            | 561                   |                       | 570                   | 266                   |
| <b>Total Resources.....</b>   | <b>\$ 120,401,997</b> | <b>\$ 116,994,993</b> | <b>\$ 118,756,336</b> | <b>\$ 129,956,862</b> |

**LITERARY PURSUITS OF MERCHANTS.**

*Pursuits of Knowledge and Business united—Scientific and Literary Pursuits of Men of Business.*

From the Publications of the Society for the Diffusion of Useful Knowledge.

We shall find that the cares of ordinary business have also left time to many to earn distinction by their learning and their writings, as well as the toils and anxieties of state affairs. Perhaps the earliest literary merchant we have on record is the celebrated Athenian lawgiver, **SOLON**. Although descended from one of the most distinguished families in Athens, Solon found himself obliged, on setting out in life, to attempt the re-establishment of the decayed fortunes of his house by engaging in foreign commerce. After the manner customary in those days, he proceeded in person to distant countries along with the goods which he had to dispose of. To a mind such as his, however, the opportunities of an occupation of this kind were invaluable. He returned to his native country not only enriched by the success of speculations, but fraught with all the learning and philosophy of the countries in which civilization had then made the greatest progress; and fitted to inform and control his fellow-citizens by the lessons of a new wisdom, made attractive by the charms of eloquence and poetry. He had sought, in the course of his travels, still more anxiously for knowledge than for wealth, and he had found both in abundance. When he re-appeared in his native country, his fame had preceded him, and he was welcomed by all ranks as the fittest person to assume the government and regulation of the state. He accepted the call, and distinguished himself by the wise laws which he established, and the admirable ability and rectitude of his administration. But his love of literature and philosophic speculation still clung to him; and after the usurpation of Pisistratus had overturned the system of good government which he had reared, and the folly and ingratitude of his fellow-citizens compelled him to withdraw from Athens, we are told that he employed his old age in finishing some of his poetical compositions, especially his great work entitled "*Atlantis*," which unfortunately has not come down to us. Solon's fame, however, both as a poet and an orator, long survived among his countrymen, and some fragments of his poetry are still extant.

A French merchant, **M. GUYS**, has in modern times distinguished himself by his learned researches touching the geography and history of the country of Solon. Guys had spent the early part of his commercial life in Turkey, and it was while residing there that he conceived the idea of availing himself of the many opportunities his situation afforded him, to compare the existing condition of Greece, and the manners of its inhabitants, with the accounts handed down to us by the classic authors, of its ancient state. His object was to ascertain what traces of the old times were still to be found, either in the character and habits of the people themselves, or in the natural aspect and architectural monuments of the country. For this purpose, we are told, he repeatedly travelled over both the Morea and the islands of the Archipelago, with Homer and Pausanias in his hand, everywhere comparing what he observed with their descriptions and those of other ancient authorities. Not satisfied with this anxious investigation of his subject, he did not venture to commence the preparation of his projected work until he had, by long practice, obtained so much skill in the art of composition as gave him reason to hope that he should be able to make it, in all respects, worthy of the acceptance of the public. Keeping his materials by him for some years, he em-

braced several opportunities of exercising his pen upon lighter topics, producing, among other pieces, a discourse on the "Utility of Literary and Scientific Accomplishments to a Commercial Man," which he read before the Academy of Marseilles, where he now carried on business. At last he published, in 1772, his great work, under the title of "Literary Travels in Greece," which immediately procured for him a distinguished reputation as a man of letters. The Greeks themselves, in particular, were so much flattered by the learning and talent which he had brought to the illustration of their usages and antiquities, that they sent him a diploma, creating him a citizen of Athens.

We will only mention further, under this head, the late Mr. RICARDO. This gentleman, in the course of not a long life, for he died at the age of fifty-one, amassed a large fortune by his mercantile skill, activity, and attention to business, after having begun the world with little except a character for integrity and talent, and secured for himself not merely a respectable reputation as a writer, but, in the important science to which he devoted himself, a place among the very first of his age. As we cannot here enter upon any examination of his peculiar doctrines, we express no opinion respecting the extent to which they may be well founded or may require limitation. But, whatever difference of sentiment may exist as to this point, there can be none as to the ability and ingenuity which their author always displays in unfolding and supporting them, and that originality of view which marks all his works, and has placed him at the head of a new and distinct school of inquirers in this department of philosophy. It has been said that Mr. Ricardo's attention was not directed to political economy till somewhat late in life. Be this, however, as it may, he did not appear as an author till 1809, when he published his pamphlet entitled "The High Price of Bullion, a proof of the depreciation of Bank Notes," which immediately excited general attention, and went eventually through four editions. He was at this time in the thirty-seventh year of his age, and, we believe, actively engaged in the pursuits of business. He continued to write, and give to the world a succession of productions on his favorite subject, till his death in 1823. His great work, "The Principles of Political Economy and Taxation," appeared in 1817, two years after which time he was returned to parliament, where he greatly distinguished himself, especially in all discussions relating to finance and commerce.

If the distractions of business or of professional duty are to be deemed an insurmountable bar to the cultivation of science or literature, what annoyances or interruptions of this description shall seem more unfavorable for such an attempt than those which beset the rude and unsettled life of a seaman or a soldier! Yet it has been in the midst of these that some of the persons whose names are most distinguished in the annals of literature and philosophy have begun their career. The great DES CARTES entered the army, in obedience to the wishes of his family, at the age of twenty, and served first with the troops of the Prince of Orange, and afterward with those of Maximilian of Bavaria. With the latter prince he was present at the battle of Prague, in 1620, when Maximilian, acting in concert with the emperor, Ferdinand II, obtained a signal victory over the elector palatine, Frederic. During his military life, however, Des Cartes never neglected his philosophical studies, of which he gave a striking proof on one occasion while he was in the service of the Prince of Orange. He happened to be in garrison with his regiment at the town of Breda, in the Netherlands, when, walking out one morning, he observed a crowd of people assembled around a placard or advertisement which was stuck up on the wall. Finding that it was written in the Dutch language, which he did not understand (for he

was a native of Touraine, in France,) he inquired of a person whom he saw reading it what it meant. The individual to whom he addressed his inquiries happened to be the principal of the university of Dort, a man of distinguished mathematical attainments; and it was with something of a sneer that he informed the young officer, in reply to his question, that the paper contained the announcement of a difficult geometrical problem, of which the proposer challenged the most able men of the city to attempt the solution. Not repulsed, however, by the tone and manner of the learned professor, Des Cartes requested to be favored with a translation of the placard, which he had no sooner received than he calmly remarked that he thought he should be able to answer the challenge. Accordingly, next day he presented himself again before Beckman (that was the name of the professor) with a complete solution of the problem, greatly to the astonishment of that distinguished person, who had probably never before dreamed of the possibility of so much learning being found beyond the walls of a university.

GEORGE BUCHANAN, one of the most elegant scholars and writers that modern times have produced, was another illustrious example of how little it is in the power of the most unquiet and disjointed times, or the most adverse fortunes, to interrupt the intellectual pursuits of a mind really in love with knowledge. Scarcely any part of Buchanan's long life was passed either in leisure or tranquillity. He was born of poor parents, and was sent to the university of Paris to be educated at the expense of an uncle, whose death, however, after some time, left him in such a state of destitution, that, in order to get back to his native country, he was obliged to enter himself as a private in a corps which was leaving France to serve in Scotland, as auxiliaries to the Duke of Albany. It would detain us too long to attempt any sketch of the remainder of a life, of whose many troubles this was only the commencement. Although in point of learning and genius, confessedly without a rival among his countrymen, and even acknowledged by all Europe as the chief of the poets and eloquent writers of his day, it is melancholy to think that, amid the civil discords of those unhappy times, his portion was little else than poverty, persecution, imprisonment, and exile. But his own mind was to him a kingdom, of which the world's unkindness could not deprive him, and in which he found, doubtless, under all he had to suffer, his sufficient consolation. He took refuge in literary labor from the cruel fortunes that pursued him. We know that it was in a Portuguese dungeon that he composed his celebrated Latin version of the Psalms. He had just carried through the press his great work, the History of Scotland, when he died at the age of seventy-six, being at the time in such a state of indigence, that, when he felt his end approaching, having inquired of his servant how much money he had remaining, and finding that there was not enough for the expenses of his funeral, he ordered the whole to be given to the poor. He was accordingly buried at the cost of the city of Edinburgh.

Even still more crowded with disasters is the history of the renowned CERVANTES, whose admirable Don Quixote ranks so high among the glories of modern literature. Cervantes, too, commenced life as a soldier, lost his left hand in battle, and was afterwards detained for five years in captivity at Algiers. Even after he had recovered his liberty, and had returned to his native country, he was again in a short time thrown into confinement by an unjust decision of the courts, in a cause in which he was implicated; and it was while he lay in prison that he wrote the first part of Don Quixote. He was, soon after the publication of this work, once more restored to freedom; but, although he afterward produced various other literary performances, he never succeeded in raising himself above the necessitous circum-

stances in which his early misfortunes had involved him. The dedication of the last work he gave to the world is dated only four days before his death, and in it he mentions, with great calmness, his approaching dissolution.

COLUMBUS himself, one of the greatest men that ever lived, if it be grand ideas, gradually realized, that constitute greatness, while leading the life of a seaman, not only pursued assiduously the studies more particularly relating to his profession, rendering himself the most accomplished geographer and astronomer of his time, but kept up that acquaintance which he had begun at school with the different branches of elegant literature. We are told that he was even wont to amuse himself by the composition of Latin verses. It was at sea, too, that Cook acquired for himself those high scientific, and, we may even add, literary accomplishments of which he showed himself to be possessed. The parents of this celebrated navigator were poor peasants, and all the school education he ever had was a little reading, writing and arithmetic, for which he was indebted to the liberality of a gentleman in the neighborhood. He was apprenticed, at the age of thirteen, to a shopkeeper in the small town of Snaith, near Newcastle, and it was while in this situation that he was first seized with a passion for the sea. After some time he prevailed upon his master to give up his indentures, and entered as one of the crew of a coasting vessel engaged in the coal trade. He continued in this service till he had reached his twenty-seventh year, when he exchanged it for that of the navy, in which he soon distinguished himself so greatly, that he was three or four years after appointed master of the Mercury, which belonged to a squadron then proceeding to attack Quebec. Here he first showed the proficiency he had already made in the scientific part of his profession, by an admirable chart which he constructed and published of the river St. Lawrence. He felt, however, the disadvantages of his ignorance of mathematics; and, while still assisting in the hostile operations carrying on against the French on the coast of North America, he applied himself to the study of Euclid's Elements, which he soon mastered, and then began that of astronomy.

That man was never truly happy—happy upon reflection, and while looking to the past or the future—who could not say to himself that he had made something of the faculties God had given him, and had not lived altogether without progression, like one of the inferior animals. We do not speak of mere wealth or station; these are comparatively nothing; are as often missed as attained, even by those who best merit them; and do not of themselves constitute happiness when they are possessed. But there must be some consciousness of an intellectual or moral progress, or there can be no satisfaction; no self-congratulation on reviewing what of life may be already gone; no hope in the prospect of what is yet to come. All men feel this, and feel it strongly; and if they could secure for themselves the source of happiness in question by a wish, would avail themselves of the privilege with sufficient alacrity. Nobody would pass his life in ignorance, if knowledge might be had by merely looking up to the clouds for it: it is the labor necessary for its acquirement that frightens them; and this labor they have not resolution to encounter. Yet it is, in truth, from the exertion by which it must be obtained, that knowledge derives at least half its value; for to this entirely we owe the sense of merit in ourselves which the acquisition brings along with it; and hence no little of the happiness of which we have just described its possession to be the source: besides that, the labor itself soon becomes an enjoyment.

The cultivation of science and literature has often been united with the most active and successful pursuit of business, and with the duties of the

most laborious professions. It has been said of CICERO, that "no man whose life had been wholly spent in study, ever left more numerous or more valuable fruits of his learning in every branch of science and the polite arts; in oratory, poetry, philosophy, law, history, criticism, politics, ethics: in each of which he equalled the greatest masters of his time; in some of them excelled all men of all times. His remaining works, as voluminous as they appear, are but a small part of what he really published. His industry was incredible, beyond the example or even conception of our days: this was the secret by which he performed such wonders, and reconciled perpetual study with perpetual affairs. He suffered no part of his leisure to be idle, or the least interval of it to be lost." These are the words of his learned and eloquent biographer, Dr. Middleton. He says himself in one of his orations, "What others give to their own affairs, to the public shows and other entertainments, to festivity, to amusement, nay, even to mental and bodily rest, I give to study and philosophy." He tells us, too, in his letters, that on days of business, when he had anything particular to compose, he had no other time for meditating but when he was taking a few turns in his walks, where he used to dictate his thoughts to his amanuenses, or scribes, who attended him. His letters afford us, indeed, in every way, the most remarkable evidence of the active habits of his life. Those that have come down to us are all written after he was forty years old; and although many, of course, are lost, they amount in number to about a thousand. "We find many of them," says Middleton, "dated before daylight; some from the senate, others from his meals and the crowd of his morning levee." "For me," he himself exclaims, addressing one of his friends, "even my leisure hours have their occupation."

In modern times the celebrated Sir WILLIAM JONES afforded the world, in this respect, a like example. We have already mentioned his wonderful attainments in languages. All his philosophical and literary studies were carried on among the duties of a toilsome profession, which he was, nevertheless, so far from neglecting, that his attention to all its demands upon his time and faculties constitute one of the most remarkable of his claims to our admiration. But he was from his boyhood a miracle of industry, and showed, even in earliest years, how intensely his soul glowed with the love of knowledge. He used to relate that, when he was only three or four years of age, if he applied to his mother, a woman of uncommon intelligence and acquirements, for information upon any subject, her constant answer to him was, "Read, and you will know." He thus acquired a passion for books, which only grew in strength with increasing years. Even at school his voluntary exertions exceeded in amount his prescribed tasks; and Dr. Thackeray, one of his masters, was wont to say of him, that he was a boy of so active a mind, that if he were left naked and friendless on Salisbury Plain, he would, nevertheless, find the road to fame and riches. At this time he was frequently in the habit of devoting whole nights to study, when he would generally take coffee or tea to keep off sleep. He had, even already, merely to divert his leisure, commenced the study of the law; and it is related that he would often amuse and surprise his mother's legal acquaintances, by putting cases to them from an abridgment of Coke's Institutes, which he had read and mastered. In after life his maxim was never to neglect any opportunity of improvement which presented itself. In conformity with this rule, while making the most wonderful exertions in the study of Greek, Latin, and the oriental languages at Oxford, he took advantage of the vacations to learn riding and fencing, and to read all the best authors in Italian, Spanish, Portuguese, and French; thus, to transcribe an observation of his own, "with the fortune of a peasant, giving himself the

education of a prince." In the same spirit, while tutor, some time after this, in the family of Lord Spencer, he embraced an opportunity of accomplishing himself in dancing and the use of the broadsword, and of learning the German language, music, and the art of playing on the Welsh harp, the instrument of his country. It was while residing in the Temple, and busily engaged in the study of the law, that, besides continuing his oriental studies with great zeal, he found time to compose and prepare for the press a translation of the speeches of the Greek orator Isæus, and a volume of poems. Yet he was, at this very time, both reading and writing elaborately on subjects of law and jurisprudence; an evidence of his proficiency in which he gave to the world a few years after, in his learned treatise on the law of bailments. He found leisure, too, in the midst of all these professional and literary occupations, to attend Dr. William Hunter's lectures on anatomy, and to prosecute the study of mathematics so far as to be able to read Newton's Principia.

It was by the persevering observance of a few simple maxims that Sir William Jones was principally enabled to accomplish what he did. One of these, as we have already mentioned, was never to neglect an opportunity of improvement: another was, that whatever had been attained was attainable by him, and that, therefore, the real or supposed difficulties of any pursuit formed no reason why he should not engage in it, and with perfect confidence of success. "It was also," Lord Teignmouth tells us, "a fixed principle with him, from which he never voluntarily deviated, not to be deterred, by any difficulties which were surmountable, from prosecuting to a successful termination what he had once deliberately undertaken." "But what appears to me," adds his biographer, "more particularly to have enabled him to employ his talents so much to his own and the public advantage, was the regular allotment of his time to particular occupations, and a scrupulous adherence to the distribution which he had fixed: hence all his studies were pursued without interruption or confusion. Nor can I omit remarking the candor and complacency with which he gave his attention to all persons, of whatever quality, talents, or education: he justly concluded that curious or important information might be gained even from the illiterate; and, wherever it was to be obtained, he sought and seized it." By these methods it was that he accumulated that vast mass of knowledge, and enabled himself to accomplish those profound and extended labors, which remain, even now that he is dead, for the benefit of us who yet live, and of those who are to come after us. This is truly to make a short life long; to exist, in spite of death, for unnumbered generations."

There is no greater name among those of the statesmen of France than that of the celebrated Duke of SULLY, the writer of the well-known memoirs, as well as of a variety of other works; and equally distinguished as a soldier, a financier, and an author. This great man used to find time for the multiplied avocations of every day by the most undeviating economy in the distribution of his hours. He rose all the year round at four o'clock in the morning, and was always ready to appear at the council by seven. His hour of dining was at noon, after which he gave audience to all, without distinction, who sought to be admitted to him. The business of the day was always finished in this way before supper, and at ten he regularly retired to bed. Sully's illustrious countryman and contemporary, the president DE THOU, affords us another instance of the same sort. During the greater part of his life, De Thou was actively employed, in one capacity or another, in the management of affairs of state; and yet he found time to write one of the greatest and most elaborate historical works in existence, his celebrated "History of his own Times," extending to one hundred and thirty-eight

books, in Latin, besides various poetical pieces in the same language. None were ever more mixed up with the political transactions of their times, or led busier lives, from their earliest years, than Sir THOMAS MORE, the great BACON, and Lord CLARENDON. And yet these are three of the most eminent writers in our language; and the works of the two latter, particularly, are of considerable extent. We may add to the list the names of JOHN SELDEN and Sir MATTHEW HALE. Both were public men, and necessarily involved in the ceaseless political convulsions of one of the stormiest periods of English history; yet they were two of the most distinguished luminaries both of the law and the literature of their day. Selden's works, embracing many subjects of history, political controversy, and sacred, classical, and English antiquities, have been collected in three large volumes folio. Those of Sir Matthew Hale are also very numerous; and relate to history, divinity, mathematics, and natural philosophy, as well as to several of the most important departments of the learning of his profession. He is said, during many years of his life, to have studied sixteen hours every day. Selden is called *the glory of England* by his contemporary, the celebrated Dutch scholar GROTIUS (or Groot,) who was himself one of the most remarkable instances on record of the success with which the cultivation of general literature may be carried on, together with legal and political studies, and even amid the toils and distractions of a public life of unusual bustle and vicissitude. From his sixteenth year, when he first appeared at the bar till that of his death, at the age of sixty-two, Grotius was scarcely ever released from the burden of political employment, except while he lay in prison, or, altogether exiled from his country, wandered about, from one foreign land to another, in search of a temporary home. Yet, even in these seemingly most unpropitious circumstances, he produced a succession of works, the very titles of which it would require several pages to enumerate, all displaying profound erudition, and not a few of them ranking to this day with the very best, or as the very best that have been written on the subjects to which they relate.

He occupies a prominent place in the poetry of his native language, and a high one among modern Greek and Latin poets. His critical labors in reference to the classical authors of antiquity are immense. In history, besides several other works, he has written one entitled "*The Annals of Belgium,*" in eighteen books. Of a variety of theological productions we may mention only his celebrated "*Treatise on the Truth of Christianity,*" one of the most popular books ever written, and which has been translated, not only into almost every language of modern Europe, but even into Greek, Arabic, Persian, and several of the tongues of India. Finally, not to mention his other works in the same department, by his famous treatise on international law, entitled "*On the Law of War and of Peace,*" he has established for himself an immortal reputation in jurisprudence, not in his own country merely, but over all Europe, in every part of which the work was received, on its first appearance, with universal admiration, translated, commented upon, and employed as a text-book by all lecturers on the subject of which it treats. This work was written while Grotius resided in France, after making his escape from the castle of Louvenstein by a memorable stratagem. Having, in the religious disputes which then agitated Holland, taken the side of the Arminians in opposition to the Calvinists, when the latter obtained the ascendancy, he was put on his trial, convicted of treason, and sentenced to the confiscation of all his property, and imprisonment for life. As some mitigation, however, of so hard a doom, it was permitted that his wife should share his fate; and that excellent and heroic woman accordingly took up her abode with her husband in the fortress we have named, where they remained together nearly two years. At last, however, Grotius re-

solved to brave the hazards of a plan of escape, which had been some time before suggested by his wife. He had been in the habit of borrowing books from some of his friends in the neighboring town of Gorcum, and these were always brought to him in a large chest, which was in like manner employed to convey them back when he had read or consulted them. This chest had at first been regularly searched as it was carried into and brought back from the apartment of the prisoner; but, after some time, its appearance on its customary service became so familiar to the guards, that their suspicions were lulled, and it was allowed to pass without notice. A day, therefore, having been chosen when it was known that the commandant was to be absent, Madame Grotius informed the commandant's wife, who was left in charge of the place, that she meant to send away all her husband's books, to prevent him from injuring his health by study, and requested that two soldiers might be allowed her to remove the load. In the mean time Grotius had taken his place in the chest, in the top of which small holes had been made for the admission of air. Upon lifting it from the ground, one of the soldiers, struck with its weight, jestingly remarked that there must be an Arminian in it. "There are Arminian books in it," replied the wife of Grotius, with great presence of mind; and, without saying anything more, they took it on their shoulders, and carried it down a ladder which led from the apartment. It would appear, however, that their suspicions had been again awakened; for it is said, that before they had proceeded much farther, the men resolved to mention the circumstance of its uncommon weight to the commandant's wife; but she, misled by what had been told her, ordered them to carry it away. It had been contrived to have a trusty female servant in waiting to accompany the chest to its place of destination, and under her care it was safely deposited in the house of a friend at Gorcum, when the illustrious prisoner was, of course, speedily released from durance. A good deal of management was still necessary to enable him to effect his escape from the town. It is gratifying to have to add, that his wife, who, as soon as she understood that her husband was safe, confessed what she had done, although at first detained in close custody, was liberated on petitioning the states-general about a fortnight after.

Biography abounds, in truth, with examples of the union of the pursuits of literature and science with those of every department of active life. The most elegant of the writers of ancient Rome was also the most renowned of her warriors. It was amid the hurry and toils of his campaigns, that JULIUS CÆSAR is said to have written those *commentaries*, or memoirs of his military exploits, which have immortalized his name more than all his victories, and thus amply justified the anxiety he is recorded to have shown to preserve the work, when, being obliged to throw himself from his ship in the bay of Alexandria, and swim for his life, he made his way to the shore with his arms in one hand, holding his commentaries with his teeth. Cæsar distinguished himself also as a writer on grammar, astronomy, history, and a variety of other subjects; he was universally accounted one of the most learned scholars, as well as greatest orators, of his age; and the time may come when mankind shall be ashamed of ever having admired in any other capacity so great a scourge of the species. Yet this man's life was spent either in the field, or among political convulsions at home, almost from his boyhood. If he found time and tranquillity for the cultivation of letters, who is there that might not? Cæsar had to struggle, too, all his life with the weakness and depression of bodily disease. Plutarch says he slept most commonly in his chariot or his litter, but employed the very hours of rest in the designs of action.

## GREAT BRITAIN.

## HOUSE OF LORDS.

The persons who compose the house of lords form a separate class or rank, which is called collectively the peerage, whose members enjoy certain exclusive privileges and honors. The members of the house of lords are either lords spiritual or temporal. The spiritual lords are archbishops and bishops, and hold their seats for life in virtue of their ecclesiastical office; the temporal lords enjoy their seats from hereditary right, or in virtue of being elevated to the peerage. In 1837, at the meeting of the first parliament of queen Victoria, the number of members of the house of lords was 641; namely, 3 princes of the blood royal, 2 English archbishops, 21 dukes, 19 marquises, 112 earls, 19 viscounts, 24 English bishops, 6 Irish prelates, 193 barons, 16 representative peers of Scotland, and 28 representative peers of Ireland. The house of lords is liable at all times to an increase of number by the elevation of commoners to the peerage; but this prerogative of the crown is sparingly used.

## THE HOUSE OF COMMONS.

This body consists of 658 members; of whom 253 are chosen by counties, 6 by universities, and 399 by cities, boroughs, and towns. England returns 471, Wales 29, Ireland 105, and Scotland 53. The number of persons entitled to vote in the election of these members is probably about a million; of whom about 600,000 vote for county members, 5000 for representatives of universities, and 400,000 for members for cities, boroughs and towns. The great bulk of the voters, as settled by the reform acts of 1832, is composed of the agricultural tenantry and the occupants of houses of £10 of yearly rent; in other words, the middle classes. The operative classes, from their not in general inhabiting houses of such value, possess little direct influence in the election of members of the house of commons. A house of commons cannot legally exist for more than seven years; but, in reality, it rarely exists so long; the death of the sovereign, change of ministry, and other circumstances, causing a renewal on an average every three or four years. Reckoning from 1802 till November 15, 1837, there were thirteen houses of commons; as the thirteenth still exists (January 1841,) we have an average of three years for each; those of longest duration were the fourth, from 1807 to 1812 and the fifth, from 1812 to 1818.

The houses of lords and commons compose the *parliament*. The parliaments of England and Scotland were united in 1707, and then called the British Parliament. In 1800, the Irish Parliament merged in the British Parliament. The three kingdoms were first represented in one parliament in 1801. Since that period it has been called the *Imperial Parliament*, and is always convened at Westminster.

## FINANCES.

*Revenue.*—The revenue of the British empire has varied exceedingly of late years; from 1761 to 1774, which was a period of peace, it increased from £8,800,000 to £10,285,673; and since that time, from the various wars in which the country was engaged, the immediate expenses, and the interest of public debts, it has continued to augment till within these last ten or twelve years. From 1775 to 1783, which was the period of the American war, it rose from ten millions to twelve millions; and during the peace

which followed till 1793, it was increased to seventeen and a half millions a year.

After this period the French revolutionary war commenced. That war was by no means unpopular with the nation; and it was besides gilded by the many splendid victories which continued to be obtained by British seamen as long as the enemy had a fleet to appear at sea. Heavy taxes for defraying the expenses of this war were therefore submitted to without remonstrance, and the public revenue rose accordingly to a very large amount. From 1794 to the peace of Amiens in 1801, which only lasted two years, the revenue was increased from seventeen and a half millions to twenty-eight millions; and from 1803 till 1816, the year after the final conclusion of peace, it had risen to £76,834,494, which was the largest sum raised by taxes in one year.

The sums thus raised in taxes, large as they were, did not, however, meet the expenditure of the country during these periods of war. In order to defray the great charges which arose, it became necessary also to borrow to a great amount. The following table will show the sums raised by the taxes, the sums borrowed, and the total expenditure for each of the years specified.

| Year. | Raised in Taxes. | Borrowed.  | Total Expenditure. |
|-------|------------------|------------|--------------------|
| 1794  | £17,674,395      | £5,079,971 | £22,754,366        |
| 1801  | 28,085,829       | 33,532,159 | 61,617,988         |
| 1803  | 38,401,738       | 23,972,742 | 62,373,480         |
| 1806  | 53,698,124       | 22,358,672 | 76,056,796         |
| 1810  | 66,029,349       | 22,763,202 | 88,792,551         |
| 1814  | 70,926,215       | 52,309,445 | 122,235,660        |
| 1816  | 76,834,494       | 54,471,464 | 130,305,958        |

These sums will appear altogether enormous, and must give the most extraordinary idea of the resources of a government, which, while it raised such a large yearly amount in taxes, had yet credit to borrow the immense additional sums which were wanted. The whole sum which was expended in the wars of the revolution, from 1794 to 1816, amounted to 1700 millions of pounds sterling—a sum so far beyond all ordinary dealings, that we can have little conception of its amount or value. All the mines that are at present wrought in Europe and America would not furnish gold and silver equal to it in less than 310 years.

The debt formed by borrowing money at different rates of interest, to conduct the warlike operations of the country, has risen from small beginnings towards the conclusion of the seventeenth century, to an unparalleled amount. At the revolution of 1688, the national debt amounted to only £664,263; at the accession of Queen Anne, £16,394,702; of George I, £54,145,363; of George II, £52,092,235; at the end of the Spanish war in 1748, £78,293,312; at the commencement of war in 1755, £74,571,840; at the conclusion of peace in 1762, £146,682,844; at commencement of American war in 1776, £135,943,051; at conclusion of peace in 1783, £238,484,870; at commencement of French revolutionary war, £233,733,609; at peace of Amiens in 1801, £582,839,277; at peace of (February 1.) 1816, £864,822,461; on the 5th of January, 1832, £782,667,234—interest, £28,341,416. After 1832, the debt was increased, chiefly by the funding of exchequer bills (adding floating obligations to funded stock,) and in 1839, the amount was £841,000,000, with an interest of £29,000,000.

The revenue which it is necessary to raise for the purpose of paying the interest of the debt, and conducting the business of the country, is derived from taxation upon a great variety of different articles, which are all, however, reduced to the following heads:

1. *The Customs*.—These are taxes levied upon the foreign commerce of the country, being the duties paid upon articles imported from abroad, such as tea, sugar, coffee, spirits, wines, tobacco, &c. They include also a few on some goods exported, such as coals, wool, and skins. Their whole amount, in the year ending October 10, 1840, was £20,152,739.

2. *The Excise*.—The excise taxes are those which are levied on goods of British manufacture, such as glass, malt, paper, &c. The duty is paid back again to the maker, if the commodity is to be exported to foreign countries. This class of taxes yielded, in the above year, £11,985,467.

3. *Stamp Duties*.—These consist of the prices affixed to stamp papers, upon which the law makes it imperative that every document for the transfer of property, or other obligation, shall be written. Deeds, settlements, and bills, bills of exchange, receipts (above a certain small amount,) and a great variety of other instruments of business, are required to be stamped in this manner; and the prices affixed to the stamps, which are often high, bring a large revenue. Under the head of stamps, are also included newspaper stamps, indentures, dice, duties on plate, and other anomalous items. The whole amounted in the above year to £6,726,317.

4. *Direct Taxes*.—These are duties levied on land, on windows (eight or upwards,) male servants, riding horses, dogs, use of armorial bearings, hair powder, &c. This class of taxes, which are levied by surveyors and collectors, amounted in the above year to £3,744,372. The principal items are the land and window taxes, each of which was above a million.

5. *Post Office*.—In the year ending October, 1839, the revenue derived from the tax on letters passing through the post office was £2,390,764. But, by the reduction of postage to one penny per letter (if under half an ounce) at the beginning of 1840, the amount of revenue derived from this source in the year ending January, 1840, was only £441,000. The great advantage derived by the country from cheap postage more than compensates the deficiency.

6. The income derived from rentals of *crown property*, and the sale of timber, bark, &c., from the crown lands (with other incidents,) yielded a revenue, in the year ending October, 1840, of £167,500.

7. *Miscellaneous*.—These include duties on hackney-coaches, hawkers' licenses, offices, pensions, &c.; and amounted to £84,479.

8. Some *incidental revenues* are derived from matters connected with the regular taxes; such as duties collected at the Isle of Man, fines, and goods seized for taxes; these, with a number of other casual receipts, amounted, in the above year, to £454,784. Besides this, there was a sum entitled *re-payments of advances*, amounting to £656,140.

The total of the income for the year ending October, 1840, was £44,665,798; and it will be observed that of that sum fully thirty-two millions were raised from customs and excise, or duties on foreign and British manufactures, and nearly seven millions on stamps. Thus, the great bulk of taxation is indirect, and the really direct taxes are a mere trifle in comparison. The chief burden of the taxes evidently falls on the consumers of tea, coffee, sugar, tobacco, soap, spirits, and wines, and these consumers are the great body of the people. As the land-tax amounts to no more than £1,300,000 annually, proprietors of lands contribute but a small direct aid to the public income. The customs duties are levied on nearly 1700 articles imported into the country, but a few leading articles raise nineteen-twentieths of the entire amount, and the insignificant sum raised from the remainder acts merely as a prohibition on foreign commerce. The following were the duties levied on ten articles in the year ending January 5, 1840:

*Enumeration of duties levied for the year to 5th January, 1840.*

|                                                                       |                    |
|-----------------------------------------------------------------------|--------------------|
| 1. Sugars and molasses, . . . . .                                     | £4,826,917         |
| 2. Tea, . . . . .                                                     | 3,658,763          |
| 3. Spirits, . . . . .                                                 | 2,615,413          |
| 4. Wine, . . . . .                                                    | 1,849,308          |
| 5. Tobacco, . . . . .                                                 | 3,495,686          |
| 6. Coffee and cocoa, . . . . .                                        | 794,818            |
| 7. Fruits of all kinds, . . . . .                                     | 462,002            |
| 8. Timber and dye-woods, . . . . .                                    | 1,668,584          |
| 9. Corn, grain, meal, and rice, . . . . .                             | 1,131,075          |
| 10. Provisions, (including bacon, hams, butter, eggs, &c.,) . . . . . | 368,560            |
| <b>Total amount, . . . . .</b>                                        | <b>£20,871,126</b> |

On the following six articles, the duties levied in the year ending January 5, 1840, were as follows:

|                                         |          |
|-----------------------------------------|----------|
| 1. Seeds of all kinds, . . . . .        | £145,712 |
| 2. Oils of all kinds, . . . . .         | 69,964   |
| 3. Spices of all kinds, . . . . .       | 98,261   |
| 4. Hides and skins, . . . . .           | 94,987   |
| 5. Tallow, . . . . .                    | 181,999  |
| 6. Wool (cotton and sheep's,) . . . . . | 556,225  |

£1,147,148

Which added to the duties levied on the ten articles in the preceding list, namely, . . . . . 20,871,126

Gives a grand total on sixteen unmanufactured articles of . . . . . £22,018,274  
Balance received on 1136 minor articles, . . . . . 944,326

Total net revenue, . . . . . £22,962,600

Therefore the duty levied on all the remaining 514 articles, including all raw materials and manufactured goods, is £55,674 less than one million.

## CIVIL LIST.

The ordinary expense incurred for the personal support of the sovereign and royal family and household, is but a small item in the general expenditure of the nation. Formerly, the crown possessed private revenues from lands, duties, &c., but all such are now abandoned to the country (chiefly under management of the board of woods and forests,) and the sovereign in requital is voted a civil list, or certain fixed sums, by parliament. On the accession of William IV, the civil list was voted under five different classes, amounting in the aggregate to £510,000 per annum, as follows:

|                                                                                 |                 |
|---------------------------------------------------------------------------------|-----------------|
| Class 1. For the king's privy purse, £60,000; for the queen, £50,000, . . . . . | £110,000        |
| “ 2. Salaries of the royal household, . . . . .                                 | 130,300         |
| “ 3. Expenses of the household, . . . . .                                       | 171,500         |
| “ 4. Special and home secret services, . . . . .                                | 23,200          |
| “ 5. Pensions, . . . . .                                                        | 75,000          |
|                                                                                 | <b>£510,000</b> |

On the accession of Queen Victoria, a civil list in six classes was voted, amounting in the aggregate to £385,000, with a power to the crown to grant pensions to an amount not exceeding £1200 in any one year.

## BANKS OF GREAT BRITAIN.

From Chambers' "Information for the People."

## BANK OF ENGLAND.

According to its charter, the management is committed to a governor, lieutenant-governor, and twenty-four directors, elected by stockholders who have held 500*l.* of stock for six months previous to the election. A director is required to hold 2000*l.*, a deputy-governor 3000*l.*, a governor 4000*l.* of the capital stock. At first the charter of the bank was for only eleven years; but in consequence of the great services of the institution to government, its charter has been at various times renewed. The original stock of 1,200,000*l.* has been augmented at different times, till, in 1816, it reached 14,553,000*l.*, upon which the stockholders drew dividends. The profits of the bank arise from traffic in bullion, discounting of bills, interest on mortgages, allowance for managing the public debt, &c.

The net profit of the bank in 1832, out of which interest was paid on the capital stock, was 1,189,627*l.* The interest paid to stockholders has wavered from five to ten per cent. per annum, but has more generally been about eight per cent. The bank has, besides, at different times, made dividends under the name of *bonuses*. A bonus is a sum of money derived from the division of a fund, which had been suffered to accumulate or remain for use, in case of an emergency. The emergency being past, the fund is divided. The bonuses of the Bank of England have varied from ten to five per cent.

The Bank of England trades not only on its paid-up capital, but on the capital confided to it in the form of deposits, and usually called its liabilities. This is perfectly legitimate, and consistent with the true principles of banking, it being only necessary to take care that the institution always leaves itself a sufficient fund from which to satisfy all demands. The issue of notes by the bank is understood to be somewhat in accordance with the amount of its deposits; but this is necessarily dependent on various contingencies in public affairs. The leading feature in the character of the institution is the circumstance of its acting as the banking-house for the government. All the money drawn in the form of taxes or otherwise for the public service is consigned to the bank, while all drafts for the public service are likewise made from it. In carrying on this branch of its business, the bank allows the government to overdraw its account, that is, to take a loan of cash to a certain amount. The money so lent was some time ago upwards of 14,000,000*l.*, which parliament made a provision to reduce and finally pay off. The important services rendered to the government have in past times secured to the bank most valuable privileges, amounting almost to a monopoly of the business in money. In 1797, when the bank found itself unable to meet a run made upon it for gold for its notes, the government of that day summarily protected it from bankruptcy by issuing an order that Bank of England notes should be considered a legal tender; consequently, the holders of notes at the time were, by force of law, refused their value in cash. This extraordinary state of affairs, with various modifications, lasted till 1821, when cash payments were resumed. Meanwhile, the notes of the bank, from not being representatives of specie, were considerably depreciated in actual value; so great was the depreciation at one time, that four pound notes would have been given in exchange for three guineas. It has been frequently represented as a serious hardship, that debts contracted during this prevalence of a depreciated currency, have had to be paid in a currency

of full value; for by this means the creditor receives perhaps a third more money than the actual value of the original sum owing.

#### JOINT-STOCK BANKS IN ENGLAND.

A parliamentary return was published early in 1840, relative to these establishments, from which it appeared that the number of joint-stock banks in England, at 1st January, 1840, was 108, a considerable proportion of which had been instituted within the preceding ten years.

The number of partners in these banks varies from 50 to 1200, and may average about 300. There are half a dozen with less than fifty partners, the smallest number being seven. Fifty-eight of the banks have branches, and fifty have none. The branches, including the parent bank, are from two to sixty-seven in number. There are eight banks which have more than twenty branches. The whole number of parent banks and branches is 658.

There are besides about 550 *private banks* in England, that is, banks having not more than six partners. Adding these to the joint-stock banks and their branches, the whole number of banking establishments will be about 1200.

The issues of the joint-stock banks, when contrasted with the magnitude of the establishments, seem to us exceedingly small. According to the return made August 2, 1839, the notes in circulation of all the joint-stock banks were in value 4,665,110*l.* This, divided by the number of banks (108,) gives an average circulation of only 43,200*l.* for each; or, if we include the branches, the average for each office or establishment is only 7000*l.* Supposing the money to be employed in discounting at five per cent., the annual profit on 4,665,000*l.* would be only 230,000*l.*, or no more than 350*l.* to each establishment. It is evident that their profits must be chiefly derived from deposits, which they can employ at five per cent., while, we believe, they give only two.

The issues of the *private* banks, by the same return, were 7,610,700*l.*, which gives an average of about 14,000*l.* for each establishment. It appears that the joint-stock banks, so far from superseding the private banks, have had but a very slight effect in narrowing their issues.

The chief advantage conferred on the Bank of England, and constituting its charter of monopoly, is the privilege of being the only bank in London, or within sixty-five miles of it, having more than six partners, which can issue notes payable to the bearer on demand. The bank has also the privilege of its notes being a legal tender by other banks for any sum above £5, so long as it pays its notes in cash on demand. This provision is a security to all other banks against the effects of sudden runs upon them for gold. It is ordained by act of parliament, that "upon one year's notice, given six months after the expiry of ten years from the 1st of August, 1834, and upon repayment by parliament of all sums that may be due from the public to the bank at the time of the expiration of such notice, the exclusive privileges of banking granted by this act shall cease and determine at the expiration of such year's notice." Hence, in 1844-5, there will necessarily be a renewal or modification of the peculiar privileges of the Bank of England.

#### STOCKS—STOCK EXCHANGE.

There are various kinds of stocks. Shares in a joint-stock company are called stock, and so are shares of debts due by government. It is the last mentioned stock, which is variously termed *public securities*, or the *funds*, that requires to be explained, and in doing so we take the liberty of using the definition of a popular writer.\*

\* Blackwood's Magazine : 1818.

“In every war in which this country has been engaged since the revolution, the amount of the annual taxes has been found inadequate to defray the expenses of government. To supply the deficiency, our rulers have generally had recourse to loans—that is to say, they have borrowed money from such individuals as were able and willing to lend it, giving these individuals a security for the payment of a certain annual interest. To explain the nature of this transaction, I shall take a very simple case. Suppose, then, that £100 is the sum which government wishes to borrow, and that an individual offers to lend that sum at an interest of 5 per cent. On paying down the money, the lender receives a bill, bond, or acknowledgment, for the amount; by which acknowledgment he is entitled to draw yearly from the public revenue £5 of interest, but on the express condition that he is not to demand repayment of the principal, or sum lent, unless government is willing to repay it. The person who thus possesses the bill or acknowledgment is said to be a *holder of 100l. of 5 per cent. stock*, and the money lent upon that bill constitutes a part of what is called the *national debt*, because it is in fact borrowed by the nation, and the interest is paid out of the taxes. It is obvious, however, that few persons would be disposed to lend money on the condition of never being allowed to demand repayment, even though they were quite certain of receiving annual interest, and of transmitting the right to that interest to their posterity. To remedy this inconvenience, therefore, the lender who wishes to employ the sum which he lent to government in any other way, though he cannot directly demand repayment, is at liberty to sell his bill to any body who will purchase it, and for any sum that another may be willing to pay for it. In doing so, he merely sells to a second person the right which he himself possessed to the annual interest of 5*l.*, and that second person is of course at liberty to dispose of his right to another in the same way. This transaction, in general, is called a *transfer of stock*; and in the particular case which I have supposed, the one is said to sell, and the other to buy, 100*l.* of 5 per cent. stock. If 5 per cent. be considered as a fair and equitable interest for money lent, it is obvious that such a bill as I have now been speaking of, or, in other words, that 100*l.* of 5 per cent. stock, is just worth 100*l.* sterling. It is possible, however, that in certain circumstances the holder of that bill may receive more, or be obliged to take less for it than 100*l.* If two or three individuals, for example, have each a sum of money, which they are anxious to lay out at interest, but find it difficult to do so, a competition will naturally take place among them to become the purchaser of the bill in question, which will always secure to the holder 5*l.* of yearly interest. The possessor of the bill will of course take advantage of this competition, and raise his price, say to 105*l.* The purchaser, therefore, pays 105*l.* for 100*l.* of 5 per cent. stock, or he lays out his money at an interest of 5*l.* for every 105*l.*, which is at the rate of something more than 4½ per cent. If, on the other hand, however, the possessor of the bill or stock is anxious to dispose of it, while few are willing to buy it, he will be forced to offer it for less than 100*l.*, say 95*l.* The purchaser, in this case, pays 95*l.* for 100*l.* of 5 per cent. stock, or he lays out his money at an interest of 5*l.* for every 95*l.*, which is at the rate of something more than 5½ per cent. For simplicity of illustration, I have supposed that 100*l.* is the sum borrowed by government, and that of course there is just one bill to be disposed of, or transferred by the lender. If it be supposed, however, as is really the fact, that the loans generally amount to several millions, the necessity which the lenders are under of selling their bills, or, in other words, transferring their stock, will be more apparent. The transaction between government and the lenders is precisely the same in the case of millions as in that of a hundred; and it is unnecessary, therefore, again to illustrate the general principle of

that transaction. It is evident, however, that even the most opulent merchants, who are generally the lenders, cannot be supposed to have such a command of money as to be able to advance ten or twelve millions to government at once. When they contract for a loan, therefore—that is, when they agree to lend to government the sum required—they generally pay the money by instalments, or partial payments at certain intervals, say one million a month, till the whole is advanced. In the mean time, they sell or transfer the bills or securities which they receive from government to those who may have money to lay out at interest, and who of course will be disposed to purchase such bills, so that the sale of the bills of the first instalment may enable them to pay the second. In this way, government securities or bills become articles of commerce, and their price is regulated, like that of any other article, according to the supply and demand.

“It is easy to see how the price of stock is liable to fluctuation from accidental circumstances. I shall not attempt to enumerate these: but it may be worth while to point out how it is affected by peace and war, as these two conditions of the country are generally found to have the greatest influence in raising or depressing the value of stock. In the time of war, then, the price of stock is comparatively *low*, because, in such a state of things, it is likely that government will be under the necessity of borrowing; and as every loan produces new bills, the quantity of those to be disposed of, or, in other words, the supply of the market, will be increased. The price, therefore, will fall, for the same reason that the price of corn falls after a plentiful harvest. In time of peace, again, the price of stock is comparatively *high*, because, in such a state of things, the taxes are likely to be sufficient to defray the expenses of government without any loans, and consequently no new bills are to be disposed of, or the supply, though not positively diminished, ceases to be augmented. For the same reason, the price of stock in the time of war is materially affected by the nature of the intelligence that comes from the scene of action. If that intelligence be unfavorable, stock will fall, because there is a prospect either of protracted warfare, or of the necessity of more vigorous exertions on the part of government; in both which cases new loans may be necessary, and consequently a new supply of bills will be thrown into the money market. On the other hand, should the intelligence be favorable, the price of stock will rise, because the prospect of a successful termination of the war renders it probable that there will be no new loan, and consequently no new supply of stock.

“It is this variation in the price of stock that gives room for the nefarious practice of *stock-jobbing*. That practice consists in raising and circulating reports calculated to raise or depress the price of stock, according to the particular views of the individual. If he wishes, for example, to sell his stock or bills, he endeavors to propagate some report or other favorable to the issue of the war, and the establishment of peace, in order, if possible, to raise the price of stock; and, if he wishes to buy, he propagates reports of a contrary tendency. It is painful to think that this abominable system is sometimes carried on by men whose rank and station in society, to say nothing of the obligation of morality and religion, might be expected to place them far above any such disgraceful acts; but, in general, I believe it is confined to men of desperate fortune and little character, who subsist by a species of gambling, to which the finance system of this country has opened a wide and extensive field. I allude to those men who make a practice of buying and selling stock, without actually possessing any, and whose transactions, therefore, are nothing more than wagers about the price of stock on a certain day. To explain the nature of the transaction by an example: I shall suppose that A. sells to B. a government bill of 100*l.*, or 100*l.* of 5 per cent.

stock, to be delivered on a certain future day, and that the price is fixed at 102*l.* If, when the day arrives, the price of stock shall have fallen to 100*l.*, A. would be able to purchase the bill in question for 100*l.*, while, in consequence of his bargain, B. would be obliged to pay him 102*l.* for it, so that A. would gain 2*l.* If, however, stock had risen to 104*l.*, B. would still be obliged to give only 102*l.*, so that A. would lose 2*l.*; but instead of actually buying and selling the stock, the bargain is generally implemented by A. paying to B., or receiving from him, the 2*l.*, or whatever may be the sum of loss or gain. In such a case as this, it is obviously A's interest that the price of stock should fall, and as obviously B's interest that it should rise, between the day of the bargain and that of settling; and hence the temptation held out to both to circulate reports favorable to their own particular views. B., or the buyer, is usually denominated a bull, as expressive of his desire to *toss up*; and A., or seller, a bear, from his wish to trample upon or *tread down*. The law, of course, does not recognise a transaction which proceeds on a principle of gambling; but a sense of honor, or, what is perhaps nearer the truth, *self interest*, generally secures the payment of the difference, as the person who refuses to pay his loss is exhibited in the Stock Exchange under the designation of a *lame duck*, a disgrace which is considered as the sentence of banishment from that scene of bustle and business."

In the preceding remarks, the loans to government have been supposed to be negotiated in bills bearing five per cent. interest; practically such is not the case. The stocks, from a variety of circumstances, are of different denominations, some having been created at one rate of interest or profit, and some at another. The principal stock is called the three per cent. consolidated fund—that is, several borrowings consolidated into one debt at three per cent. This stock is usually called, for shortness, three per cent. consols. Another stock is called three per cent. reduced annuities, or briefly, three per cent. red. an. The three per cent. consols embrace a debt of upwards of 300,000,000*l.*, or nearly one-half of all the money due by the nation; and in most instances it is a share of this debt which people purchase when they buy into the funds. In 1839, the debt, funded and unfunded, amounted to 763,803,563*l.*, the annual charge or interest upon which, to be raised by taxation, was 28,669,333*l.* It was ascertained that this interest was payable to 279,751 persons, fully two-thirds of whom received under 50*l.* each.

#### BANKS OF SCOTLAND.

The earliest banking institution in North Britain was the Bank of Scotland, instituted by a charter of incorporation from the Scots parliament in 1695. The original capital was 1,200,000*l.* Scots, or 100,000*l.* sterling. The amount was raised by shares differing in extent, from 1000*l.* Scots, or 83*l.* 6*s.* 8*d.* sterling, to 20,000*l.* Scots. In 1774, the amount of stock was extended to 200,000*l.* sterling; and now it is a million and a half sterling. The shares are now 100*l.* sterling each.

The establishment of the Bank of Scotland was of great service to the nation; the landholders borrowing notes and bringing the country into cultivation, and a spur being by that means given to various branches of manufactures. The Bank of Scotland continued to be the only bank in the country till the year 1727, when a new and similar establishment was constituted under the title of the Royal Bank of Scotland. These two establishments engrossed all the respectable banking business in the country till the year 1746, when a new association was formed, and incorporated by royal charter, with the title of the British Linen Company. The object of this association was at first to encourage the linen manufacture of Scotland, but

gradually it fell into the course of common banking business, and now occupies a high station among these institutions. From 100,000*l.*, the capital of this bank has been raised to 500,000*l.*, where it has long remained stationary. By adroit management, it carries on an immense deal of business and possesses as high credit as any bank in Scotland.

These are allowed to take precedence of others erected in the subsequent part of last, and in the present century, either in Edinburgh or in the provinces; and their shareholders enjoy the privilege of being responsible only for their individual stock.

All the banks, with few exceptions, are joint stock associations, and are banks both of deposit and issue. Except the few private houses, all issue notes of one pound and upwards, which are payable on demand at the office whence they are issued. It was at one time ordained that Scottish bank notes should not be reissued after they were three years old; but such a regulation is abrogated, and they are now sent out as long as they are in good condition. Almost all the modern notes are produced from plates of hardened steel, and of such peculiar and intricate devices, that forgery cannot be attempted with success, or remain long undetected.

No periodical returns of their issues are made by the Scottish banks. But on turning to the evidence given before the parliamentary committees of 1826, we find the usual value of the small notes in circulation estimated by Mr. Paul of the Commercial Bank, and Mr. Blair of the British Linen Company, at 1,800,000*l.*, which is increased by a third at particular seasons, and when trade is brisk. The committee estimate the paper money of all kinds in circulation in 1826 at 3,309,082*l.* But in the year of great speculation, 1825, they estimate the highest amount of notes in circulation at 4,683,000*l.* the lowest at 3,434,000*l.* [The Scotch banks now make returns by law—circulation 1847, 3,787,000*l.*]

Return of joint-stock banks existing in Scotland 5th January, 1839:

The Bank of Scotland, Edinburgh, 1695; the Royal Bank of Scotland, Edinburgh, 1727; the British Linen Company, Edinburgh, 1746; the Commercial Bank of Scotland, Edinburgh, 1810; the National Bank of Scotland, Edinburgh, 1825; the Aberdeen Bank, Aberdeen, 1825; the Ayr Bank, Ayr, 1825; the Dundee Banking Company, Dundee, 1825; the Dundee Union Bank, Dundee, 1825; the Dundee New Bank, Dundee, 1825; the Glasgow Bank Company, Glasgow, 1825; the Greenock Bank, Greenock, 1825; the Leith Bank, Leith, 1825; the Paisley Bank, Paisley, 1825; the Perth Banking Company, Perth, 1825; the Renfrewshire Banking Company, Greenock, 1825; the Paisley Union Bank, Paisley, 1809; the Aberdeen Town and County Bank, Aberdeen, 1825; the Arbroath Bank, Arbroath, 1825; the Dundee Commercial Bank, Dundee, 1825; the Glasgow Union Banking Company, Glasgow, 1830; the Ayrshire Banking Company, Ayr, 1831; the Western Bank of Scotland, Glasgow, 1832; the Central Bank of Scotland, Perth, 1834; the North of Scotland Banking Company, Aberdeen, 1836; the Clydesdale Banking Company, Glasgow, 1837; the Southern Bank of Scotland, Dumfries, 1837; the Eastern Bank of Scotland, Dundee, 1838; Edinburgh and Leith Bank, Edinburgh, 1838: being 29 in all.

The business done by the Scottish banking-houses is prodigiously increased by the institution of their branches in the provincial and country towns. From those banks already noticed, which are situated in Edinburgh, and from two or three of the chief provincial banks, there were altogether deputed, not long since, about one hundred and forty branches, and this number is undergoing a regular increase. The subsidiary establishments are to be found in every town of any note, from the borders to the most northern point of Scotland. They are conducted by resident wealthy or re-

sponsible merchants and others, who give securities for intermissions, and are subjected to a very rigorous supervision by inspectors, who are continually travelling about for this purpose.

The prudent and enterprising manner in which the business of banking is conducted in Scotland, has often been the subject of remark and commendation. Several reasons may be assigned for the remarkable stability of the Scotch banks. Each bank, before gaining credit with its neighbors, must show that it possesses a sufficient paid-up capital, with a reserve fund in London, on which orders for balances may be given. It is also the custom of the banks to exchange the notes of each other once or twice a week, by which means the notes are sent very speedily back to the issuers, and thus an over-issue on the part of any single establishment is prevented. There can only be an over-issue by all the banks in the country becoming equally reckless, a thing not likely to occur to any serious extent. A third cause of the stability of the institutions, is the liability of shareholders for the debts of the establishment. Excepting in the case of the three old-established banks above specified, all the shareholders in the various banks are liable not only for the amount of their own shares, but for the shares of all the others; and the whole of their property may be seized to make up deficiencies. Although many of the shareholders are certainly not men of opulence, a number are so; and as their fortunes are good for the paper issued, the public runs no risk of injury. To strengthen this liability of shareholders, by the law of Scotland all heritable property, lands and houses, may be seized in satisfaction for their debts. As this is not the case in England, where personal or movable property can alone be taken by creditors, it would not be possible to establish banks in the south part of the island on the principle of the Scottish banks, till the law touching heritable property be altered.

Other causes, not of a legal nature, conspire to render the system of Scottish banking perfect. By reason of the circumscribed limits of Scotland, and the character of the people, a ramification of intelligence is created and preserved throughout the whole of society, altogether unknown in England, whereby the character, the wealthiness, and the conduct of the partners or directors of each bank, are made fully known to the rest. All seek, and all find, a knowledge of the management of each other. All are mutually on the watch; and symptoms of over-issues or other improprieties are spread with an amazing celerity, and have their immediate effect.

In comparing Scottish banking institutions with those in England, and considering the different manner in which paper money has been guided by the two nations, the uniform security of the former appears almost miraculous. From the first issue of the bank notes in 1704, till the year 1830, a single panic or general run did not occur in Scotland, although, during at least two-thirds of the intervening period, paper money had been used to the almost total exclusion of a gold currency. Partial and very temporary runs have assuredly been felt, from the effects of short-lived slander or mistaken notions, which have invariably been readily quashed; but in the course of a hundred and twenty-six years, there have only been two or three cases of banks failing to pay twenty shillings a pound (they paid 10s.) and four, in which, after a short suspension of payments, all demands were liquidated. Their failure or stoppage, with the exceptions we mention, did not put the public to any loss; but this was to the injury of the shareholders, many of whom were reduced from affluence to poverty.

The very common practice of making deposits of small sums in the banks, has further assisted in giving strength to the institutions. Each bank receives deposits of any sum above 10l., for which a regular interest is given; and on this account the banks may be said to be the custodiers and traders upon

all the spare capital of the country. Besides employing capital in discounting bills, lending money on heritable security, &c., the Scottish banks grant loans of fluctuating amount, called *cash accounts*. By a cash account is signified a process, whereby an individual, on entering into an arrangement with a bank, is entitled to draw out sums as required, to a stipulated amount, and by an implied condition to make deposits at his convenience towards the liquidation of the same.

Cash accounts are said to have originated from the following circumstance: A shopkeeper in Edinburgh, in the year 1729, found himself at times in the possession of more than a sufficient supply of ready money to carry on his trade, the overplus of which he consigned to the care of the neighboring bank. But on other occasions, by reason of the length of the credits given to his customers, his money became so scarce, that, after exhausting his bank deposits, he still felt himself in difficulties. Several dilemmas of this kind having occurred, he was prompted to make a proposal of a novel nature to the bank, to the effect that, if it would accommodate him in straits with small loans, he would always shortly afterwards make up such debts, and that the parties should come to a balancing of accounts at periodical intervals. It seems this proposal was acceded to. A cash credit, or liberty to draw to a certain extent, was instituted under securities; and thus originated a system which has been of immense benefit to bankers and traders, and is now followed over the whole of Scotland.

Cash credits are guarantied by two sufficient securities, or the applicants give infestment to heritable property in caution of the contingent debt, and when any such debt is liquidated, the deed is cancelled. The expense of expeding a cash credit varies according to the amount of the desired loan. One for 500*l.* may be stated at 15*l.* The deed requires no renewal. At the end of every six, and in some cases twelve months, calculations are made of entries and debits; the interest for and against the bank—the one being a per cent. higher than the other—is added and balanced, and an account being then rendered, the balance, if in favor of the bank, is either paid up, or remains against the debtor at interest to his new account. In these cash credits, the borrower is always at the mercy of the bank, which can call upon him at any time to balance his account, or, by his failing to do so, have recourse upon his securities.

Since 1729, cash credits have increased to an amazing extent. In 1826, it was computed that there were TEN THOUSAND in Scotland, varying in amount from 100*l.* to 5000*l.* each, but averaging from 200*l.* to 500*l.* Though originally designed for mercantile persons, they are now operated upon by farmers, manufacturers, house-builders, miners, lawyers, and all classes of traders and shopkeepers. From 1826, it is extremely probable that, instead of decreasing, they have increased a thousand or two more.

Banks are in the present day established in every civilized country. In the United States of North America they have been instituted to a great extent, and frequently on most unsound principles, their notes being for very small sums, and these in few instances negotiable without a loss at a comparatively short distance from the place of issue; often, also, there has been an universal stoppage of cash payments, in consequence of over issues of paper money, a sure testimony that the country was trading beyond what its actual capital warranted.

#### FINANCIAL POSITION OF THE BANK OF ENGLAND.

From the London Bankers' Magazine, April, 1847.

Although the financial position of the Bank of England has seldom been the subject of more anxious consideration than at the present time, and the

public possess greater facilities now than they have hitherto enjoyed for ascertaining the real condition of the establishment, yet considerable misunderstanding seems to exist, even amongst well informed persons, on the simplest questions relating to its resources and liabilities. We hear some parties talking of the enormous stock of specie, on which the directors can "fall back," if necessary; while others, analysing the weekly return in a different manner, look upon every reported diminution of the bullion as a clear indication of an approaching crisis.

The division of the bank into two departments assists in producing this misunderstanding. Those who regard the bank as identically the same institution it used to be, overlook the fact that it contains two distinct departments, each as independent of the other as can well be imagined; although, from their functions being attended to by one board of directors, and carried on under the same roof, the distinction is not so palpable as it would be, if the "issue department" was at Whitehall, and the "banking department" in Threadneedle street. Those who wish to understand the real position of the bank must, however, bear in mind, that the *banking* department is the only one over which the directors have control; and that the fluctuations in the *issue* department are entirely independent of any influence of the directors—being regulated solely by the demand for notes which the "bank proper" may make upon it, in exchange for gold. In endeavoring to ascertain, therefore, the financial position of the bank, our attention must be directed to the "banking department;" and the questions of most importance at the present time seem to be—how far is this department provided with the means of meeting a demand for bullion, such as may be expected from the present and probable state of the exchanges with America? and—is the demand likely to induce the directors to resort to more violent measures for contracting the circulation than they would have adopted were they not under the restrictions of the recent banking act?

The last published weekly return of the bank—that is, to the 20th March, 1847—would, before the passing of the bank restriction act, have shown the following as the liabilities and assets of the establishment:

| Liabilities.                |             | Assets.          |             |
|-----------------------------|-------------|------------------|-------------|
| Circulation with post bills | £19,913,820 | Total securities | £29,087,953 |
| Public deposits             | 6,471,623   | Bullion          | 11,231,630  |
| Private deposits            | 9,962,436   |                  |             |
|                             | £36,347,889 |                  | £40,319,583 |

Showing a balance of 3,971,704*l.* in favor of assets, that being the amount of "the rest," as published in the weekly return; and also showing that the bank held upwards of *eleven millions and a quarter* in bullion, all of which might be made available to meet any demands on the bank for gold.

Now, however, the case is very different, as will be seen by the following statement, made up of the same figures as the above return, but arranged in the form which exhibits the effect of the bank restriction act in diminishing the available funds at the bank's command.

| Liabilities.                                                            |             | Assets.                                                  |             |
|-------------------------------------------------------------------------|-------------|----------------------------------------------------------|-------------|
| The amount of notes in actual circulation, not including post bills, is | £19,069,190 | Government debt, and other securities allowed to be held | £14,000,000 |
|                                                                         | £19,069,190 | Bullion, in both departments                             | 11,231,630  |
|                                                                         |             |                                                          | £25,231,630 |

Showing a balance in bullion of 6,162,440*l.*, which the bank now holds available to meet any demand for specie; being 5,069,190*l.* less than she would have held available for the same purpose, under precisely similar circumstances, before the bank restriction act came into operation.

This reserve of 6,162,440*l.* will probably be reduced to less than *five millions* after the payment of the April dividends, and the withdrawal of the specie which will be sent out on the 4th instant, by the mail, to America. Unless, therefore, the directors can obtain gold from internal or foreign sources it is quite clear that the most vigorous measures of restriction will be adopted with regard to discounts; and she will again come into the market as a seller of public securities.

However important the question as to the bank's management may have been on former occasions, when this country was threatened with a "crisis," a far greater number of persons are interested in the satisfactory solution of it at the present time. A new interest has sprung up since any former period of pressure, more entirely dependent for its prosperity on the condition of the money market than either the corn or cotton interests, which have suffered so severely on former occasions. Railway affairs have now arrived at a *crisis*. If the forebodings of those who look for a continued depression of the money market, an increased rate of interest, and difficulty of obtaining banking accommodation, prove to be correct, disappointment must necessarily be the result of the splendid expectations of railway shareholders. "There will be no room for them at the financial table," and ruin must be the portion of many who now think themselves rich. The anxiety of the public to understand how far the bank may be able to meet the probable demands upon it, is proportionately greater than it ever was before; and the restriction under which the banks of issue suffer, prohibiting them from using their credit in any way to economize the use of gold and silver, renders it very desirable that a very large portion of the public should be able to understand, if possible, the future policy which the bank may think proper to adopt.

As already stated, the bank now holds *eleven millions and a quarter* in bullion. In July last, the amount was nearly *sixteen millions*, showing a diminution, since the exchanges became unfavorable to this country, of nearly *five millions*. It is asserted by parties in the corn trade, usually well informed, that unless the extraordinary purchases of wheat and bread-stuffs we have made and are now making in America, are met, to a great extent, by extra demands for our manufactured goods, that as large a sum as that we have referred to will be yet withdrawn from the bank's coffers. If so, what must be the result? Has the bank a sufficient stock of bullion on hand to meet the demand without difficulty? or will she be compelled to resort to violent measures for contracting her circulation, by increasing the rate of interest, and curtailing discounts? And if such measures should be found to be insufficient, or too injurious to be continued, will the present arbitrary division of her functions be suspended, and the bank be allowed to increase her issues, as she has done on former occasions when there has been an extraordinary demand upon her resources?

In order to answer these questions with any degree of satisfaction, it is necessary that we should understand the changes that have been made in the available means of the bank by the recent banking act, and whether she has the power of contracting the circulation to the extent which will be necessary to enable her to meet the anticipated drain upon her stock of specie. Under the old system the bank was at liberty to allow the stock of specie to descend to any point the directors thought proper; that is to say, as long as they held any amount of bullion on hand they could pay the notes presented. But now the state of affairs has changed. The *issue* department can never contain much less than *five millions* of specie. This amount must always be held, unless the directors by extraordinary exertions can reduce the amount of notes in circulation very much below the average of many years.

The amount of securities allowed to be held against the notes in circulation is but *fourteen millions* sterling; and while the notes in the hands of the public and of the banking department of the bank, is at or near the present sum of nineteen millions, there must, at least, be *five millions* of specie on hand. Those who have not paid attention to this point, appear to imagine that the bank's stock of gold must be estimated according to the old rule; but the new one introduced by the late banking act is far more stringent; so much so, that if the directors allowed their "reserve of notes" to become unequal to the demands upon them for deposits, public or private, they must necessarily suspend payments, whatever might be the amount of gold in the "issue department." The only way in which they can avoid such a catastrophe, is by a rapid withdrawal of notes from circulation; and to effect this they must raise their rates of discount, diminish very much the accommodation usually granted to their customers, and sell to a large amount the securities they hold, in order to obtain the means of paying the calls of their depositors and of the government. It is admitted on all hands that the opinion we expressed some time since is perfectly correct. The bank might be obliged to stop payment of gold in one department while it held a large stock of bullion in the other.

Assuming it to be very probable that a considerable demand for specie and for banking accommodation may, for some time to come, exhibit themselves simultaneously, it is worth while considering what will be the effect on the general state of trade, and particularly on those departments of business which are most active at this period. The "railway interest" immediately presents itself as that which is most likely to suffer; and if the effect of the screw was simply to prevent the progress of immature schemes, we might not perhaps consider the interference altogether unfortunate. But how will the various branches of our home trade support the pressure? How will our agriculturists and manufacturers be able to proceed, with high rates of interest and limited accommodation? Surely, the obvious fact that the natural, proper, and periodical demand for banking accommodation to carry on the usual business of the country cannot be complied with, under the circumstances referred to, proves that the foreign exchanges ought not, without some compensating arrangement of our currency system, to be made the arbitrary regulator of the local circulation? The farmers and shopkeepers, as well as the large manufacturers and railway shareholders, have a direct interest in this matter, as they will experience soon, unless the exchanges become more favorable; and we hope to see them taking part with the people of Scotland in opposing the continuance of a measure by which their interests are always jeopardized, and may ultimately be seriously injured. Now is the time to exhibit distinctly the objectionable principle of the bank restriction act, and the country bankers will be doing good service by directing the attention of their customers to its working at the present time.

At the half-yearly general meeting of Bank of England proprietors, held 11th March, (the attendance on the occasion was very large,) the meeting having been formally constituted, Mr. Heath, the governor, said that the court of directors, having considered the state of the banking accounts, advised that a dividend should be made, if this general court thought fit, of 3*l.* 10*s.* per cent., interest and profit, without any deduction, payable on the 5th of April next. They might wish to know, before he put the motion, something as to the state of the "rest." On the 28th of February, 1846, the "rest" amounted to £3,689,430; on the 31st of August, 1846, to £3,839,753; on the 27th of February, 1847, to £3,899,222; making an increase on the half year, to the 27th of February, 1847, of £59,469; and an increase to the rest of the whole year of £299,792.

The question as to a bonus having been discussed, the governor said this was the last occasion on which he should have to appear officially before them, and he should have been proud to propose such a thing before leaving office, but he was sure the proprietors would see that circumstances were operating at this moment which rendered caution on the part of the corporation very necessary; indeed, more necessary than ever.

After some discussion, it was, however, moved, that in addition to the 3½ per cent. dividend, the proprietors should have 1 per cent. bonus; and on being put to the vote, the resolution was carried by a large majority, amidst much cheering.

The governor, in consequence of what had taken place, moved, in addition to the motion for a dividend of 3½ per cent., that a bonus of one per cent. should be paid, and that a general meeting should be held to take the ballot on that proposition. This motion was carried unanimously; and it was then moved, that a vote of thanks be given to the governor, deputy-governor, and directors, and proposed, in doing so, that, as an acknowledgment of their zeal for the interest of the proprietors, their salaries should be paid free of income-tax. The motion was carried unanimously.

The governor, in returning thanks, stated that that would be the last time he should have the honor to address them in that capacity. Thereupon, a specific vote of thanks to the governor was proposed, which was at once carried, and the court broke up.

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## L I F E - A S S U R A N C E .

From Chambers' "Information for the People."

Life-assurance, in its ordinary character, is a means of securing, by a present payment in full, or of an annual payment, a sum to be realized after the decease of the party.

It is obvious that, to many persons, the having this in their power is of great importance. To none is it so important as to individuals in the middle walks of life, who, for the present, are perhaps able to maintain their families in comfort, but being unable to accumulate a large surplus capital, cannot be sure that, in the event of their death, those dependent on them will not be thrown into poverty. To such persons, life-assurance presents itself as a ready and convenient means of providing for those in whom they are interested. With a certain annual sum laid aside from a professional income, or from the profits of trade, such a person can make sure that, though death cut him off abruptly, his widow and children will have something to look to, either for an entire maintenance, or to aid in enabling them to gain one for themselves. By the same means, an individual, possessing an entailed estate, can make provision out of its current rents for those younger and female children, who, at his death, would cease to be benefited by it. An individual, also, incurring a risk in behalf of another, or having a large claim upon him in the form of a debt, can insure upon the life of that person such a sum as would be sure to cover all loss, in the event of that person's sudden death. There are many other circumstances in which life-assurance may become highly beneficial; but its chief utility lies in securing a certain sum to helpless persons, in the event of the decease of those on whom they depend.

The principle on which life-assurance mainly rests, is one which it has been reserved for modern times to discover, namely, that, while the duration

of the life of a single person is of all things the most uncertain, it is possible to ascertain, with tolerable clearness, how many of a *multitude* of persons of a particular age will die within next year, how many in the second year, how many in the third, and so on. The medium or average gives what is called the *expectation of life* for each person of the set. A certainty, in short, is attained on this proverbially uncertain subject, when we take a great number of persons, and consider them with regard to the circumstances in which they live. It is found, for instance, that, of 100,000 persons, aged 52, residing in this country, the number who will die before another year has elapsed, will be about 1521, or rather more than one and a half per cent. Supposing that these 100,000 persons were to associate for the purpose of making sure that the widows or other heirs of all those who died within a year should have £1000. It would only be necessary, in that case, for each person to contribute as much to a common fund as would make up £1,521,000, or a thousand times 1521; that is to say, each would have to pay in £15, 4s. 2d. It is clear that those who died, or their heirs, would profit to the extent of £984, 15s. 10d.; but without injury to those who survived, for these also had their chance of gaining, for which it was but fair that they should pay. This would be a simple transaction in life-assurance, and may serve to convey an elementary idea of what life-assurance is, though, in practice, the transactions are usually of a somewhat more complicated kind.

An assurance is rarely transacted for a single year. The object of most is to pay a certain sum each year, as long as they live, in order that a sum may be realized at their death. Assurers are also of various ages; the young have the expectation of longer life than the old. It therefore becomes proper that they should pay less than those more advanced in life. Indeed, there ought to be a payment appropriate to each particular age; and this, accordingly, is the case. Another point calls for particular consideration. The payments being made, not to clear off one year's claims, but to make good a sum many years hence, large funds become accumulated, and upon the improvement of these much depends. If a high rate of interest is obtained, the funds experience a rapid increase, and the less payments are required to effect insurances. If, on the contrary, the interest realized be small, the insurers require to make their original payments so much the higher.

Life-assurance is effected in this country either in offices established by joint-stock companies, who look to making a profit by their business, or by mutually assuring societies. The former are shortly called *proprietary*, and the latter *mutual* offices. Offices of the first kind are usually held by a joint-stock copartnership, with a large subscribed capital; and the chief advantage which they hold forth, is the ample security for all claims presented by the capital, and the respectability of the shareholders. In the case of a mutual office, there is only, it may be said, an association of customers, each of whom is concerned in insuring his neighbor. In this case, however, all surplusages, instead of going into the hands of a trading company, remain the property of the insurers, and are liable to be divided among them. For a long time, the business was conducted almost exclusively by companies; but it was at length seen that all desirable security was to be obtained on the association principle; and for some years this system has been advancing much more rapidly than the other. In various instances, companies have scales of charges allowing a participation in surplusages; and these are usually called *mixed* proprietary and mutual offices.

The existing British offices are about eighty in number, most of them of recent origin. The oldest is the Amicable, of London, established on the mutual principle in 1706. At the time when it was set up, no calculations as to life existed; and the conductors were accordingly obliged for many

years to proceed in a great measure at random, charging the same premiums or annual payments for all ages under forty-five! The other offices, dating from the last century, are the following: The Sun, 1710, proprietary; the Union, 1714, mixed; the London, 1721, mixed; the Royal Exchange, 1722, proprietary; the Equitable, 1762, mutual; the Westminster, 1792, proprietary; the Pelican, 1797, proprietary; and the Palladium, 1797, mixed. Ten were established during the first ten years of the present century: The Globe, 1803, proprietary; the Albion, 1805, proprietary; the London Life-Association, 1806, mutual; the Provident, 1806, mixed; the Rock, 1806, mixed; the West of England, 1807, mixed; the Hope, 1807, mixed; the Eagle, 1807, mixed; the Atlas, 1808, mixed; and the Norwich Union, 1808, mutual. The rates charged by these offices are very various, but in all cases they have been found sufficient for the risks. In most instances, the companies divide large profits, while the mutual offices have realized equally large surpluses, which they have divided amongst the insurers, in proportions according to the sum assured and the duration of the insurance, or upon some other principle which may be thought preferable.

Life-assurance grew up in the last and present centuries amidst such an imperfect knowledge of the data on which it depends, that there is little to be wondered at in the great variety of rates charged by the different offices. These data are now much better understood, and it has become possible to arrive at a comparatively close estimate of what charges are really required from an individual, in order to make good a sum at his death for the benefit of his survivors. There might be greater closeness still, if the laws of mortality, now so well ascertained, were alone concerned; but the rate of interest upon money also enters into the calculation, and this, as is well known, is liable to fluctuation. Loose as the matter thus remains in some measure, enough is ascertained to admit of an approximation being made to something like a standard for the conducting of this important branch of business.

The rate of mortality and the rate of interest upon money are the two principal data on which life-assurance practically depends. We shall first consider

#### THE RATE OF MORTALITY.

Tables of mortality are founded on the assumption that human life is of a certain average endurance; and by means of them we estimate the number of deaths that may be expected among a given number of individuals, from the proportion that has been observed to occur among another class similarly circumstanced.

The tables of mortality adopted in this country as the basis of calculation for insurance companies, are *three* in number. That known by the name of the *Northampton table*, is the oldest now in use. It is founded upon observations made by the celebrated Dr. Price, of the deaths registered for the population of one of the parishes of the town of Northampton, during the years between 1735 and 1780. This table, it is now acknowledged, shows far too high (or rapid) a rate of mortality, owing partly to no effect having been given to the fluctuations in the population of that parish, from immigration and other such causes, and partly to the great improvement which has taken place in the value of life since the middle of last century, consequent upon the introduction of vaccination and other improvements in medical science, as well as in the habits and modes of living of the people. In 1827, a select committee of the house of commons, appointed to investigate this subject, reported—"The evidence appears to your committee to be strong and decisive in favor of the use of tables which give an expectation of life higher than the Northampton. In truth, there is not even a *prima facie* case in their favor."

The *Carlisle table* was formed, not from the register of burials among a floating population, but from observations of the deaths which occurred, at each year of life, among a certain stated number of persons in the town of Carlisle. The observations were conducted by Dr. Heysham, and the calculations made, in the most scientific manner, by Mr. Joshua Milne, author of a valuable work on annuities.

Finally, the *government tables* were compiled from observations on the progressive mortality occurring among the government annuitants and other selected classes, distinguishing the sexes. They were prepared under the directions of government, by Mr. Finlaison, actuary to the national debt; and in 1829 were adopted by parliament as the basis upon which their future calculations should proceed. Mr. Finlaison's researches established the fact of the longer duration of female life. He also observed "a very extraordinary prolongation of human life" in the course of the time over which his inquiries extended—so great "that the duration of existence now, as compared with what it was a century ago, is as 4 to 3 in round numbers."

Besides these three, a table was framed by Mr. Griffith Davies from the deaths reported from time to time among the members insured in the great Equitable Society of London, from its commencement in 1762 down to 1829, which has since been recalculated and continued down to a later period by Mr. Morgan, the actuary to that society. This table is very valuable, as confirming the substantial accuracy of other observations, with which it very nearly corresponds. The relation which these tables bear to each other may be seen at a glance from the following table, showing the *mean expectation of life* at various ages according to each.

| At Age. | By Northampton. | By Carlisle. | By Government. |          |       | By experience of the London Equitable. |
|---------|-----------------|--------------|----------------|----------|-------|----------------------------------------|
|         |                 |              | Males.         | Females. | Mean. |                                        |
| 20      | 33.43           | 41.46        | 38.39          | 43.99    | 41.19 | 41.67                                  |
| 25      | 30.85           | 37.86        | 35.90          | 40.81    | 38.36 | 38.12                                  |
| 30      | 28.27           | 34.34        | 33.17          | 37.57    | 35.37 | 34.33                                  |
| 35      | 25.68           | 31.00        | 30.17          | 34.31    | 32.24 | 30.93                                  |
| 40      | 23.08           | 27.61        | 27.02          | 31.12    | 29.07 | 27.40                                  |
| 45      | 20.52           | 24.46        | 23.75          | 27.81    | 25.78 | 23.87                                  |
| 50      | 17.99           | 21.11        | 20.30          | 24.35    | 22.33 | 20.36                                  |
| 55      | 15.58           | 17.58        | 17.15          | 20.79    | 18.97 | 16.99                                  |
| 60      | 13.21           | 14.34        | 14.39          | 17.32    | 15.86 | 13.91                                  |

Independently of the acknowledged deficiency of the data on which the first mentioned table is founded, the mere fact of its differing so much from any other authentic observation, is of itself conclusive against it; and, by parity of reasoning, the close agreement of the others affords strong presumptive evidence in their favor, and imparts a high degree of certainty to calculations based upon them. The Carlisle table occupies a mean place between the male and female observations of government, showing a somewhat shorter duration than the mean of these. It also coincides very nearly with the experience of the Equitable Society. Considering that it is thus supported by two other sets of observations, and that the whole three extend over a period during which life was not so good as it has since become, the general opinion in favor of the safety of the Carlisle tables for life-assurance may be held as well founded. This opinion receives corroboration from the experience of the Scottish Widows' Fund, which extends over the last twenty-five years. In 1834, the auditor of that society reported, as the result of a careful investigation, "that the expected number of deaths by the Northampton table, which is the table of the society, is to the actual number during the whole progress of the society, as 100 to 57; and the proportion of the expected number by the Equitable experience is to the actual number as

100 to 87." We have understood that the experience of the Scottish Widows' Fund since 1834 is even more favorable to life. If, then, we were to take the whole twenty-five years' experience of this society as a criterion, we should come to the conclusion that the Equitable experience, the Carlisle tables, and the government mean, are considerably within the verge of safety, while the Northampton tables are so far from the standard of modern life as to be, particularly with regard to the younger class of lives, quite unfit for use.

We have now to advert to

#### THE RATE OF INTEREST,

meaning the rate at which the yearly premiums may be expected to be improved.

This subject is one which does not admit of the same certainty as the other, and on which, accordingly, there may be great differences of opinion. In 1829, Mr. Finlaison writes—"I take it for granted that it will be considered safe enough to assume that money, in a long course of years, will so accumulate, through all fluctuations, as to equal a constant rate of 4 per cent.; because, in point of fact, money has hitherto accumulated at 4½ per cent., whether we reckon from 1803 or from 1783." Other writers, again, and among them Mr. De Morgan, looking chiefly to the high price of the 3 per cents. of late years, say that not more than 3½ per cent. should be counted on. Practically the investments of assurance offices are made on terms much more favorable. It appears, from the published report of the Edinburgh Life-Assurance Company, dated December, 1838, that for the three preceding years (1836, 1837, and 1838, when interest was unusually low,) the average rate realized on their funds was £4, 16s. 6d. per cent.—about 1½ per cent. higher than the return from the 3 per cents. during the same time. And this, it is stated, was obtained without any part being laid out in the purchase of reversions—on which, it is known, a much higher rate can be got. The example of this office is quoted merely from the circumstance of their report happening to state the precise return at that period. Other Scottish offices are said to have obtained a higher rate. Most of them state that their funds are invested "about," "at," or "above," 5 per cent. Indeed, it is not conceivable that the offices could make such large returns to proprietors and members, in the shape of dividends and bonuses, if they did not generally improve money at about the rate last mentioned. From all of these circumstances, it does not appear likely that calculations for life-assurance, in which the interest of money is assumed at *four per cent.*, will, while Britain remains in nearly its present condition, prove unsound.

#### EXAMPLE OF LIFE-ASSURANCE CALCULATION.

According to the Northampton tables, out of every 11,650 persons born alive, there will be 46 living at the age of 90. From these tables being ascertained to be unfavorable to life, this must be understood as not strictly the case, but it may be adopted for the sake of illustration. The same tables make it appear that, of the 46, 12 will die in the course of the first year, 10 during the second, 8 during the third, 7 during the fourth, 5 during the fifth, 3 during the sixth, and the last remaining life will fail in the course of the seventh year. It is a favorite mode of exemplifying life-assurance calculation, to suppose these 46 persons, aged 90, associating for the purpose of assuring £100 to each at death. They are supposed to proceed upon the principle of paying all that is required in one sum at first, thus forming a fund which is to answer all the demands which are to be made upon it. In this calculation the improvement of money has been assumed at 3 per cent.

The object is to ascertain what sum, by way of present payment, each is to contribute to the fund, so that it may discharge £1200 the first year, £1000 the second, £800 the third, and so on.

Practically, life-assurance is not effected upon lives so advanced as ninety years. It is common to confine business to ages under 60; and the great bulk of insurers are between 27 and 40, the time about which men in this country begin to feel the responsibilities of a family. But the calculations followed for the various ages are formed exactly in the above mode. All the persons of a particular age in a life-assurance society are considered as a distinct group insuring each other. Of those, for instance, at 30 years of age, it is calculated what proportion will die the first year, what the second, and so on; and from each the society looks for such a contribution, present or prospective, as may make up an aggregate sufficient, with the accumulation from compound interest, to pay the sum assured upon each life in that group. It is quite the same thing to the society, or, we shall say, to the general interest, whether the individual insurers pay the whole required contribution at once, or in a series of annual payments, which, as the plan convenient for most, is that generally adopted.

#### FORMATION OF RATES.

According to the principles of which we have given a slight outline, offices form scales of rates at which they profess to do business. In these rates a great discrepancy exists, for many continue to calculate mortality according to the Northampton tables, which, as shown, give the decrement of life too high; while others proceed upon those more recently formed, which are certainly much nearer the truth; and some, again, assume interest at only three or three and a half per cent., while others deem four not too high. There is also an allowance for the expenses of business to be added to the naked sums required by a regard to mortality and interest, and here also the minds of parties may differ, some allowing more and some less on this account.

In most cases, the charges for life-assurance are considerably within the verge of safety. Hence companies generally divide good profits, and societies realize large surplusages, which fall to be divided among the insurers, in the form of additions to the sums stated in their policies. The scales of the various offices may be classed in three grades or sets, of each of which we shall give a few examples, endeavoring, at the same time, to show how each particular grade of charges operates in the realization of profits and surplusages.

Scales of the first or lowest grade are followed as yet by comparatively few offices; but the number is increasing. We presume that they proceed upon modern tables of mortality, and the expectation of four per cent. at an average, as, with regard to one of the following (the Scottish Provident,) we have been informed that it follows the government table of males, and calculates upon money being improvable at the above mentioned rate, adding from 10 to 15 per cent., according to age, for expenses of management, and as a guarantee against any unfavorable fluctuations of mortality and interest. We here, as elsewhere, limit ourselves to offices of undoubted probity.

|                                                | 20      | 30     | 40      | 50      | 55      | Total betw.<br>20 and 60. |
|------------------------------------------------|---------|--------|---------|---------|---------|---------------------------|
| Aberdeen Assurance<br>Company,                 | £1 14 7 | £2 2 0 | £2 14 5 | £3 19 5 | £4 19 0 | £129 7 9                  |
| Standard L. Assurance<br>Company, Edin.,       | 1 12 10 | 2 2 11 | 2 17 2  | 3 19 8  | 5 0 0   |                           |
| Scottish Provident In-<br>stitution, (mutual,) | 1 15 8  | 2 1 6  | 2 14 9  | 4 1 7   | 5 1 11  | 131 8 8                   |

The high premiums borne by the stocks of the two above companies, form a tolerably fair evidence (notwithstanding their having also higher scales,) that business can be profitably transacted at these rates. It may likewise be mentioned, that the Edinburgh Life-Assurance Company, which presents a scale nearly the same in aggregate amount as the above (£133, 4s.,) divides 6 per cent. upon its stock, the £10 shares of which stand at £14, 10s. in the market. The Scottish Provident is of five years' standing only; but it has done a large amount of business, and its experience as yet tends to show that the rates are considerably within the verge of safety. The following is a selection of respectable offices in which somewhat higher rates are charged:

|                         | 20      | 25       | 35       | 45       | 55      | Total betw.<br>20 and 60. |
|-------------------------|---------|----------|----------|----------|---------|---------------------------|
| Economic Co., Lond.,    | £1 14 7 | £1 19 0  | £2 10 11 | £3 11 9  | £5 10 3 | £141 12 6                 |
| Norwich U. Society,     | 1 19 6  | 2 3 8    | 2 14 10  | 3 11 0   | 5 5 3   | 142 10 4                  |
| Guardian (mixed,)       | 2 1 0   | 2 5 4    | 2 17 0   | 3 14 11  | 5 4 8   | 146 3 3                   |
| Scot. Widows' Fund      | } 2 1 6 | } 2 5 10 | } 2 17 6 | } 3 15 6 | } 5 4 2 | } 146 12 5                |
| Scot. Equit. Societies, |         |          |          |          |         |                           |

The Economic is a proprietary office, giving three-fourths of the surpluses or profits to the assured. It was established in 1823. In 1834, a bonus, amounting to 16 per cent. on the premiums paid, was declared; and in 1839 there was a second bonus, amounting to 31 per cent. on the premiums paid during the preceding five years. The Norwich Union, in 1816, gave a bonus of 20 per cent. on the amount of premiums deposited by the members insured previous to June, 1815; a second bonus of 24 per cent. in 1823; and a third of 25 per cent. in 1830. The Guardian is a proprietary office, in which a proportion of profits not stated is given to the assured. Established in 1821, its first division of profits was made in 1828, and a second in 1835. At each period, the bonuses averaged rather more than 28 per cent. on the amount of the premiums paid thereon during the preceding seven years. The Scottish Widows' Fund and Scottish Equitable have both declared large surpluses. At the division of the first of these highly prosperous societies, in 1825, the policies opened between 1815 (the commencement of the society) and 1820, were declared entitled to 2 per cent. for each year of their currency. In 1832, the same policies received a further addition of 3½ per cent.; and at the same time those opened between 1820 and that time, were declared entitled to additions amounting to 1½ per cent. per annum. In 1839, a retrospective bonus of 2 per cent. per annum was declared on all policies. The effect of these additions is, that policies for £1000, opened before 1820, at whatever age, will amount in 1845 to £1809, 8s. 7d. In 1841, the Scottish Equitable made its first division of surpluses, amounting to 2 per cent. per annum on all policies of above five years' standing; so that the heirs of a person who insured £500 in 1831, (the first year of the society,) would now, in the event of his decease, realize £600, and so on in proportion.

A third class of offices, adopting, like the preceding, the Northampton tables, and generally of old standing, and acting upon old calculations, present higher scales of rates, of which we shall give a few examples:

|                       | 20      | 25     | 35       | 45       | 55      | Total betw.<br>20 and 60. |
|-----------------------|---------|--------|----------|----------|---------|---------------------------|
| Globe Company,        | £2 3 7  | £2 8 1 | £2 19 10 | £3 17 11 | £5 6 4  | £151 5 2                  |
| Sun Company (mixed,)  | 1 16 11 | 2 2 6  | 2 16 8   | 3 17 8   | 5 19 11 | 154 16 6                  |
| Amicable Soc'ty, Lon. | 2 0 6   | 2 5 6  | 2 17 0   | 3 18 6   | 5 18 0  | 155 3 6                   |

There are a few offices which charge still higher rates. The aggregate premiums of the London Assurance and National (mixed offices,) are respectively £157, 0s. 8d., and £158, 3s. The London Life (mutual) is the highest, the aggregate of the scale being £171, 18s.

It is clear that, if business can be transacted by a company at a profit, on a scale of rates amounting in the aggregate to £129, 7s. 9d. (as in the case of the Aberdeen Company,) the last set of rates ought to give companies very large profits, and societies equally considerable additions to policies. The scale of the Globe is also that of the Rock and Atlas, proprietary offices granting a share of profits to the assured. In the Rock, where three-fourths of the profits are divided, policies opened in 1806 for £1000, at whatever age, are now £2001, 11s. In the Atlas, which has not announced to the public the share of profits extended to the assured, policies for £1000, opened in 1816, ranged in 1837 from £1338 to £1789, according to age.

The high rates are defended on various grounds. A company making high charges, and consequently good profits, may be supposed to have more stability than one making moderate charges; while, of a society pursuing business on the same plan, it may be said that the overplus becomes a kind of bank deposit, to be ultimately realized by the depositor. With regard to companies, the defence may or may not be sound, according as business is managed discreetly or otherwise—and there certainly are offices of that nature, entitled to the most implicit confidence, although they present moderate scales. The defence is of greater force with regard to societies; but even there it is not free from objections. The high rate societies, proceeding upon the Northampton tables, commit a constant injustice to young and middle-aged members, in favor of the old. The needless amplitude of their funds tend to occasion a less careful use of them in conducting the concern: there is, for instance, a greater temptation to give large commission to persons, who, as it is said, bring business; a practice in no respect different in morality from that of butchers and grocers who bribe cooks and butlers to favor them with their masters' custom. But the greatest objection to a needlessly high scale, is that it must act as an obstruction to the first step in what is generally one of the most important moral acts of a lifetime—the effecting of a life-assurance. We would here be understood to draw a broad distinction between an unsound low rate and one which is sufficient to satisfy a reasonable anxiety for security. Rates much below the first of the above three scales would be decidedly unsafe, taking all likely contingencies into account. On the other hand, it ought certainly to be possible to transact perfectly safe business upon a medium of that scale. Those who, for further caution, prefer the next scale, must be said to pay highly for it, if they resort to a company which gives no share of profits to the assured: if they become members of a society, large periodic additions to policies will be no more than their due.

In order to convey still more distinct notions respecting rates of life-assurance, we subjoin a scale of those which are required, exclusive of expense for management, upon the Carlisle tables, taking money variously at 4 and 3½ per cent.:

|                       | 25      | 30      | 35     | 40     | 45      | 50     | 55     |
|-----------------------|---------|---------|--------|--------|---------|--------|--------|
| 4 per cent., . . . .  | £1 10 4 | £1 15 1 | £2 0 5 | £2 7 6 | £2 15 6 | £3 7 3 | £4 5 8 |
| 3½ per cent., . . . . | 1 12 1  | 1 18 11 | 2 2 5  | 2 9 7  | 2 17 10 | 3 9 9  | 4 8 2  |

The rates actually charged by the offices which we have cited, may easily be compared with these. It will be found that the additions made for management and the security of the concern, even to the 3½ per cent. rate, are very considerable. The aggregate of the above ages at 3½ per cent., is £18, 16s. 9d.; and that of the same ages by the actual rate of the Aberdeen Company, is £21, 4s. 11d., or nearly 12½ per cent. higher; that of the same ages by the Scottish Widows' Fund, is £24, 7s. 11d., or 29½ per cent. higher; while that of the London Anicable, is £25, 11s., or above 35½ per cent. higher.

## MORAL DUTY OF LIFE-ASSURANCE.

On this subject we add some remarks from a paper in *Chambers' Edinburgh Journal*, No. 373. They are conveyed in language which is apt to appear unmeasured to one who has not given the subject much consideration—but, we believe, *only to him*.

“Such being the equitable and beneficial principles on which mutual assurance societies are established, it is clear that they present, to men in the enjoyment of income, but possessing little property, a most suitable and favorable means of providing, in a greater or less measure, for the endeared and helpless relatives who may survive them. That only about 80,000 persons in the United Kingdom should have taken advantage of life-assurance, being but one in sixty-two of the supposed number of heads of families, surely affords a striking view of—shall we call it the improvidence of mankind, or shall we not rather designate it as their culpable selfishness? For what is the predicament of that man who, for the gratification of his affections, surrounds himself with a wife and children, and peaceably lives in the enjoyment of these valued blessings, with the knowledge that, ere three moments at any time shall have passed, the cessation of his existence may throw wife and children together into a state of destitution? When the case is fully reflected upon, it must certainly appear as one of gross selfishness, notwithstanding that the world has not been accustomed to regard it in that light. It is unquestionably the duty of every man to provide, while he yet lives, for his own: we would say that it is not more his duty to provide for their daily bread during his life, than it is to provide, as far as he can, against their being left penniless in the event of his death. Indeed, between these two duties there is no essential distinction, for life-assurance makes the one as much a matter of current expenditure as the other. One part of his income can be devoted by a head of a family to the necessities of the present; another may be stored up, by means of life-assurance, to provide against the future. And thus he may be said to do the whole of his duty towards his family, instead of, as is generally the case, only doing the half of it.

“It may be felt by many, that admitting this duty in full, their income is nevertheless insufficient to enable them to spare even the small sum necessary as an annual premium for life-assurance. The necessities of the present are in their case so great, that they do not see how they can afford it. We believe there can be no obstacle which is apt to appear more real than this, where an income is at all limited; and yet it is easy to show that no obstacle could be more ideal. It will readily be acknowledged by every body who has an income at all, that there must be some who have smaller incomes. Say, for instance, that any man has £400 per annum: he cannot doubt that there are some who have only £350. Now, if these persons live on £350 why may not he do so too, sparing the odd £50 as a deposit for life-assurance? In like manner, he who has £200 may live as men do who have only £175, and devote the remaining £25 to have a sum assured upon his life. And so on. It may require an effort to accomplish this; but is not the object worthy of an effort? And can any man be held as honest, or any way good, who will not make such an effort, rather than be always liable to the risk of leaving in beggary the beings whom he most cherishes on earth, and for whose support he alone is responsible?”

¶ The preceding article has been selected from a popular series entitled “Chambers' Information for the People,” and we take the occasion to urge upon our readers the duty which devolves upon every good citizen to insure his life, when there are others dependent upon him directly or remotely, for support.

We should be glad to see effected a combination of a savings' bank with a life insurance company: holding out to policy holders a higher rate of interest upon small deposits, thereby creating additional inducements for savings and means towards a provident fund for the widow and orphan.—EDITOR B. M.

## IMPRISONMENT FOR DEBT.

The subject of imprisonment for debt has been annually brought before the legislature of Maryland, for many years, with a view to the abrogation of the system which now prevails in this state. So far as we can learn, Maryland is the only state in the Union in which laws for imprisonment for debt exist, and strenuous efforts have been made to abolish these laws. A bill to this effect passed the house of delegates at the last session but was rejected in the senate.

With a view to show the opinions of able and practical men, upon this subject, we now furnish our readers with the editorial remarks of the *London Times*, and with a communication from Mr. Fane, commissioner of bankruptcy in England, both of which indicate that the effects of abolishing former laws are not looked upon in a favorable light in that country.

The question arises, whether the liability of the person for debt has a beneficial effect, or not, upon society at large. Whether such a liability is in favor of or against the interests of the poor man. In Maryland, the opinions of members of the bar generally and of practical and reflecting men are to the effect that imprisonment for debt as it now exists in the state, or something similar, is necessary for the protection of the poor man. In Maryland, the insolvent debtor who is confined for debt, can be released upon a petition for relief under the insolvent laws, and upon furnishing sufficient security to appear at fixed periods to answer any allegations on the part of creditors

From the *London Times*.

The abstract idea of a bankrupt law is the simplest in the world. Divested of all the unnecessary details in which modern legislation has involved it, and freed from the encumbrance of judicial decisions and acts of parliament, it presents the form of a single and most intelligible proposition. The proposition, too, admits of the easiest expression:—*Cessio bonorum*—a surrender of property for the benefit of creditors. Here is the true principle, the whole secret. Taking this as our guide, and constantly referring to it at every step, we cannot go far wrong. Whether the business be the construction of a new system, or the repairing of an old one, this single idea will always suffice. It is as the square and plummet to the builder, which he can never lay aside without risk. It is because our legislative builders have disregarded its use, and endeavored to do without it, that our bankrupt and insolvent code has spread out to such a shapeless undigested mass. There is no guiding principle in it, no plan or standard of construction. Therefore it is that parts are always falling down and crumbling to ruin, and the builders must be ever at work to prop and patch and restore. It seems to us that, instead of continually repairing the superstructure, they had better examine the foundations. We are sure they would find them rotten.

A thing that requires constant mending cannot be worth much. One has not only no use of it whilst the mending is going on, but the cost in the end generally exceeds the intrinsic value. A horse that is always sick and in the stable is said to eat its head off. A law that is always being amended, and can never get out of the houses of parliament, is much in the same predicament. It is simply worthless. Better throw away the carcass, and try to get something better. Nothing can be worse than what we have. The chances are certainly in favor of improvement.

And then let us begin at the beginning. The first step should be to abolish the distinction between bankrupts and insolvents, and to establish one code for all debtors. Mr. Commissioner FANE recommended this more than two

years ago, and M'CULLOCH takes the same view in his *Political Economy*. Some statutes of the present reign, indeed, have already discovered a tendency of the legislature in the same direction. The act of 1842, reciting that "it is expedient to protect from all process against the person such persons as have become indebted without any fraud, or gross or culpable negligence, so as nevertheless their estates may be duly distributed among their creditors," places traders whose debts are under 300*l.* and non-traders upon the same footing, enabling them all, without distinction, to obtain protection both for person and property by petition in the court of bankruptcy. This act conferred a great boon upon insolvents, and was, perhaps, not less beneficial to their creditors. It enabled a great number of persons to originate proceedings against themselves, and thus, if they were honestly inclined, to save their property from the grasp of one rapacious creditor. The act of 1839, commonly called the mesne process act, applied, we believed, only to judgment debtors taken in execution, so that no insolvent could obtain the benefit of that law without first suffering imprisonment. Now, as the body could not be taken in execution except in the case of there not being goods enough to satisfy the judgment, it happened as a necessary consequence that when an insolvent was brought before the court for his discharge, he had seldom any assets at all to be divided. One creditor had absorbed the whole for his own exclusive benefit, and the object of a *cessio bonorum* was altogether defeated. The effect of the amended law is in some measure to remedy this evil. An honest man who finds himself in a state of hopeless embarrassment will at once declare his condition, and whilst he obtains a personal advantage by the declaration, will confer a much greater benefit upon the general body of his creditors. Still, however, a distinction was kept up between traders indebted in a larger amount than 300*l.* and other persons. The principle of voluntary surrender of property by all debtors whomsoever was not fully carried out. A statute, it is true, which was passed in the same year as that last mentioned, enable any-trader to file a declaration of insolvency, which, however, was only considered as an act of bankruptcy, so as to put the property within the reach of the bankrupt laws, in the event of a fiat being taking out by a creditor within two months after the declaration. But a fiat is a creditor's proceeding, in respect of which he is subject to no control. If no creditor will take it out, the bankrupt is helpless and the law powerless. Each man may pursue the debtor on his own account, and it is a matter of chance whether or not there is any surrender for the general benefit. This state of things remained for two years longer, until an act of 1844, provided that the LORD CHANCELLOR might issue a fiat against any trader upon his own petition. Thus all persons were, in the first instance, put upon the same footing. Any man since then, whether trader or non-trader, may publish his own insolvency, give up his property for the benefit of his creditors, and obtain protection from personal restraint.

We think that this provision of the law is not less wise than merciful. It may, perhaps, appear that an extension of the creditor's power over the person of his debtor is inconsistent with the principle of voluntary insolvency. But the extension that we propose would not be found so in reality. Under the old law, doubtless, the power of the individual creditor was not less opposed to the principle of a good bankrupt law than to every feeling of the commonest humanity. It offered a premium to rapacity and cruelty, and threw the debtor's property as it were into the kennel for a general scramble. We do not desire to restore this law, but to substitute another in its place. It must not be forgotten that whilst we have lately tied the creditor's hands and loosed the debtor's, thus freeing misfortune from oppression and honesty from punishment, we have made no provision against the unreasonable

hopes of the sanguine or the cunning subterfuges of the dishonest debtor. We have before us the outline of a bill which, in its preamble, truly recites the mischief to be remedied:—"Whereas it has been found by experience that the abolition of arrest on mesne process has greatly increased the expense and difficulty of compelling payment of debts, and has enabled debtors to continue to resist their creditors, until the greater part of their assets has been wasted or concealed, or distributed among favored creditors." As a fact, we think that the assertion contained in this preamble is indisputable. So far as we are informed, the opinion of all persons engaged in the administration of this branch of the law is unanimous on the subject. The remedy, however, is not so clear. The matter is full of difficulty, and we cannot say that our own judgment is altogether satisfied with the proposed enactments of the bill alluded to. Deeming them, however, well worthy of consideration, we publish them as a conclusion to our present remarks:—

"No writ of *capias ad respondendum* shall issue against any person, except upon the order of one of the London or district commissioners of her majesty's Court of Bankruptcy."

"No commissioner of the Court of Bankruptcy shall issue such order unless the creditor applying for the same shall file in court an affidavit, stating the particulars of his debt; and if the debt shall be on balance of account, or shall consist of more items than one, then annexing to his affidavit an account, commencing with the time when the account was last stated and agreed between himself and his debtor, if ever, and showing every subsequent item, and the balance."

"No commissioner shall issue such order unless the party applying for the same shall show to him a clear *prima facie* case of debt due, and shall make affidavit that the payment thereof has been twice demanded by letter, sent by post, addressed to the debtor at his last known place of residence according to the usual and ordinary course of business; and that the second letter was sent not earlier than one week after the first letter, nor earlier than three weeks before the day of application to the court."

"The commissioner, before issuing such order, shall be careful in examining into the reality of the debt alleged to be due, and into its nature and consideration; and shall, for that purpose, require of the creditor demanding such order the production of such books and papers and writings as may be necessary to evidence the reality of the debt; and shall also require the personal attendance of the creditor, or, in cases where the debt is alleged to be due to more persons than one, of one of such creditors, unless under special circumstances he shall think fit to dispense with such attendance."

"As soon as the alleged debtor shall be taken under such writ of *capias*, he shall be brought forthwith before a commissioner of the Court of Bankruptcy, and shall be at liberty to show either that the debt or any part thereof is not due, or that there is so much doubt about the reality of the debt as that the creditor ought to be left to establish his right in the proper court of justice before being permitted to issue a *capias* against the debtor; and for such purpose shall have liberty to examine the person or persons at whose instance the *capias* issued, and to produce such books, papers, and writings as he may think necessary to explain his case, after which the commissioner may either discharge the party arrested, or order him to give bail, with two sufficient sureties, in such sum as shall appear to the commissioner to be actually due, for the payment of such sum as may thereafter be adjudged to be due, pursuant to such judgment when made."

"The party arrested shall be entitled to his discharge on payment into court of any sum for which the commissioner shall order him to give bail."

From the London Bankers' Magazine.

We have great pleasure in submitting to our readers the following important and interesting paper, by Mr. *Commissioner Fane*, to whom the trading part of the community is much indebted, and whose experience of many years as Commissioner of the Court of Bankruptcy, entitles his opinions on the law of debtor and creditor to great respect.—*Ed. Lond. B. M.*

This paper has reference to two points, submitted to the committee of "the society for promoting the amendment of the law," viz.

1st. To consider the present state of the laws relating to imprisonment for debt, and the means of giving more efficient and complete power over the property of, and punishing, fraudulent debtors.

2nd. To consider how far the process of county and other courts for the recovery of small debts, can be made consistent with the abolition of imprisonment for debt.

I shall assume for the present that credit is beneficial, and ought to be protected and encouraged. I am aware that an opinion prevails very extensively amongst the richer classes, that credit ought not to be encouraged, that it ought rather to be checked; but this is a one-sided opinion; it is the opinion of those who *take* credit, and seldom *give* it, except in large sums, and upon security received; who, therefore, scarcely ever lose, and who, in the event of difficulty arising, have property mortgaged or pledged to resort to for payment. It is, moreover, the opinion of a class who, so far as they perceive the effect of credit in the cases of the junior members of their families, see that its results are frequently most mischievous, that it is an incentive to extravagance and folly, and the occasion of great unhappiness to innocent persons. Their opinion, therefore, is not that of unprejudiced persons, but of persons who only see half the truth. To obtain a correct opinion, we ought to inquire of those classes, the necessities of whose business compel them to trust without security, the daily business of whose lives it is to take credit and to give it, who can say of themselves, *petimusque damusque vicissim*. They alone are fair judges, because they alone are sensible of the evils which flow from the want of protection; and in asking the power of coercing their own debtors, they ask for a power which, on a reverse of fortune, may be used against themselves.

Assuming then, for the present, as indeed the law itself does, that credit ought to be protected, the question is, whether process against *property* alone will suffice to protect it; whether process against property, unaided by process against the *person*, is not, practically speaking, a delusion. Now I do not hesitate to state, as the result of twenty years' experience in administering the law of debtor and creditor, and as the result of much consideration and reflection, that process against property, unaided by process against the person, is a *mere delusion*; and for this reason, that upon the power of ultimately proceeding against the person, if necessary, depends the efficacy of all previous process, the efficacy of the summons, the efficacy of the order to pay, and the efficacy of the process against the goods. If the power of proceeding stops with process against the goods, and the debtor knows that the law is so, he will argue, that if he lives in lodgings and has no goods, or, if having goods, he can get his landlord (who in too many cases is willing to help him, so long as he pays the rent regularly,) to say the goods are his, having been seized by him for rent, or if he can get any friend to say they are his, all is safe; he may safely incur what debts he pleases, safely defy the summons, safely defy the order to pay, (for they neither of them, unsupported by process of some sort, amount to any thing,) and he may even safely defy the process against the goods.

He may safely defy the process against the goods, because it is so easy to transfer the property to another person, and so expensive and so hazardous for a creditor to try the question whether the transfer was *bona fide* or not. The debtor may postpone the transfer to almost the last moment, for he need not take any step until the creditor has shown not only that he is in earnest, but that rather than forego his right and submit to be cheated, he will incur all the intolerable expenses of a law-suit, the several steps of which are,

1, taking out a writ; 2, filing a declaration; 3, calling for a plea; 4, joining issue; 5, making up the record for trial; 6, collecting evidence; 7, preparing a brief; 8, providing counsel; 9, obtaining a verdict; 10, entering up judgment; 11, taking out execution; and 12, employing a sheriff's officer to seize; and all this even in the clearest case. In nine cases out of ten, creditors seeing the expensiveness of the process, abandon their rights in despair;\* they do so even now, when they have some means of at least punishing a knavish debtor; but they will do so still more when all hope even of punishment is gone. Supposing, however, that some creditor, under the influence of a just indignation, resolves to proceed, and regardless of expense and risk, does proceed to judgment and execution; the debtor has then three courses open to him.

1st. He may assign all his property to a trustee in trust for his creditors.

This looks fair enough; the trustee, however, need not perform his trust, because no man can compel him to perform it, but by means of the court of chancery; and the court of chancery would of course, in all small cases, waste the whole fund in inquiring what was the proper application of it; and even if the creditor could treat the assignment as an act of bankruptcy, and apply to the court of bankruptcy, even that court could not deal with a case at a less expense than about £100: if, therefore, the assets are under £100 when such a trust is created, the creditor is for all practical purposes without remedy, and the debtor is safe.

2nd. The debtor may assign his property to a friendly or a fictitious creditor, in satisfaction of a real or pretended debt; and,

3rd. He may submit to a judgment or a judge's order, and execution founded upon it in favor of a friendly or a fictitious creditor.

One of the two last methods is the one usually adopted, and the practical result is, that in the great majority of cases, when the creditor becomes fully alive to the difficulty of the task before him; when he sees that instead of the judgment and execution in the suit against his debtor ending the litigation, and putting him into the possession of his rights, it only introduces him to a new contest with another knave, an entire stranger to him, probably a man of straw, he abandons his efforts altogether, or if he does not and enters into the contest, he is defeated. Consider the nature of such a contest. If I go into court to prove that you contracted with me, and ask the court to compel you to perform your contract, it is my fault if I cannot prove my case, because the evidence of it ought to be in my own power; if I rely on a contract, the contract, unless I have been negligent, would be in writing,

\* To test the above statement I directed the schedules of eight insolvents, whose cases came before me on the 10th of July, 1845, to be examined, and I obtained the following return, by which it would seem that only one creditor in eight ventures to attack his debtor.

10th JULY, 1845.

| Name of Insolvent. | Number of Creditors. | Number of Creditors who had sued. |
|--------------------|----------------------|-----------------------------------|
| Dyer,.....         | 61                   | 8                                 |
| Colwell, .....     | 29                   | 7                                 |
| Aldons, .....      | 38                   | 4                                 |
| White, .....       | 12                   | 1                                 |
| Salmon,.....       | 23                   | —                                 |
| Apperly,.....      | 14                   | —                                 |
| Morton,.....       | 31                   | 1                                 |
| Richards, .....    | 8                    | 5                                 |
|                    | 216                  | 26                                |

The extreme improbability of being sued makes men knaves who, under a better system, would act honestly. Moderate punishment is real kindness.

and I could produce it, or it would be an implied contract, arising out of the delivery of goods by me, or in consequence of my having rendered you some service or the like; and I could prove the delivery of the goods or the rendering of the service by my servants, and again my case would be clear; but if I go into court to prove, not a transaction to which I was a party, but a transaction to which two other persons were parties—my knavish debtor and his accomplice—or rather to disprove such a transaction, I am utterly powerless—I am as helpless as a blind man would be in a contest with two thieves, each seeing perfectly well, and each a perfect master of his weapons. Into such a contest no prudent man would ever enter. Observe the course of it; the sheriff goes to seize, the accomplice claims the goods, the sheriff declines to seize unless I will indemnify him; I agree to do so, and he seizes; an action is then brought against him or me, I defend it, and the question as to the right comes to be tried. The plaintiff, the accomplice, proceeds to prove his case; he can do it with the greatest ease; he produces his bill of sale, or his judgment and execution, and an I O U, or a bill of exchange, or promissory note, to prove the debt. I have no possible means of disproving it; I perhaps challenge him to prove the consideration; he calls my debtor, my enemy, to prove it; the allegation is, that it was money lent; my enemy swears he borrowed and received the money, and the case is disposed of; the oath of the witness, my knavish debtor, and the production of the I O U, promissory note, or bill of exchange are conclusive. I have nothing to oppose to them but suspicion, and it is notorious that judges and juries will not allow suspicions, however weighty, to weigh against oaths.

The result is, that I sustain three losses: 1st, I lose my debt; 2nd, I lose the expenses of the first trial; and 3rd, I have to pay the expenses of both sides of the second trial.

Such is the protection which the law will give to creditors when imprisonment for debt is abolished, and such the encouragement which it will give to debtors to cheat. Am I not justified in calling such protection a mere delusion?

If it be said that creditors can have recourse to the bankrupt law, the answers are, 1st, that unless your creditor is a trader, you cannot make him bankrupt; 2nd, that nineteen debts out of twenty are under £20, and are therefore not within the direct protection of the bankrupt law; 3rd, that the bankrupt law, unaided by the law of imprisonment of the person, is very ineffective, because it affords no effectual means of forcing a debtor to commit an act of bankruptcy; and, 4th, that under the bankrupt law there is practically no punishment for fraud.

But not only is the remedy given to the creditor by seizure of property delusive, and therefore useless to the creditor, it is actually injurious to him, because it enables his debtor to cheat him under the forms of law—to cheat him without appearing to do so.

In considering this point, we need not embarrass ourselves with the case of an *honest* debtor: if a debtor is honest and can pay, he will pay, and if he cannot he will declare himself insolvent, and will take the necessary steps to bring about a fair distribution of his assets: with such a man, therefore, we need not embarrass the subject. Let us, then, take the case of a *dishonest* debtor—a very numerous class. How is it possible for an honest creditor, acting hostilely, to seize the goods of a dishonest debtor? Seizure of goods cannot take place without ample warning to the debtor, except in the case of judgments entered up under warrants of attorney, which, in nineteen cases out of twenty, are themselves instruments of fraud. Now a dishonest debtor can at any moment make a sham creditor, the sham creditor can bring

his action, the debtor can give every facility to the proceedings of the sham creditor and delay those of the real one, the sham creditor wins the race, gets judgment and execution first, and the real creditor finds his expected prize snatched from his grasp.

But not only is the property snatched from his grasp, it is snatched from his grasp with all the appearance of *involuntariness* on the part of the debtor: one knows perfectly well what the real fact is, that the transaction is voluntary—one cannot doubt it; one sees that the fortunate creditor is a father, or a son, or a father-in-law, or a son-in-law, or a public house companion, &c.; still it must be admitted that these are the very people who, from their connexion with the debtor, are likely to have lent him money, and, from their familiarity with him, are likely to know his circumstances; they say the debtor did not tell them how he was situated, or give them any hint that they had better take care of themselves; they say they noticed suspicious circumstances; and no one can deny that they might have done so: of course the dishonest debtor is much too crafty to disclose the truth, and thus betray himself and his relation or friend, who, as soon as the storm has blown over, is to set him up in business again, and the result is that the creditor is cheated. If the debtor had not been able to cover the transaction by an appearance of hostility between the alleged creditor and himself, and a seizure under the law, he must have preferred his creditor by a bill of sale, or some *voluntary* act, and then, when he came before the court, the court would say, why did you not act fairly by your creditors? and when you could not pay *all*, why did you not offer a proportionate part to *each*? and if your offer was rejected, why did you not appeal to the law, declare your insolvency, and put your property in a fair course of distribution? And to all this the debtor would be without answer. By permitting the mischievous system of seizure under the law, you enable the two knaves—the knavish debtor and the knavish sham creditor—to make the transaction look as if it was an *involuntary* one, and therefore excusable.

But these are not the only evils incident to the law of seizure for the benefit of individual creditors—there are many others: one is, that even if the seizure be entirely untainted with fraud, it is utterly unjust towards the body of creditors. If the debtor really cannot pay the creditor who sues, he is an insolvent; for if I cannot pay *one* of my creditors, of course I cannot pay *all*, and I am therefore an insolvent; what justice is there in enabling, in such case, *one* of the creditors to seize and pay himself in full, and leave the rest to take a dividend only—perhaps a dividend of *1s.* in the pound, perhaps *6d.*, perhaps *1d.*? It is a maxim of the court of chancery that equality is equity—is such *inequality* equity also?

Another evil is, that, in consequence of the existing system of racing among creditors (real and sham,) the property is frequently pulled to pieces in the struggle; in *scrambling* for it, it is rendered useless, or nearly so, to all. A few months ago, a race took place at Southampton between two creditors, each of whom had taken out execution and seized, and the petitioning creditor to a fiat, who had sent down the messenger from the court of bankruptcy. The property seized was a hair-dresser and perfumer's stock. One of the execution creditors and the sheriff's officer acting in his interest, threw a great deal of the perfumery out of the window, thinking, I suppose, that that was the quickest mode of getting it into the street, and carrying it away. The result was, of course, the destruction of the property. An action was brought by the assignees, but failed; the judge, in conformity to the law maxim, *vigilantibus et non dormientibus inservit lex*, holding that the law helped those who *helped themselves*. Such, indeed, are the natural results of the law preferring a system of *scrambling* to a system of orderly distribution.

Another evil of the system is, that there is no known rule by which the sheriff is bound to proceed in realizing the property which has been seized; he must sell it, undoubtedly, but he may sell it very much according to his own discretion or rather fancy; or, which is a much worse thing, the *fancy of his underlings*. I inquired the other day of an attorney in great practice, and he informed me, that the general opinion was, that the sheriff was not bound to employ an auctioneer, or to give any other notice of the sale than that of ringing a bell in front of the house where the sale was to take place; and the consequence is, that it only too often happens in sales under the sheriff, that there is a most lamentable sacrifice of the property seized, for the benefit of the lower class of sheriffs' officers and brokers in league with them, to the injury of the debtor and his general creditors, and with an advantage to the individual creditor, if any, which he ought not to enjoy.

Another evil is, that the law of seizure enables the most fraudulent debtors to do what every prudent knave constantly does, that is, make so *clean a sweep* of his property, that there shall not be forthcoming even the where-withal to pay the expense of obtaining a fiat of bankruptcy, and inquiring into the circumstances of the case. Generally speaking, a creditor will not stir if the expense is to come out of his own pocket; he is sufficiently disheartened by his first loss to be very unwilling to expose himself to any further risk: if therefore, he finds that there is a person in possession, under a seizure by the sheriff—under a seizure apparently sanctioned by the law—he lies down quietly under his misfortune, which he submits to as a thing irremediable. If no such law of seizure existed, then the debtor could not rescue the *whole* of his property; the only fraud he then could perpetrate would be the procuring accomplices to prove sham debts, and hand over to him the dividends; this, however, would be a hazardous undertaking, and not a very promising one, if there were any funds to pay the expense of inquiry.

If these views be correct, it would follow—

1st. That the remedy given to creditors by seizure of goods under a *fi. fa.* is a delusive remedy; and,

2nd. That such remedy, instead of being beneficial to the creditor whom it is intended and supposed to assist, actually prejudices him, by enabling the debtor more effectually to cheat him under the forms of law; and, therefore, so far as relates to this branch of the subject, the power which each creditor now possesses of seizing his debtor's goods under a *fi. fa.*, for his *own exclusive benefit*, is a mischievous power which ought to be abolished.

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**IMPRISONMENT IN GREAT BRITAIN.**—In Great Britain the persons of peers, and members of parliament are exempt from imprisonment for debt. Clergymen performing divine service privileged from arrest, 50 Edw. III, 1375. Seamen privileged for debts under £20, by act 30 Geo. II, 1756. Barristers are privileged from arrest while going to, attending upon, and returning from, court, on the business of their clients. By statute 29 Charles II, no arrest can be made, nor process served, upon a Sunday. This law was extended by William III. Vexatious arrests prevented by act, May, 1733. Prohibited for less than £10, on process, 1779; and for less than £20, July, 1827. Arrests for less than £20 were prohibited on mesne process in Ireland, in June, 1820. Statute abolishing arrest for debt on mesne process, except in cases wherein there is ground to show that the defendant designs to leave the country, 2 Vict. August, 1838.

## LEGAL MISCELLANY.

## Recent Decisions in the Courts of Ohio.

From Hunt's Merchants' Magazine.

## LETTER OF CREDIT.

When a letter of credit is addressed to a particular firm, no one else can rely on it as a guaranty.

The vendor of a bill of goods, upon the faith of a letter of credit, must give notice at once to the guarantor, or he will not be liable.—*Taylor et al vs. Wetmores*, 10 *Ohio*, 490.

## BILLS OF EXCHANGE.

The holder of a bill of exchange, drawn by a person living in one state, upon a citizen of another state, is relieved by the statute of Ohio from the necessity of procuring a notarial protest, except for the purpose of recovering the statutory damages.—10 *Ohio*, 496.

Such bills are so far foreign bills under our statute, that the notarial protest is received as evidence of the facts stated in it. The holder may treat them as foreign, by having them regularly protested—which entitles him to 6 per cent. damages, over and above principal and interest; or as inland, and make his proof of demand and notice.—10 *Ohio*, 180, *Case vs. Heffner*.

A promissory note, payable to a person or bearer, is negotiable by delivery, without endorsement. But a sealed bill or note in the same form, is negotiable only by endorsement.—14 *Ohio*, 542.

The mere endorsement upon a note, of a stranger's name in blank, is *prima facie* evidence of guaranty.—13 *Ohio*, 239.

To charge such a person as *maker*, there must be proof that his endorsement was made at the time of execution by the other party; or, if afterwards, that it was in pursuance of an agreement or intention that he should become responsible from the date of the execution. Such agreement or intention may be proved by parol, and the rule is the same whether the instrument be negotiable or not.

## COMMON CARRIERS.

Proprietors of stage coaches are common carriers, and their liabilities cannot be limited by actual notice to a traveller that his baggage is at his own risk.

A watch is part of a traveller's baggage, and his trunk is a proper place to carry it in. Whatever forms the necessary appendages of a traveller, may be legitimately considered as baggage, and placed in his trunk for conveyance. However valuable an article of baggage may be, the owner is not bound to disclose such peculiar value to the carrier, unless inquiry be made.—10 *Ohio*, 145, *Jones vs. Voorhees*.

## BILLS OF EXCHANGE—STAMPS.

A case in the English court of common pleas, lately reported, *Steadman v. Duhamel*, 1 Com. Bench. R. 889, suggests the necessity of increased caution in negotiating bills of exchange, purporting to be drawn in foreign countries. The facts were as follows: The plaintiff, Steadman, became

endorsee for value of a bill for £58, payable in London, but written in the French language, and dated at Vichy, a town in France. The bill not having been paid at maturity, the endorsee brought his action against the acceptor, Duhamel; and upon the production of the bill, which was not stamped, it was objected to, and to support the objection, evidence was given, that though purporting to be a foreign bill, it was really drawn in London. It further appeared, that the bill was drawn in the form of a foreign bill, at the express suggestion of the defendant, and the plaintiff, when he took the bill, had no reason to suppose it was other than it appeared upon the face of it to be. Lord *Denman*, who tried the cause on circuit, allowed the bill, under the circumstances, to be read in evidence, reserving leave, however, to move to enter a nonsuit, if the court should be of opinion that the defendant was not estopped from raising the objection that the bill was unstamped.

In arguing the case in the court above, the plaintiff's counsel relied mainly on the ground, that the defendant having allowed the bill to go into circulation as a foreign bill, ought not to be permitted to set up his own fraud as an answer, to an innocent holder who received the bill *bona fide* and without notice of any irregularity. Several authorities were cited as expounding the rule of law laid down by the Queen's Bench in *Pickard v. Sears*, 6 Ad. & El. 469; 2 Nev. & P. 488. See also *Gregg v. Wells*, 10 Ad. & El. 90; 2 P. & D. 296; *Pitt v. Chappellaw*, 8 Mees. & W. 616, & Sug. Vend. & Pur. 10th ed. vol. 3, p. 428, "that where one by his words or conduct, wilfully causes another to believe the existence of a certain state of things, and induces him to act on that belief so as to alter his own previous position, the former is excluded from averring against the latter the existence of a different state of things at the time."

The court, after taking time to consider, intimated that the doctrine of estoppel was not strictly applicable to the case, and that the decision of the question must be governed by the provision of the stamp act, 31 Geo. 3, c. 25, s. 19, which is incorporated in the latter acts, and enacts that no bill or note, liable to the duty, shall be pleaded or given in evidence in any court, or admitted in any court to be good, useful, or available in law or equity, unless stamped. The judgment proceeded on the ground that whenever it appeared on a trial, that an instrument tendered as evidence was not properly stamped, the objection strictly was one to be made by the court; and there was no reason, either upon principle or authority for saying, that when such an objection was taken by a party, the court should not give effect to it. It was therefore determined, that the bill ought not to be received in evidence, and that the verdict taken for the plaintiff, must be set aside and a nonsuit entered.—*N. Y. Legal Observer, May, 1847.*

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#### COMMERCIAL GUARANTEES.

A case of some interest to the mercantile community, was recently (December, 1846,) tried in the Commercial Court, at Memphis, Tennessee. The questions raised were upon the doctrines of commercial guarantees. A house at New Orleans shipped to this place goods for a merchant formerly in business here. The goods upon their arrival were detained by order of the sellers, until the purchaser should obtain a friend to guarantee payment of them. The guaranty was procured in writing. Its terms were substantially—"We understand Mr. H. J. proposes to do some business with you in the way of groceries, &c. We will be responsible with him for any con-

tract he may make with you of this kind"—and it was addressed to the sellers. Testimony was given unnecessary here to detail.

The questions chiefly discussed were, whether notice of the acceptance of the guaranty was given to the guarantor—whether such notice was necessary to fix his liability—and whether it was necessary before seeing the guarantor, to give him notice of the default of the principal debtor to pay.

For the plaintiff it was insisted—that this was an absolute guarantee, not a mere proposal or overture to become guarantor—that notice of acceptance is only necessary in the case of a proposal or overture, not in the case of an absolute undertaking—that where the proposition or requisition of guaranty proceeds from the creditor to the guarantor, and thereupon the guaranty is given, notice of its acceptance is not necessary—that the omission of the creditor to give the guarantor notice of the default of the principal debtor to pay, is material only where such omission works an injury to the guarantor, and is not a pre-requisite to the right of action by the creditor against the guarantor. To sustain these positions of the plaintiff, were cited numerous British authorities and several recent decisions in the state of New York.

For the defendant it was argued—that there was no proof of notice given to the guarantor, either of the acceptance of the guaranty or of the default of the principal debtor to pay—that in regard to the necessity of notice, the distinction taken for the plaintiff between absolute guarantees and overtures, was unsound—that in all cases of guarantees of debts to be subsequently contracted, notice of the acceptance of the guaranty must be given to the guarantor in reasonable time, otherwise he will not be fixed with liability—and that notice of the principal debtor's default to pay, must be given to the guarantor, as a pre-requisite to a right of action against him.

Several cases in the supreme court of the U. S. were cited on the part of the defendant, and it seemed to be agreed, that these cases hold in regard to guarantees of debts to be subsequently created, that notice to the guarantor of the acceptance of his guaranty, is indispensable to fix his liability.

Verdict went for the plaintiff, and mainly, it seemed, upon the ground that where the proposition for the guaranty proceeds from the creditor to the guaranty, therefore he gives the guaranty; notice of its acceptance from the creditor to the guarantor is unnecessary. Certainly it is prudent in the creditor, in all cases of guaranty, to give notice in reasonable time to the guarantor of its acceptance and of the extent to which it is acted on, and of the default of the principal debtor to pay.—*Hunt's Merchants' Magazine.*

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## BILLS OF EXCHANGE AND PROMISSORY NOTES.

### *Decisions of the Maryland Court of Appeals.*

A party may waive the privilege of claiming notice of protest, as he may any other right which the law has secured to him.—*Whiteford vs. Burckmyer & Adams, vol. 1 Gill's Maryland Reports, 127.*

Under an allegation of notice of protest to an endorser in the declaration, the plaintiff may show a waiver of the right by the defendant.—*Ib.*

The necessity for plain and satisfactory proof as to the *time of service* of notice of non-acceptance, where that is material, has always been insisted on; it may be proved by circumstantial testimony, but the circumstances must point *not to notice at some time*, but to notice on the day when the party had a right to expect and receive it.—*Ib.*

Where the holder of a bill of exchange, in *Baltimore*, sends it to a distant place, as *Charleston, S. C.*, for acceptance, and it is not accepted, the plain-

tiff, in an action against an endorser, must show presentment for acceptance and refusal, and notice duly transmitted from *Charleston* to the endorser, by mail, or if the notice to the endorser was sent by mail to the holder in *Baltimore*, that he delivered it within one day after the arrival of such notice in *Baltimore*, and the burthen of proof is on the plaintiff to show such notice given.—*Ib.*

Where the entire and exclusive interest in a bill is vested in the holder thereof, he cannot institute an action upon it in the name of another party.—*Ib.*

Possession of a note endorsed in blank will enable the party having it to maintain suit, except *mala fides* be proved.—*Ib.*

Courts of justice will never inquire in such cases, whether a plaintiff sues for himself or as trustee for another, nor into the right of possession, unless on an allegation of *mala fides*.—*Ib.*

Blank endorsements may be filled up at the moment of trial.—*Ib.*

If a bill has been transferred by endorsements, all of them in full, it can only be sued on by the special endorsee.—*Ib.*

A bill payable to bearer, or a bill payable to order, endorsed in blank, will pass by delivery and bare possession, is *prima facie* evidence of title.—*Ib.*

If an agent receive a bill with all the endorsements in full, and the last in full to his principal, the agent cannot sue in his own name, or if the endorsements are in blank, and he were to fill it up to himself or his principal, it could not be sued on in the name of a stranger.—*Ib.*

Since the act of 1825, ch. 35, any holder with a blank endorsement may now sue in his own name, but that act cannot be construed to extend the right of action to one who has no interest in the bill, either as holder or owner.—*Ib.*

An admission of notice by a defendant, endorser, is evidence on which the jury may find notice, in due time, and in due form.—*Ib.*

An action will lie upon notice of presentment, and non-acceptance of a bill of exchange, without waiting for demand of payment at the maturity of the bill.—*Ib.*

The holder is not bound to present a bill payable on a certain day after date, for acceptance, unless he be an agent to get it accepted, or to collect it. If it be presented, and acceptance is refused, it is dishonored, and immediate notice must be given to the parties who are to be charged.—*Ib.*

The act of 1837, ch. 253, was designed to extend the credit which, by the courtesy of commercial nations, had been given to the certificate of a notary public.—*Ib.*

The certificate of a public notary had been received as *prima facie* evidence of the presentment by him for acceptance or payment, and of his protest of the bill for non-acceptance or non-payment.—*Ib.*

The act of 1837, ch. 253, extends this doctrine as well to inland as to foreign bills or notes, as to notice sent or delivered in the manner stated in the protest.—*Ib.*

It is not necessary that notice of protest be sent by mail, and a party is not bound to be more expeditious or certain than the mail.—*Ib.*

Notice, if sent by mail, need not be enclosed to the address of the party to be charged. If it be received by him in due time, he cannot object to the mode of conveyance.—*Ib.*

Where the protest does not show notice of dishonor transmitted to the party to be charged, that fact may be supplied by other proof.—*Ib.*

Upon a note made in *Louisiana*, bearing ten per cent. interest until paid, this court will enter judgment accordingly.—*Nelson & wife vs. Bond*, 218.

Where a note is executed by an agent, before it is admissible in evidence

it is necessary to prove, not only his signature, but the authority by which it is made.—*Worthington vs. The Savage Manufacturing Company*, 284.

Where by the terms of a charter, a manufacturing company had no power to assume the responsibility of a surety, the note of such a company executed upon no other consideration than as surety, is void.—*Ib.*

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#### FREIGHT—DELIVERY OF MERCHANDISE.

In the fourth district court, (New Orleans,) Judge Strawbridge recently decided, (January, 1847.) in the case of *Andrews & Dewey vs. Troisgros & Lampre*, which was an action brought by the plaintiffs for the recovery of freight upon certain goods shipped from Havre, and consigned to the defendants—that a delivery of goods upon the levee, with notice to the consignee, was a sufficient delivery; and from the time of such discharge by the ship, the goods were at the risk of the consignee. Judgment accordingly. Counsel for plaintiffs, Samuel C. Reed, Jr., Esq.; W. S. Upton, Esq., for the defence.—*Hunt's Merchants' Magazine*.

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#### BILL OF EXCHANGE—BILL OF LADING.

In the Fourth District Court, (New Orleans,) Judge Strawbridge, presiding—*L. A. Benoit v. T. G. Reyburn*.

This was a suit brought on a bill of exchange drawn on Seccomb, Brooke & Adams, of N. Orleans, dated at St. Louis, and payable ten days after sight; said bill purporting to be drawn on a special consignment of produce shipped on a certain steamboat. The holder of the bill, it appears from the evidence, presented it at the house of Seccomb, Brooke & Adams, and demanded payment. Accompanying the bill of exchange was the bill of lading of the produce drawn upon. The clerk of the drawees requested the bill to be left for the consideration of the house, which the holder refused, and left with the bill, which he had protested for non-acceptance, and on which he now brought suit against the drawer.

C. M. Randall, for plaintiff, contended that the defendant had not negatived the presumption that he got the produce drawn on; that there was no sufficient proof that there was any such produce, or any bill of lading; that the defendant had not shown that they demanded, or required, the delivery of the bill of lading, if there was any; that this was an ordinary commercial bill which it was the duty of the drawees to accept on presentation.

A. Walker, for defendant, argued that the holder of the bill had been guilty of *laches*. First, by his refusal to leave the bill with the drawees for consideration, as the mercantile usage of New Orleans required to be done in the presentment of bills drawn after sight; and, secondly, by refusing or failing to tender the bill of lading of the consignment at the time of presenting the bill. Applying the principle established by the Supreme Court in the case of *Lanfear & Co. vs. Blossman*, it was contended that the holder of a bill drawn on a special consignment stood to the drawee thereof in the relation of vendor to vendee; that the produce was the thing sold, and the acceptance of the bill the price given; that the holder must first tender the thing sold before he can demand the price; in other words, that the holder of the bill must tender the bill of lading before he can demand of the drawees

the acceptance of the draft. The omission to tender the bill of lading released the drawer.

Judge Strawbridge sustained the points made by the defendant; remarking that he understood the law on this point to be settled and well understood long before the decision of the Supreme Court in the case of *Lanfear & Co. vs. Blossman*. That, in all cases of bills drawn on special consignment, law and usage require the holder to put the drawee in possession of the property drawn upon. The neglect to do this, as well as the neglect to leave the bill with the drawees for consideration, exonerated the drawer. Judgment for the defendant.

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### FORGED CHECKS.—NEW BANK.

The extensive forgery committed on Coutts and Co. London, by changing a cheque for 5*l.* into 5,000*l.* has excited considerable interest in banking classes. It appears that the alteration was not made by the addition of ciphers, but by the obliteration of the original writing by a chemical process, and the substitution of a larger amount. The *Times* justly observes, "had there been a colored surface on the cheque, it would have been next to impossible to obliterate the ink without raising suspicion by discoloring the surface also, but the cheques in this particular house are uniformly white, with the exception, of course, of the words in print." This fact supplies a suggestion worthy the attention of bankers.

A company has been started bearing the title of the "National Security Bank," which purposes to confine its business to the receipt of deposits, to be employed only in the investment of exchequer bills, India bonds, and the public funds; avoiding altogether the discounting business. It is proposed to allow 1½ per cent. on special deposits for more than a week, the "dexter" halves of exchequer bills, or India bonds to the amount being given to the depositor as a security if required; sums under 10,000*l.* to be redrawn without notice, if above that sum, at one day's notice. It is, however, seldom that money will not command more than the proposed rates of interest, if lent on the stock exchange, on public stock, or exchequer bills, and still more if lent at "call" to the brokers in Lombard street. The bank in question, would have nothing in its nature to induce a regular set of special customers, as it would not do all the branches of a banking business; but it would no doubt be a considerable facility to some parties, and even to other bankers, if there was an establishment ready to receive money at a specific rate of interest at all times for such short dates. The great question will be, whether the amount of business which could be done would be such as would secure a sufficient profit on such investments as are proposed; and, moreover, to make good the balance of losses which might arise between the purchase and sales of public securities. As a banking security, first class bills are infinitely better and safer than any securities the value of which is likely to be affected, and most seriously so by any change which causes a pressure for money. Whatever change takes place, bills maintain their full value, and, if well endorsed, are as safe as any other securities, while consols or exchequer bills may fall in price at the very moment when they are required to be converted.

GENIUS.—Windham said, forty years ago, that the most ingenious and admirable suggestions he received, when secretary at war, were dated from the Fleet prison, and we have no doubt that now, while we write, some of

the most ingenious inventors in London are pining in poverty. Let a man, however, be brazen, ignorant, loud in his own praise, without any sense of shame, or the slightest feeling for others, and let such a hard callous, brutish, ignorant being proclaim himself a great public benefactor, and straightway we "take the drunkard for a god," fill his pockets full of money, and slaver him all over with the nauseous slime of an ignorant and interested adulation. It was but the other day we subscribed 20,000*l.* to testify public approbation of a man who had never invented anything touching railways, or anything else—but who, from having kept a linendraper's shop at York, had become a fortunate speculator in the system—had become an M. P., and the purchaser of a house in Carlton gardens. And this was done at a time when the inventor of the system, which had achieved such national good, was selling glass on commission, at Exeter, and in vain applying to be made a secretary to one of the companies, which would never have been in existence but for his book. It was done at a time, too, when the public raised no testimonial to a noble minded surgeon, who had sacrificed his life in attending on the crew of a ship suffering from yellow fever, and when they could only spare a few pounds to cheer the declining years of noble Mrs. Ritson, the heroine of Matagorda.—*London Economist.*

#### THE CONTINENTAL FORGERIES.

The two forgers, Theodore Herweg, *alias* Romanzow or Raumanzow, and Knapps, have undergone several interrogations before the magistrates, and several witnesses have also been examined. It appeared that Romanzow scarcely ever remained in one apartment more than a quarter of a year, and was to leave that in the Rue d'Anjou, where he was taken, in October. He never went out, and was not visited, during the time he stayed there, by more than three persons. The preliminary proceedings are likely to occupy several months, on account of the evidence which will be required from several foreign countries. Knapps is confined in the prison of the Madelonnettes, and Romanzow in that of St. Pelagie. The thirty-two notes found upon Romanzow were for 100*l.* each, and not for 5*l.* as was at first stated. Both the prisoners have made a full confession. Romanzow stated that, after having so narrowly escaped from arrest on the 6th January, 1832, when the woman Danelle, and Pressel, the native of Wurtemberg, were surprised at Passy, where he, Romanzow, had set up a press, he got over the frontier into Switzerland, and made his way into Italy, where he lived for four months upon a sum of money that he took with him. Fearing an application for his extradition, he returned to France, thinking he would be able the more easily to conceal himself there. His resources were then reduced to two genuine Bank of England notes for 100*l.* each, and he conceived for the first time the idea of imitating them. But the difficulties he had to contend with were so great, that he was for two years working assiduously before he could succeed; living in the most parsimonious manner upon one of the notes, being obliged to keep the other as a model. At the end of the two years he found that he had produced a perfect forgery; but not daring to trust the uttering of his false notes to any third person, he issued them himself, and in three days exchanged twenty-six of them for 100*l.* each, at different money-changers' offices. He then stopped, and travelled till he saw the effect produced upon the Bank of England. At the time of his last capture, Romanzow was engaged, with the assistance of his accomplice Knapps, in manufacturing a greater number of notes of the Bank of England, with the intent, as he says, of raising 100,000*l.*, with which he hoped to get over to America, and there live an honest life.—*Galigiani.*

## STATE FINANCES.

## STAMP ACT OF MARYLAND.

*Section 1.* Be it enacted by the general assembly of Maryland, That from and after the first day of May next, there shall be levied, collected and paid, the several stamp duties following, to wit: for every skin or piece of vellum, or parchment, or sheet, or piece of paper, or other material, upon which shall be printed or written, any or either of the instruments of writing, following, to wit: on every bond or obligation, with a collateral condition of any kind or nature whatsoever, the penalties whereof shall be above the sum of \$100,

|          |                         |        |         |           |
|----------|-------------------------|--------|---------|-----------|
|          |                         |        |         | 10 cents. |
| If above | \$200 and not exceeding | \$300, | .       | 15 "      |
| "        | 300                     | "      | 500,    | 25 "      |
| "        | 500                     | "      | 1,000,  | 50 "      |
| "        | 1,000                   | "      | 1,500,  | 75 "      |
| "        | 1,500                   | "      | 2,000,  | \$1 00    |
| "        | 2,000                   | "      | 3,000,  | 1 50      |
| "        | 3,000                   | "      | 4,000,  | 2 00      |
| "        | 4,000                   | "      | 5,000,  | 2 50      |
| "        | 5,000                   | "      | 7,000,  | 3 50      |
| "        | 7,000                   | "      | 8,000,  | 4 00      |
| "        | 8,000                   | "      | 10,000, | 5 50      |
| "        | 10,000                  | .      | .       | 6 00      |

*Section 2.* And be it enacted, That from and after the period aforesaid, there shall be levied, collected and paid the several stamp duties following, to wit: for every skin or piece of vellum or parchment, or sheet or piece of paper or other material, on which shall be written or printed any or either of the instruments of writing following, to wit: on every mortgage with or without a covenant for the payment of the sum intended to be secured, if that sum be above \$100 and not exceeding \$200, ten cents; and so progressively increasing the amount of the duty to be paid, so as to correspond in all respects with the scale or rate of duty prescribed in the preceding section for bonds with collateral condition; and that on every deed and bill of sale where the amount conveyed exceeds \$200 and release of mortgage, there shall be levied, collected and paid the sum of \$1 00; *provided*, that in all cases where a bond or note is given for the debt secured by the mortgage, it shall not be necessary that such mortgage and the bond or note thereby secured, shall both be written on paper stamped according to the provisions of the original act, or of this act, it being the intention of this act, that if either the bond, note or mortgage is written on such paper, it shall be considered as a compliance therewith.

*Section 3.* And be it enacted, That it shall be the duty of the commissioner of stamps and the other officers mentioned in the act to which this act is a supplement, in all respects to execute this act as by the said original act was prescribed and directed, and to account with and pay into the treasury all sums of money which may be received by them respectively, in virtue of this act, under all the penalties prescribed by the original act, and at the periods fixed by law for that purpose.

*Section 4.* And be it enacted, That the fifth, sixth, seventh and eighth sections of the original act, shall be deemed and taken as parts of this act, as fully to every intent and purpose, as if the provisions of the said sections were incorporated herein, except that the periods fixed by the said fifth section for the commissioner of stamps to account with, and pay into the treasury the monies received by him, shall be regulated according to the law applicable to the duties of the clerks in that respect.—*Passed March 3, 1845.*

## MISCELLANEOUS.

**THE BANK OF FRANCE.**—The Bank of France is perhaps the only one in Europe that does not issue notes of a lower value than 500f. The provincial banks authorized at Lille, Rouen, Lyons, Bordeaux, Marseilles, and elsewhere, have promissory notes of 250f. The 13 branches of the Bank of France itself issue notes of that amount. It is, therefore, in Paris alone that the fiduciary circulation finds itself deprived of this new medium of exchange. Such an anomaly is the less explicable, as Paris is, in France, the focus of wealth and the centre from which all the resources of credit radiate. The circulation in the provinces is effected almost exclusively in the form of metallic specie. Out of the capital, the bank paper is almost unknown. We could cite a certain town where, in order to obtain money in crowns for a note of 500f., the holder must sustain a loss or a discount which amounts to almost  $\frac{1}{2}$  per cent. The circulation of the Bank of France in Paris itself is, in round numbers, 250,000,000f.; the circulation of the 13 branches taken altogether does not represent, on the average, more than 8,000,000f.; that of the nine provincial banks, situate in the midst of our principal centres of trade and commerce, does not exceed 90,000,000f. Thus, from 98,000,000f. to 100,000,000f. constitutes the sum total of the bank notes issued in the departments, notwithstanding the facilities afforded by the promissory notes of 250f. for the extension of the fiduciary circulation. Why, let us ask—why should those same facilities be refused to the inhabitants of Paris, which city at present requires for itself alone twice or thrice the number of bank notes required by the rest of France? The object of the bill (*projet de loi*) submitted to the chamber of deputies is to authorize the Bank of France to issue, in Paris itself, on the scene of its privileges, promissory notes (*coupures*) of 250f. Would it not be expedient to go farther, and to promote the issue of *coupures* of 125 or 100f.? The bullion of the bank is made for the supply of a metallic currency. In every country which enjoys a well regulated circulation, the principal sums are represented by bank notes, and metallic specie forms the odd amount. Now, we would ask whether the interval would not be immoderate if it were admitted that the odd amount in specie may extend to 249f.? if it were necessary, in the exchange of a note of 500f., to receive a kilogramme and 250 grammes of silver besides a note of 250f.? In England, where the type of gold specie is the pound sterling (25f. 20c.,) the “sovereign,” the lowest amount in bank paper is £5 (126f.,) and consequently represents five times the value of the highest metallic unity. (The double sovereign, or 40s. piece, is an exception.) The political economists and statesmen of Great Britain—a country where the most different systems have been tried—agree in thinking that below this limit there would be danger, and that above it there would no longer be any advantage to commercial intercourse. Since the value of the lowest bank notes has been restored to £5, the circulation of bank paper in England appears to be settled on the most solid and rational bases. The different systems in action in Scotland and Ireland rest for support upon the bank in London, and could not survive the loss of that support a month. Bank notes of 125f. or 100f. are still more necessary in Paris than in London. In fact, the common divisor of the bank bullion is far lower in France than on the other side of the straits.

**LIFE INSURANCE.**—A company has been in operation in London five years for insuring unsound persons. Their prospectus is as follows:

“Diseased and healthy lives assured. Medical, invalid, and general life

office, 25 Pall Mall, London, and 22 Nassau street, Dublin. Subscribed capital £500,000. This office was established in 1841, and possesses tables formed on a scientific basis for the assurance of diseased lives. The urgent necessity for an institution like the present may be estimated by the statement that two-thirds of the population are not assurable as healthy lives, and that about one in five of the applicants to other offices is declined on examination. Of the proposals accepted by this society during the last three years nearly 300 had been rejected among upwards of eighty other offices. These cases came under the class of the most prevalent diseases, and the various parties could not have participated in the advantages of life assurance had not this society been in existence, as it is the only one possessing tabular rates of premium deduced from extensive data.

“Premiums have been determined for the assurance of persons at every age, among those afflicted with consumption, asthma, bronchitis, pneumonia, disease of the heart, apoplexy, paralysis, epilepsy, insanity, disease of the liver, dropsy, scrofula, gout, rheumatism, &c.

“These circumstances induce the directors to believe that by the establishment of this office they have conferred an important benefit upon those whose condition made such a provision as assurance necessary, and they are therefore led to expect a powerful support from the public. Increased annuities are granted on unsound lives. Healthy lives are assured at lower rates than at most other offices, and a capital of half a million sterling fully subscribed affords a complete guarantee for the fulfilment of the society’s engagements.

**INDIANA BONDS.**—The holders of Indiana bonds who had subscribed to the Wabash and Erie canal loan, held their meeting on Monday, 10th May last, at the office of Messrs. Winslow & Perkins, in New York, for the purpose of electing trustees of the canal, according to the provisions of the acts for the adjustment of the public debt.

Mr. Jas. G. King presided as chairman, and Mr. R. H. Winslow as secretary. Messrs. Chas. Augustus Davis and Solomon Sturges were appointed inspectors of election. The list of subscribed bonds amounted to upward of five and a half millions of dollars.

The foreign bond holders were represented by Messrs. James G. King, Chas. Augustus Davis and August Belmont.

Charles Butler, Esq. of New York, was unanimously elected trustee resident in New York, and Col. Thomas H. Blake of Indiana was unanimously elected trustee resident in Indiana. Under the act, the state of Indiana is to appoint a third trustee.

Although the amount of bonds subscribed is already sufficient for the object indicated in the act, it is presumed that a larger amount will be subscribed in like manner to avail of its provisions before the time which admits of such subscription expires.

The payment of interest on the new stocks that are given under these acts for the bonds will be made in New York, by the agent of the state, on the 1st of July next.

**STEAM SHIPS TO EUROPE.**—The new steam ship Washington, 1750 tons burthen, is advertised to start from New York on the 1st June, 1847, carrying the United States mail. She will touch at Cowes and Southampton to

land passengers and freight, and deliver the mails for England, France and Belgium, and will then proceed to Bremerhaven. The Washington is built in the strongest manner, with a view to being converted into a ship of war, and subject at any time to inspection by officers appointed by the President, both during and after construction. She has two engines of 1000 horse power each, and accommodations for 140 first class and 44 second class passengers. Passage from New York to Southampton or Bremen, first class, \$120; second class, \$60. Passage from Bremen or Southampton to New York, first class, \$150; second class, \$60. She will carry about 300 tons freight. All letters must pass through the post office.

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**MAGNETIC TELEGRAPH.**—Lines finished and in operation April 1, 1847.

|                                                                   |          |
|-------------------------------------------------------------------|----------|
| United States Telegraph Company, between Washington and Baltimore | miles 40 |
| Baltimore and Philadelphia Company                                | 97       |
| Philadelphia, Harrisburg and Pittsburg Company                    | 313      |
| Philadelphia and New York Company                                 | 88       |
| New York and Offing, to Fire Island                               | 90       |
| New York to Albany and Troy                                       | 180      |
| Albany to Buffalo                                                 | 326      |
| Troy and Saratoga Company                                         | 32       |
| Syracuse and Oswego Company                                       | 38       |
| Auburn, Ithaca and Elmira                                         | 75       |
| Buffalo, Lockport and Lewiston                                    | 45       |
| Lewiston, Hamilton and Toronto                                    | 100      |
| New York and Boston Company, via New Haven and Springfield        | 238      |
| Boston and Lowell Company                                         | 26       |
| Boston and Portland Company, via Boston and Maine rail road line  | 109      |
| Washington to Fredericksburg                                      | 61       |

Total number of miles in actual operation . . . . . 1858

Mr. E. Cornell, of Ithaca, has purchased of the patentees, the right to construct a magnetic telegraph line between Troy and the northern boundary of the state of New York, to be connected with the Montreal and Quebec lines, which are to be built by Livingston & Wells. This is the first time a company has been organized independent of control by the patentees. The cost per mile is to be but \$200, instead of \$250 as before.

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**A STRANGE CHECK.**—A letter from Stockholm of the 20th March, contains the following curious statement: "When king Gustavus Adolphus was killed at the battle of Lutzen, in 1632, the finances of Sweden were in such a deplorable state that the great dignitaries of the crown, guardians of Christina, the king's daughter (afterwards the celebrated queen,) were obliged to contract debts for her education. An acknowledgment of one of these debts, signed by them in the name of queen Christina, has just been presented to the minister of finance, with a demand for payment. It is for 45,000 crowns (270,000*l.*.) and was drawn up at Stockholm on the 24th of December, 1636, when queen Christina was ten years of age, in favor of a certain James Krieves, a citizen of Lubeck. It stipulates that twenty years after its date the Swedish government should be obliged to pay 45,000 crowns on the first demand, that the debt shall never become void, and that it shall bear 8 per

cent. interest. At the foot of the acknowledgment are these words written in French by queen Christina, "Approuyee, Compiègne, 1657: Christina R." This curious document has been shown to our minister of finance by a banking house at Stockholm, acting as the representative of M. Kragt, pastor of the commune of Woldigk, in the grand duchy of Mecklenburg-Strelitz. This person states, that he lately found it among his family papers, and he claims to be descended from James Krieves, in whose favor it was signed. He consequently demands from the government 45,000 crowns, or 270,000 francs in capital, and 4,536,000 francs as interest thereon for 210 years at 8 per cent. Before giving a definite answer with respect to the value of the document, the government has invited M. Kragt to prove his descent from Krieves, and his right to the possession of the paper."—*Galignani's Messenger*.

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**BOSTON CITY LOAN.**—The treasurer of the city of Boston has advertised for a loan to the city of one million of dollars. Proposals will be received until Thursday, the 8th day of July next, at 12 M. The stock will be dated April 1, 1847, and issued in certificates of one thousand dollars each, bearing an interest of five per cent., with coupons payable semi-annually; or if preferred, certificates for five hundred dollars, interest semi-annually, will be issued without coupons. The principal will be payable—\$200,000 April 1, 1857; \$200,000 April 1, 1858; \$200,000 April 1, 1859; \$200,000 April 1, 1860; \$200,000 April 1, 1861. Bids will be received for the whole or any part of the amount, and the highest bidder will be entitled to the longest loan, if he so elect. Twenty per cent. will be required in cash, and the remainder in four equal monthly instalments, but payments of the instalments may be anticipated, at the option of the bidder. Interest will be calculated from the time of payment.—*Boston, April 30, 1847.*

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**IRELAND.**—At the recent meeting in New Orleans, for the relief of the Irish sufferers, the Hon. S. S. PRENTISS made a speech, from which we make the following extract:

"There lies upon the other side of the wide Atlantic a beautiful island, famous in story and in song. Its area is not so great as that of the state of Louisiana, while its population is almost half that of the union. It has given to the world more than its share of genius and of greatness. It has been prolific in statesmen, warriors and poets. Its brave and generous sons have fought successfully all battles but their own. In wit and humor it has no equal; while its harp, like its history, moves to tears by its sweet but melancholy pathos. Into this fair region God has seen fit to send the most terrible of all those fearful ministers who fulfil his inscrutable decrees. The earth has failed to give her increase; the common mother has forgotten her offspring, and her breast no longer affords them their accustomed nourishment. Famine, gaunt and ghastly famine, has seized a nation with its strangling grasp; and unhappy Ireland in the sad woes of the present, forgets for a moment the gloomy history of the past."

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**MARINE INSURANCE AT NEW YORK.**—At a meeting of the directors of the Alliance Mutual Insurance Company, New York, on 20th May, it was resolved to suspend further business, the losses of the company having been such as to render this step expedient.

**POPULATION.**—The bill passed at the recent session of the legislature at New York, providing for the registry of births, marriages and deaths, makes it the duty of the clerks of the several school districts in the state, for a compensation to be allowed by the supervisors, to report to the town clerk, or the alderman in cities, by the 15th of January, in each year, the births, marriages and deaths, which have occurred in their respective districts during the year, giving time, names, residences, and ages in marriages and deaths, and the names of the parents, clergymen, and doctors, and the disease, in births, marriages and deaths, respectively. The town clerk is to record these returns and send an abstract to the county clerk, who is to send it to the secretary of the state, who is to present an abstract to the legislature. It is made the duty of clergymen and magistrates, physicians and midwives, doctors and sextons, to keep registers of marriages, births, deaths and funerals, which they are to allow the clerk of the school district to inspect.

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**DUTCH LOAN.**—In the treaty of Vienna, it was arranged between England, Russia, and Holland, that the Russian Dutch loan, borrowed by Holland from Russia, should be paid by England to Russia on two conditions, —so long as Belgium should remain a portion of the Netherlands, and the treaty of Vienna be respected by Russia. As England supported the severance of Holland from Belgium, the money has been paid nevertheless, though a strong effort was made in parliament to get rid of the liability, when Belgium was erected into a separate kingdom. The amount which England pledged herself to pay Russia was £7,291,666 sterling. Of this sum, from 1816 to 1846, the payments made have been £3,374,479 sterling—leaving a balance to be paid of £3,917,187 sterling.

Now Mr. Hume contended that as Russia had withdrawn her adhesion to the treaty of Vienna, the future payments should be withheld by this country.

Lord John Russell though he strongly condemned the policy of Austria, Prussia, and Russia, and admitted the flagrant violation of the treaty of Vienna in the absorption of Cracow, yet could not peril the honor of England by allowing her to follow so fatal an example, and not fulfil her obligations.

His lordship used unusually strong language, for a premier, in denouncing the violence to Cracow, and then made the declaration, which, from the emphatic and solemn manner of its delivery, produced a great impression upon the house:

“In considering this question, I think we should lower our position, I think we should deprive ourselves of that advantage which we now enjoy, were we to reduce this question to a mere transaction of pounds, shillings, and pence (great applause.) I consider that in the late transactions of Europe, although on more than one occasion, and by different powers, our wishes may not have been complied with, our desires may not have been listened to, our protests may have been disregarded, yet there does remain with us a moral strength—a moral dignity—which it is not in the power of any nation to deprive us of (loud cheers.) There is no treaty, ancient or modern, which it can be imputed to England that she has violated, evaded, or set at nought (enthusiastic applause.) We are ready in the face of Europe, however disadvantageous some of those stipulations may be for us,—to hold ourselves bound by all our engagements, to keep the fame, the name, and the honor of the crown of England unsullied, and to hold that unsullied honor as a jewel which we will not have tarnished (immense cheering.)”

## BANK ITEMS.

**BANK OF CAPE FEAR.**—Thomas H. Wright, Esq., lately cashier, has been elected president of the Bank of Cape Fear, at Wilmington, N. C., in place of John Hill, Esq., deceased.

**EXCHANGE BANK, BOSTON.**—Joseph Marsh, Esq. has been chosen cashier of the Exchange Bank at Boston, which is about to commence operations under a charter of the last legislature. At a meeting of the subscribers to the stock of the Exchange Bank, holden on the 4th May, 1847, the following gentlemen were chosen directors: Geo. W. Thayer, S. R. Spaulding, J. B. Kimball, Alexander Strong, John G. Davis, Israel C. Rice, Samuel Bates, Jr., John Foster, Peter Frothingham, Daniel C. Baker, Sampson Reed, Wm. H. Dunbar—and at a subsequent meeting of the board, George W. Thayer, Esq. was elected president.

**SHOE AND LEATHER DEALERS' BANK.**—Samuel Carr, Esq. has been elected cashier of the Shoe and Leather Dealers' Bank of Boston, in place of G. W. Thayer, Esq., now president of the Exchange Bank.

**COMMERCIAL BANK OF WILMINGTON.**—Public notice has been given that this new institution will shortly commence operations. O. G. Parsley, Esq. is president.

**KNICKERBOCKER BANK, NEW YORK.**—Public notice has been given that the subscription books of this bank will remain open a few days longer, at the store of J. Boyce, Esq., corner of Greenwich and Fulton streets, where subscriptions can be made to the stock previous to its going into operation, when the books will be closed. This bank will be located in the 3rd ward, in or near Greenwich street.

**CITIZENS' BANK OF NEW YORK.**—Notice has been given that books of subscription to the capital stock of this institution would be opened on Monday, 17th May, at the Pacific Hotel, No. 162 Greenwich street, and remain open every day until the necessary amount of capital shall be subscribed. The following are the directors: James M. Hoyt, Jacob Hoppock, William Howe, Jr., Thomas C. Doremus, H. Van Wagenen, Jr., George Dayton, Jonathan Sturges, Levi Apgar, John J. Phelps, Mulford Martin, Edward Elsworth, William S. Tisdale.

**NEW BANKS IN STATE OF NEW YORK.—**

|                                 |           |                            |
|---------------------------------|-----------|----------------------------|
| Bank of Bainbridge,             | . . . . . | at Bainbridge.             |
| Bank of Brockport,              | . . . . . | Brockport.                 |
| Farmers' Bank of Orleans,       | . . . . . | Gains.                     |
| Farmers' Bank of Orange County, | . . . . . | Warwick.                   |
| Palmyra Bank,                   | . . . . . | Palmyra.                   |
| Williamsburg Bank,              | . . . . . | Williamsburg, Long Island. |

**NEW ENGLAND BANK.**—During the past week our community has been astounded by the intelligence that one of our oldest, and, as hitherto regarded, one of our most respectable citizens—one who has held many offices of trust and responsibility, and who has been for nearly twenty years connected with the management of one of the oldest banking institutions of the city, has proved himself unworthy the confidence which had so long been reposed in him. The discovery has been made that during the whole time of his connection with its management, he has by a well arranged system, used

the bank funds in purchasing notes at usurious rates of interest, afterward passing them to the bank at the regular rate of six per cent.

The individual is Philip Marett, late president of the New England Bank. It will be remembered that in October last it was announced that Thomas Lamb, Esq., was chosen president of the New England Bank, in place of Philip Marett, resigned. It was at that time that the discovery of his frauds was made known to Mr. Marett by the directors, and they then demanded of him the sum of *sixty thousand dollars*, which was thought to be no more than was justly due from him to the bank. In this opinion he appears to have coincided, as he paid the above sum, and left the city.

As various reports have been circulated to the injury of the bank and its directors, it is proper here to say that the bank does not lose a dollar by this fraud. The directors from the moment they were apprised of any suspicions of wrong doing, have been investigating the past transactions of the late president and all matters relative to the bank. The result has been the recovery of the sum above stated, which makes good all the earnings the bank has been from time to time deprived of.—*Boston Transcript*.

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## EXCHANGES, STOCKS, &c.

NEW YORK, MAY 22.—Bills on London 6½ a 7¼. Paris 535 a 530. The money market is very easy, and on first class securities loans are negotiated at 5 per cent. Paper is not plenty, and the best is sought after at 6 per cent.

The stock market in New York closed at firm prices on 22d. Six per cent. treasury notes sold at 5½. There is a steady demand for these notes for investment. There were large sales of Pennsylvania 5's, and a rumor was afloat that the purchases were made on English account, which is not very likely, considering the condition of the London money market. State 5's sold at 100¼, which is higher than they have been for a long time. This advance in New York stocks is the result of the policy of the late legislature in refusing to admit government stocks as a basis for banking under the free system. There is a new demand for these stocks as deposits for circulation from the banks about going into operation, and an offer of par was made for one lot of \$100,000 held by one of the Wall street banks, and refused.

The amount received for tolls on all the New York canals to the 15th instant, is about \$350,000; only \$27,000 less than the amount received to the same period last year, when the canal was opened sixteen days earlier. Of the amount received this season, Buffalo contributed, during the second week of navigation, \$51,000, or more than one-third of the entire amount received during the week.

PHILADELPHIA.—The money and stock market of that city is buoyant. Pennsylvania 5's rise steadily, and with good reason. Bank stocks are rising also, but in a ratio quite disproportioned to their increased value. The speculative stocks, especially those of the Jersey Copper Company, seem in high favor. The recent attack on the Reading Rail Road Company has resulted in a saving of more than a half million of dollars to that corporation, as the floating debt of \$1,300,000, which was about to be funded at 70 per cent., has now been funded in convertible 6 per cent. bonds, reimbursable (if not converted into stock) in 1856, at par. This measure, of course, increases the value of the property of the company.

The temporary loan, made to meet the deficit of the treasury for the February in-

terest of the Pennsylvania state debt, has all been paid, and the prospect of being able to meet the August interest, without resort to any expedient, is very promising.

LOUISVILLE.—The banks were freely checking on 20th May at  $\frac{1}{2}$  per cent. premium on all northern cities. Time bills on the north, not over four months, interest off. Bills on New Orleans, sixty days to 4 months,  $\frac{1}{2}$  per cent.; four to 6 months, 1 per cent., and interest off, and difficult to negotiate. The Cincinnati and Ohio bank notes par to 1 per cent. discount. Tennessee money 1 a  $1\frac{1}{2}$  per cent. discount.

St. Louis.—Bills on New York, sight, par to  $\frac{1}{2}$  premium; on New Orleans par. Boston, Philadelphia and Baltimore, par to  $\frac{1}{2}$  premium; Pittsburg, Cincinnati and Louisville, par.

Major Bodine, paymaster of the army, left St. Louis, on 15th May, for Santa Fe, with \$300,000 in gold for the army in New Mexico.

NEW ORLEANS, MAY 18.—The money market was tolerably easy, and good signatures readily taken in the street, at 10 a 12 per cent. per annum. The banks discounting to the extent of their abilities. Citizens' bank notes,  $12\frac{1}{2}$  a 13 per cent. discount; Consolidated, 3 a 5 per cent. discount; Exchange and Atchafalaya, nominal; Third Municipality notes, 7 a 9 per cent. discount; Texas treasury notes, 14 a  $14\frac{1}{2}$  c.; interest notes, 16; eight per cent. bonds, 22; ten per cent. bonds, 24 c. on the dollar. Demand for foreign exchange had materially subsided, and drawers no longer obtain the rates previously quoted. The highest offer for favorite sterling signatures, 105 $\frac{1}{2}$ . The range was from 104 $\frac{1}{2}$  a 105 $\frac{1}{2}$ . Francs, 5f. 42 a 5f. 35. New York sixty days  $1\frac{1}{2}$  a  $1\frac{3}{4}$  per cent. discount. Checks par a  $\frac{1}{2}$  per cent. discount.

Amount of coin received at New Orleans since 1st September last, \$1,948,000 For the same period last year, \$1,458,000.

BALTIMORE.—The banks are liberal in their discounts, and the street rate for fair paper, may be quoted at 7 to 9 per cent. Bank stocks are improving, and Maryland six per cents. have gone up to 89 $\frac{1}{2}$ . Baltimore six per cents, 99. In Baltimore and Ohio Rail Road shares the operations for the last month, have been extensive. We find sales made at the board for one week in May, amounting to 880 shares, at from 46 $\frac{1}{2}$  a 48 per share, on time and for cash.

It is generally believed, that the Baltimore and Ohio R. R. Co. will declare a dividend of three per cent. in October, which has improved the stock in the market.

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## NEW BOOKS.

COMMERCIAL REVIEW OF THE SOUTH AND WEST.—The May No. of this periodical contains an interesting article on Life Insurance, with an examination into the peculiar diseases of the South—nature of risks to be encountered—doctrine of vital statistics, &c. also, elaborate articles upon the manufacture of sugar in Havana; commerce of Savannah; agriculture of Louisiana; the sources, mouth and the valley of the Mississippi.—Published monthly by J. D. B. Debow, New Orleans. Terms five dollars per annum.

HUNT'S MERCHANTS' MAGAZINE, MAY, 1847.—This valuable periodical maintains its established reputation, and continues to furnish exceedingly useful tables, relating to the internal and foreign commerce of the country. The statistical tables, are prepared with great labor and research; while the dissertations upon life and marine insurance, mining, agricultural products, &c. render the work highly useful to the merchant, the lawyer and the statesman.

**THE CHESS MAGAZINE.**—The lovers of chess will find the Chess Magazine, by C. H. Stanley, a useful appendage to the board. In this work the reader will find many interesting games, as played by the prominent players of Paris, London, Berlin, &c. Chess clubs have been for several years established in the large eastern cities, and also in St. Louis, New Orleans, Lexington, Louisville, Cincinnati. The notes appended to the games by the able editor, will be fully appreciated by those who follow chess as a science. Published monthly at three dollars per annum.

**HOME JOURNAL.**—The Home Journal published by G. P. Morris, and N. P. Willis, at New York, is one of the best weeklies now published. It is the best parlor and family newspaper, with which we are acquainted, while its mechanical execution is such as to commend it to all. The publishers furnish "Dombey and Son" complete, to every new subscriber. Terms two dollars per annum.

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## SEMI-ANNUAL DIVIDENDS.

May, 1847.

|                  |                                   |              |    |
|------------------|-----------------------------------|--------------|----|
| CONNECTICUT..... | Farmers and Mechanics' Bank,..... | Hartford,    | 3½ |
| NEW YORK.....    | American Exchange Bank,.....      | New York,    | 3½ |
|                  | Bank of State of New York,.....   | do.          | 3  |
|                  | Bank of Albany,.....              | Albany,      | 4  |
|                  | Ontario Bank,.....                | Canandaigua, | 4  |
| MARYLAND.....    | Bank of Westminster,.....         | Westminster, | 3  |
| DELAWARE.....    | Bank of Delaware,.....            | Wilmington,  | 3  |
| GEORGIA.....     | Bank of the State of Georgia..... | Savannah,    | 3  |

### Philadelphia Bank Dividends.

|                                   | Capital.  | Dividend.<br>Nov. 1846. | Dividend.<br>May 1847. |
|-----------------------------------|-----------|-------------------------|------------------------|
| Farmers and Mechanics' Bank,..... | 750,000   | 6                       | 6                      |
| Bank of Penn Township,.....       | 225,000   | 6                       | 6                      |
| Bank of Northern Liberties,.....  | 350,000   | 5                       | 5                      |
| Mechanics' Bank,.....             | 800,000   | 5                       | 5                      |
| Kensington Bank,.....             | 250,000   | 5                       | 5                      |
| Southwark Bank,.....              | 250,000   | 5                       | 5                      |
| Western Bank,.....                | 400,000   | 4½                      | 5                      |
| * Philadelphia Bank,.....         | 1,150,000 | 4                       | 4                      |
| Manufacturers and Mechanics'..... | 300,000   | 4                       | 4                      |
| Commercial Bank of Pa.....        | 1,000,000 | 3½                      | 4                      |

\* Also a further dividend, of three per cent. accruing out of funds received from trustees of the Bank U. S.

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## DEATHS.

At New York, on the 5th May last, THOMAS HUNN, Esq., Cashier of the National Bank, in the 64th year of his age.

At Wilmington, N. C., on the 9th May last, Dr. JOHN HILL, President of the Bank of Cape Fear, in the 51st year of his age.

At Circleville, Ohio, on the 27th April last, JOSEPH OLDS, Esq., aged 56 years; President of the Bank of Circleville.

## PRICES OF STOCKS,

NEW YORK, MAY 24, 1847.

| GOVERNMENT SECURITIES.         |      |      |  | Offered. Asked.               |      | BANKS. |     | Offered. Asked. |  |
|--------------------------------|------|------|--|-------------------------------|------|--------|-----|-----------------|--|
|                                |      |      |  |                               |      |        |     |                 |  |
| U. S. Loan, 6 per ct. 1862.... | 106½ | 107  |  | Bank of New York,.....        | 121½ | 125    |     |                 |  |
| do. 5 " 1853....               | 95   | 95½  |  | Manhattan Bank,.....          | 91   | 92     |     |                 |  |
| do. 6 " 1856....               | 106  | 106½ |  | Merchants' Bank,.....         | 109½ |        |     |                 |  |
| do. 6 " 1867....               | 107  | 107½ |  | Mechanics' Bank,.....         | 106  |        |     |                 |  |
| Treasury Notes, 6 per ct.....  | 105½ | 105½ |  | Union Bank,.....              | 120  |        |     |                 |  |
| STATE SECURITIES.              |      |      |  | Bank of America,.....         |      | 103½   | 104 |                 |  |
| New York 7 per cent... 1848    | 101½ | 103½ |  | City Bank,.....               | 109  | 109½   |     |                 |  |
| do. 7 do..... 1849             | 102½ |      |  | Phenix Bank,.....             | 88½  | 90     |     |                 |  |
| do. 6 do..... 1860             | 106  | 107  |  | North River Bank,.....        | 98   | 99     |     |                 |  |
| do. 5½ do..... 1865            | 100  | 101  |  | Tradesmen's Bank,.....        | 118  |        |     |                 |  |
| do. 5 do..... 1850             | 97   | 98   |  | Chemical Bank,.....           | 150  |        |     |                 |  |
| do. 5 do..... 1853             | 97   | 98   |  | Fulton Bank,.....             | 120  | 130    |     |                 |  |
| do. 5 do..... 1858             | 100½ |      |  | N. Y. Chemical Manufac. Co.   | 94   |        |     |                 |  |
| Ohio 6 do..... 1850            | 100½ |      |  | Del. & Hud. Canal Co. Bank,   | 185  |        |     |                 |  |
| do. 6 do..... 1860             | 101  | 101½ |  | Dry Dock Bank,.....           |      |        |     |                 |  |
| do. 6 do..... 1870             | 100½ | 101  |  | Butchers & Drovers' Bank,..   | 111½ |        |     |                 |  |
| do. 5 do..... 1856             |      |      |  | Mechanics & Traders' Bank,.   | 100  | 105    |     |                 |  |
| do. 7 do..... 1851             | 103  | 103½ |  | National Bank,.....           | 100½ | 101    |     |                 |  |
| Kentucky 6 per cent... 1871    | 102½ | 103  |  | Merchants' Exchange Bank,..   | 105  |        |     |                 |  |
| do. 5 do..... —                |      |      |  | Leather Manufacturers' do...  | 101  | 104    |     |                 |  |
| do. payable in N. Y.. —        | 85   | 89   |  | Seventh Ward Bank,.....       | 94½  | 96     |     |                 |  |
| Illinois 6 per cent. 1860      | —    |      |  | State Bank of New-York,...    | 89   | 90     |     |                 |  |
| do. 6 do..... 1870             | 41   | 41½  |  | Bank of Commerce,.....        | 93½  | 95     |     |                 |  |
| Indiana St'g 5 per ct. 25 yrs. | 39½  |      |  | do. do. Scrip,.....           | 95   | 97     |     |                 |  |
| do. Dol. 5 do. 35 yrs.         | 40½  | 41   |  | N. A. Trust & Banking Co..    | 9½   | 9½     |     |                 |  |
| Arkansas 6 per ct..... —       | 30   | 37   |  | Del. & Hud. Canal Scrip Stock | 160  |        |     |                 |  |
| Michigan 6 per ct..... —       |      |      |  | Mechanics' Banking Associa..  | 95   | 95     |     |                 |  |
| Alabama 5 per ct..... —        | 61   | 68   |  | American Exchange Bank,...    | 94   |        |     |                 |  |
| Pennsylvania 5 per ct.... —    | 77½  | 78   |  | MISCELLANEOUS.                |      |        |     |                 |  |
| CITY STOCKS.                   |      |      |  | New-York Gas Light Co....     | 117½ | 120    |     |                 |  |
| N. Y. City 7 per ct..... 1847  | 101½ |      |  | Manhattan Gas Light Co....    | 102  |        |     |                 |  |
| do. 7 do..... 1852             | 101½ |      |  | Canton Co. Balt.....          | 37½  | 37½    |     |                 |  |
| do. 7 do..... 1857             | 105  | 108  |  | East Boston Co.....           | 22   | 23     |     |                 |  |
| do. 5 do..... 1850             | 92   |      |  | N. Y. Life Ins. & Trust Co..  | 110  |        |     |                 |  |
| do. Water Loan do.. 1858       | 91   | 94   |  | Farmers' Loan & Trust Co..    | 35½  | 35½    |     |                 |  |
| Brooklyn 6 per ct..... —       |      |      |  | Ohio Life Ins. & Trust Co..   | 104  | 105    |     |                 |  |
| FOREIGN INSTITUTIONS.          |      |      |  | RAILROADS.                    |      |        |     |                 |  |
| United States Bank,.....       | 4½   | 4½   |  | New York & Erie,.....         | 60½  | 60½    |     |                 |  |
| N. O. Canal & Banking Co.      | 68   | 70   |  | Mohawk,.....                  | 69½  | 69½    |     |                 |  |
| City Bank of N. Orleans,...    | 86   | 87   |  | Harlem,.....                  | 54½  | 55     |     |                 |  |
| Commercial Bank of N. O..      | 106  |      |  | Utica and Schenectady,....    | 123  | 125    |     |                 |  |
| Franklin Bank, Cincinnati,.    | 106  |      |  | Macon and Western R. R..      |      |        |     |                 |  |
| La Fayette Bank,.....do.       | 80   | 85   |  | Reading R. R.....             | 57½  | 58     |     |                 |  |
| Illinois State Bank,.....      | 16½  | 17   |  | " Bonds.....                  | 72½  | 73     |     |                 |  |
| Vicksburg Com. & R. R. Bk.     | 11   | 11½  |  | Norwich and Worcester...      | 50   | 50½    |     |                 |  |
| Morris Canal & Banking Co.     | 20½  | 20½  |  |                               |      |        |     |                 |  |

EXCHANGES AND STOCKS.

*New York, May 26.*

|                             |        |       |
|-----------------------------|--------|-------|
| London, 60 days,..... prem. | 1.07   | 1.07½ |
| Paris, 60 days,.....        | 5.32   | 5.31  |
| Amsterdam,.....             | 39¼    | 39½   |
| Hamburg,.....               | 35½    | 35¾   |
| Bremen,.....                | 78½    |       |
| Boston,..... d.             | ½      | ½     |
| Philadelphia,..... d.       | ½      | ½     |
| Baltimore,..... d.          | ½      | ½     |
| Richmond,..... d.           | 1      | 1½    |
| North Carolina,..... d.     | 1½     | 2     |
| Charleston,..... d.         | ½      | 1     |
| Savannah,.... d.            | ¾      | 1     |
| Mobile,..... d.             | ¼      | ½     |
| New Orleans,..... p.        | par to | ¼     |
| Nashville,..... d.          | 2      | 2½    |
| Louisville,..... d.         | 1½     | 2     |
| Cincinnati, ..... d.        | 1½     | 2     |
| St. Louis,..... d.          | 1      | 1½    |

*New Orleans, May 20.*

|                                |       |       |
|--------------------------------|-------|-------|
| London, 60 days,.... prem.     | 1.04  | 1.05½ |
| Paris, 60 days,.....           | 5.43  | 5.35  |
| New York, 60 days,..... d.     | 2     | 3     |
| Do. sight,..... d.             | ½     | 1½    |
| Boston, 60 days,..... d.       | 1½    | 2     |
| Philadelphia, 60 days,..... d. | 2     | 3     |
| Baltimore, 60 days,..... d.    | 2     | 3     |
| Havana, 5 days,..... d.        | 3     | 3½    |
| American Gold,..... p.         | 1     | 1½    |
| Sovereigns,.....               | 4 85  | 4 86  |
| Twenty Francs,.....            | 3 83  | 3 86  |
| Spanish Doubloons,.....        | 16 25 | 16 40 |
| Patriot Doubloons,.....        | 15 53 | 15 60 |

*Gold discount, p. premium.*

*New York, May 26.*

|                          |       |       |
|--------------------------|-------|-------|
| Spanish Doubloons,.....  | 16 00 | 16 25 |
| Patriot Doubloons,.....  | 15 65 | 15 75 |
| Sovereigns,.....         | 4 83  | 4 84  |
| Louis d'or,.....         | 4 80  | 4 84  |
| Napoleons,.....          | 3 82  | 3 83  |
| Ducat,.....              | 2 20  | 2 25  |
| Ten Guilder,.....        | 4 00  | 4 00  |
| Five Thaler,.....        | 3 85  | 3 90  |
| Frederick d'or,.....     | 3 85  | 3 90  |
| Five Franc,.....         | 93    | 94    |
| Spanish Dollar,.....     | 1 02  | 1 03½ |
| Mexican Dollar,.....     | 1 01  | 1 02  |
| American Gold, old,..... | 1 05  | 1 06  |
| American Gold, new,..... | 1 00  | 1 00  |
| English Guinea,.....     | 5 00  | 5 10  |

*Baltimore, May 26.*

|                              |     |      |
|------------------------------|-----|------|
| Maryland 6 per cents,.....   | 90  | 90½  |
| Maryland 5 per cents,.....   | 74  | 75   |
| Maryland sterl'g 5 p. cents, | 67  | 68   |
| Maryland sterl'g 3 p. cents, | 46  | 46½  |
| Baltimore 6 per cents,....   | 100 | 100½ |
| Baltimore 5 per cents,....   | 81  | 83   |
| B. & O. R. Road 6 p. cents,  | 96  | 97   |
| Bank of Baltimore,.....      | 90  | 91   |
| Merchants' Bank,.....        | 91½ | 92½  |
| Union Bank,.....             | 83  | 84   |
| Farmers and Merchants',..    | 74  | 76   |
| Commercial and Farmers',     | 100 | 101  |
| Marine Bank,.....            | 83  | 86   |
| Farmers & Planters',.....    | 94  | 96   |
| Chesapeake Bank,.....        | 83  | 85   |
| Western Bank,.....           | 76  | 80   |
| Mechanics' Bank,.....        | 90  | 92   |
| Franklin Bank,.....          | 66  | 70   |
| Farmers' Bank of Md.,....    | 87  | 88   |

*Philadelphia, May 24.*

|                             |     |      |
|-----------------------------|-----|------|
| Pennsylvania 6 per cent.,.. | 87½ | 89   |
| Pennsylvania 5 " ..         | 77½ | 78   |
| Tennessee 5 " ..            | 82  | 83   |
| Philadelphia 6 " ..         | 102 | 103  |
| Pittsburg 6 " ..            | 91  | 93   |
| Cincinnati 6 " ..           | 93  | 94   |
| Camden Bank,.....           | 98  | 102  |
| Bank of North America,...   | 122 | 126  |
| Bank of Pennsylvania,....   | 124 | 126  |
| Bank of Northern Liberties, | 133 | 136  |
| Bank of Penn Township,..    | 138 | 140  |
| Commercial Bank, Pa.,...    | 109 | 109½ |
| Bank of Commerce,.....      | 66  | 70   |
| Farmers and Mechanics'..    | 180 | 200  |
| Girard Bank,.....           | 25  | 26   |
| Kensington Bank,.....       | 120 | 130  |
| Philadelphia Bank,.....     | 126 | 130  |
| Manufacturers and Mech's,   | 106 | 108  |
| Southwark Bank,.....        | 136 | 140  |
| Western Bank,.....          | 130 | 135  |
| Mechanics' Bank,.....       | 108 | 110  |
| Union Bank, Tennessee...    | 55  | 56   |
| Exchange Bank, Pittsburg,   | 89  | 92   |
| Merchants & M. B'k, do.     | 91  | 94   |
| Bank of Louisville,.....    | 86  | 89   |
| Northern Bank, Ky,.....     | 97  | 97   |
| Bank of Kentucky,.....      | 76  | 77   |
| Phila. & Balto. R. Road,..  | 54  | 56   |
| Camden & Amboy R. Road,     | 132 | 133  |

THE  
BANKERS' MAGAZINE,

AND

State Financial Register.

JUNE, 1847.



CONTENTS.

| ARTICLE.                                                                                                                                                            | PAGE. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| I.—THE MONEY MARKET: in the United States . . . . .                                                                                                                 | 673   |
| II.—THE ENGLISH MONEY MARKET: from the London Times, . . . . .                                                                                                      | 677   |
| III.—STOCK INVESTMENT: with tables of value, . . . . .                                                                                                              | 679   |
| IV.—BANK STATISTICS: Banks of the State of New York . . . . .                                                                                                       | 680   |
| V.—PURSUITS OF KNOWLEDGE; BY MERCHANTS, &c. . . . .                                                                                                                 | 681   |
| VI.—GREAT BRITAIN—House of Lords; House of Commons; Finan-<br>ces; Civil List; Sources of Revenue, &c. . . . .                                                      | 689   |
| VII.—BANKS OF GREAT BRITAIN: Bank of England, Joint Stock<br>Banks, Scotch Banks, Stock Exchange, . . . . .                                                         | 693   |
| VIII.—FINANCIAL CONDITION OF THE BANK OF ENGLAND: FROM<br>the London Bankers' Magazine, . . . . .                                                                   | 700   |
| IX.—LIFE ASSURANCE: Rate of Mortality, Rate of Interest, Foun-<br>dation of Rates; Moral Duty of Life Assurance, . . . . .                                          | 704   |
| X.—IMPRISONMENT FOR DEBT: . . . . .                                                                                                                                 | 713   |
| XI.—LEGAL MISCELLANY:                                                                                                                                               |       |
| 1. Letters of Credit. . . . .                                                                                                                                       |       |
| 2. Bills of Exchange. . . . .                                                                                                                                       |       |
| 3. Common Carriers. . . . .                                                                                                                                         |       |
| 4. Stamps. . . . .                                                                                                                                                  |       |
| 5. Commercial Guarantees. . . . .                                                                                                                                   |       |
| 6. Promissory Notes. . . . .                                                                                                                                        |       |
| 7. Freight. . . . .                                                                                                                                                 |       |
| 8. Bills of Lading. . . . .                                                                                                                                         | 721   |
| XII.—RECENT FORGERIES UPON BANKS: . . . . .                                                                                                                         | 726   |
| XIII.—STATE FINANCES: Stamp Act of Maryland, . . . . .                                                                                                              | 728   |
| XIV.—MISCELLANEOUS: Bank of France. Life Assurance. Indiana<br>Bonds. Steam Ships. Telegraph Lines. Boston City Loan.<br>Ireland. Population. Dutch Loan, . . . . . | 729   |
| XV.—DEATHS—Semi-annual Dividends. Stocks and Exchanges at<br>New York, Philadelphia, Baltimore and New Orleans, . . . . .                                           | 733   |

# GOLD COINS.

## UNITED STATES, N. A.



*Eagle.*—\$10.00.



$\frac{1}{2}$  *Eagle.*—\$5.00.



$\frac{1}{4}$  *Eagle.*—\$2.50.

## MEXICO AND SOUTH AMERICA.



*Double.* m.—\$15.00.



*Double.* n.—\$15.60.



$\frac{1}{2}$  *Double.* n.—\$3.80.



*Double.* n.—\$15.50.



*Double.* n.—\$15.00.



$\frac{1}{2}$  *Double.* n.—\$7.75.



$\frac{1}{2}$  *Double.* n.—\$3.80.



$\frac{1}{2}$  *Double.* n.—\$3.80.



$\frac{1}{2}$  *Double.* n.—\$1.94.



1-16 *Double.* n.—94 Cts.

Engraved from the original Coin, by J. W. ORR, 75 Nassau Street, New York.



# GOLD COINS.

## SOUTH AMERICAN.



1-16 Doub.—84 Cts.



Doubloon.—\$15.55.



1-16 Doub. 94 Cts

## SPANISH.



Doubloon.—\$15.90,



Pistole.—\$3.97.



1-10 Moidore.48 Cts.



1-16 Jec.—93 Cts



Escudo.—1.94.



1-16 Doub. 94 Cts.

## ENGLISH.



Double Sovereign.—\$9.66.



Sovereign.—\$4.84.



Sovereign.—\$4.83.



Sovereign.—\$4.83.



½ Sov. reign.—\$2.42.



Sovereign.—\$4.80.



Sovereign.—\$4.80.



Guinea.—\$5.00

Engraved from the original Coin, by J. W. ORR, 75 Nassau Street, New York.



# GOLD COINS.

## FRENCH.



Double Louis d'or.—\$9.13½.



Louis d'or.—\$4.56.



40 Francs.—\$7.66.



20 Francs.—\$3.83.

## SARDINIAN.



100 Lire.—\$19.12½.



40 Lire.—\$7.65.



20 Lire.—\$3.83.

## GERMAN, RUSSIAN, AND DUTCH.



¾ Thalers.—\$1.94.



10 Thalers.—\$7.80.



2 Frederick d'or.—\$7.80.



Hol. Ducat.—\$2.18.



5 Roubles.—\$3.70.



¼ Imperial.—\$3.99.



10 Guilders.—\$4.00.



5 Guilders.—\$2.00.

## MISCELLANEOUS.



24 Cents.



93 Cents.



47.5.



1.96.



# SILVER COINS.

## AMERICAN.



Dollar.—\$1.00.



½ Dollar.—50 Cents.



¼ Dollar.—25 Cents.

## MEXICAN AND SOUTH AMERICAN.



Dollar.—\$1.00.



½ Dollar.—50 Cents.



¼ Dollar.—25 Cents.



Real.—12½ Cents.



Medio.—6½ Cents.



2 Reales.—25 Cents.



Real.—12½ Cents.



¼ Real.—6 Cts.



Dollar.—\$1.00.



½ Dollar.—48 Cents.



¼ Dollar.—45 Cents.



# SILVER COINS.

## SOUTH AMERICAN.



960 Reis.—\$1.00.\*



100 Reis.—8 Cents.



960 Reis.—\$1.00.



320 Reis.—32 Cents.



¼ Dollar.—25 Cents.



¼ Dollar.—22 Cents.



1 Real.—12 Cents



Dollar.—\$1.00.



½ Dollar.—50 Cents.



¼ Dollar.—25 Cents.



Dollar.—\$1.00.



¼ Dollar.—50 Cents.



2 Reals.—16 Cents.



¼ Real.—3 Cents.

\* Both Brazil and Portugal, as will be perceived, reckon by the "Reis," there is a difference, however, in the valuation, the Portuguese being one-tenth more than the Brazilian "Reis."



# SILVER COINS.

## GUATEMALA, N. A.



$\frac{1}{2}$  Dollar.—22 Cents.

## SOUTH AMERICAN.



Dollar.—80 Cents.



$\frac{1}{2}$  Dollar.—22 Cents.

The Coins of Bolivia of the year 1830 and since, of denominations less than the dollar, are very much debased, the "halfs" being worth but 37 and the "quarters" but 18 cents.

The dollars of Colombia from 1819-21, with the head of an Indian on one side, are very irregular in weight and fineness—varying from 65 to 85 cents in value. The dollar of 1839 with a horn of plenty and an eagle on one side are worth but 65 cents.

## SPANISH.



Dollar.—\$1.02.



$\frac{1}{2}$  Dollar.—60 Cents.



$\frac{1}{4}$  Dollar.—24 Cents.



Dollar.—\$1.00.



$\frac{1}{2}$  Dollar.—60 Cents.



$\frac{1}{4}$  Dollar.—24 Cents.

Engraved on wood, from the original Coin, by J. W. ORR, 75 Nassau Street, New York.



# SILVER COINS.

## SPANISH.



Dollar.—\$1.00.



$\frac{1}{4}$  Dollar.—45 Cents.



$\frac{1}{8}$  Dollar.—24 Cents.



Pistareen.—18 $\frac{1}{2}$  Cents.



Pistareen.—16 Cents.



$\frac{1}{8}$  Dollar.—12 Cents.



$\frac{1}{8}$  Pistareen.—8 Cents.



Real.—12 Cents.\*



Medio.—6 Cents.



Medio.—6 Cents.



Cross Pistareen.—16 Cts.



Cross Pistareen.—16 Cts.



Cross Pistareen.—16 Cts.



$\frac{1}{8}$  Pist.—4 Cts.

\* There are three valuations to the "Real." 1. The Mexican, 8 to the dollar. 2. The "Real de la plata nueva," 10 to the dollar. 3. The "Real vellon," 20 to the dollar.

Engraved on wood, from the original Coin, by J. W. ORR, 75 Nassau Street, New York.



# SILVER COINS.

## PORTUGUESE.



*Cruzado.*—52 Cents.



*100 Reis.*—11 Cents.

## SPANISH.



$\frac{1}{2}$  *Dollar.*—50 Cents.

## ENGLISH.



*Crown.*—\$1.12.



$\frac{1}{2}$  *Crown.*—56 Cents.



*1 Shilling.*—23 Cents.



*1 Shilling.*—23 Cents



*1 Shilling.*—23 Cents.



*1 Shilling.*—23 Cents.



*1 Shilling.*—23 Cents.



$\frac{1}{2}$  *Crown.*—56 Cents.



*7 Cents.*



*3 Cents.*



$\frac{1}{2}$  *Crown.*—56 Cents.



# SILVER COINS.

## BRITISH.



6 Shillings.—99 Cents.



11 Cents.



3 Pence.—5 Cents.



Crown.—\$1.09.



53 Cents.



44 Cents.



36 Cents.

## BRITISH COLONIAL.



1 Rupee.—42 Cents.



¼ Dollar.—24 Cents.



½ Dollar.—12 Cents.



1-16 Dollar.—6 Cts.



Dollar.—93 Cents.



FRENCH.



Crown.—\$1.06.



1/2 Crown.—60 Cents.



1/4 Crown.—26 Cents.



5 Francs.—93 Cents.



2 Francs.—34 Cents.



5 Francs.—93 Cents.



5 Francs.—93 Cents.



1 Franc.—17 Cents.



1 Franc.—17 Cents.



1/4 Franc.—4 Cents.



1/4 Franc.—8 Cents.

Engraved on wood, from the original Coin, by J. W. ORR. 75 Nassau Street, New York.



# SILVER COINS.

## FRENCH.



¼ Dollar.—25 Cents.



¼ Dollar.—25 Cents.



½ Crown.—50 Cents.



10 Sous.—8 Cents.

## ITALY AND SWITZERLAND.



5 Livres.—93 Cents.



2 Livres.—34 Cents.



Carlin.—7 Cents.



Scudo.—93 Cents.



5 Livres.—93 Cents.



2 Livres.—34 Cents.



1 Livre.—17 Cents.



# SILVER COINS.

## ITALIAN.



10 Paule.—\$1.04.



4 Cents.



½ Lira.—4 Cents.



10 Paule.—\$1.04.

## DUTCH AND GERMAN.



3 Guilders.—\$1.18.



25 Cent.—10 Cents.



10 Centimes.—4 Cents.



2½ Guilders.—98 Cents.



1 Guilder.—37 Cents.



6 Sivers.—12 Cents.



½ Guilder.—18 Cents.



¾ Thaler.—51 Cents.



1 Guilder.—37 Cents.



\$1.25.



# SILVER COINS.

NORWAY, SWEDEN, DENMARK, RUSSIA.



*Specie Riz Dollar.*—\$1.04.



$\frac{1}{2}$  *Specie Riz Dollar.*—62 Cents. 24 *Skillings.*—20 Cents.



*Rouble.*—80 Cents.



*Specie Riz Dollar.*—\$1.02.



1 *Rouble.*—75 Cents.



5 *Zlotch.*—62 Cents.



25 *Copecks.*—18 Cents.

GERMANY.



1 *Thaler.*—65 Cents.



1 *Thaler.*—65 Cents.



$\frac{3}{4}$  *Thaler.*—23 Cents.



# SILVER COINS.

## GERMANY.



3½ Guilders.—\$1.33



3½ Guilders.—\$1.33.



Brabant Crown.—\$1.04.



¼ Crown.—25 Cents.



16 Cents.



½ Thaler.—33 Cents,



Rix Dollar.—\$1.00.



36 Grotes.—28 Cents.



Rix Dollar.—66 Cents.



1 Thaler.—66 Cents.



½ Thaler.—33 Cents.



# SILVER COINS.

## GERMANY.



Riz Dollar.—92 Cents.



Floren.—46 Cents.



20 Kreuzer.—16 Cents.



Specie Riz Dollar.—\$1.03.



Specie Riz Dollar.—\$1.04.



1 Gulden.—37 Cents.



1 Floren.—61 Cents.



1 Thaler.—66 Cents.



2 Thalers.—\$1.33.

1-48 Thaler.



1 Cent.



2 Thalers.—\$1.33.



# SILVER COINS.

## GERMANY.



Thaler.—66 Cents.



Thaler.—66 Cents.



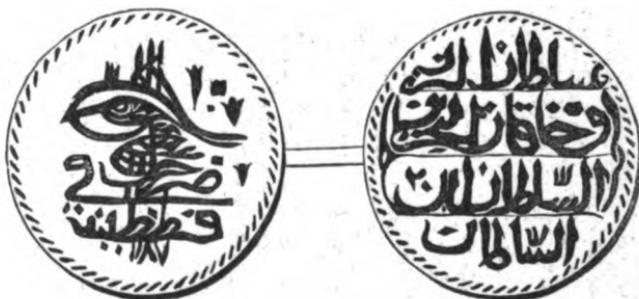
10 Schillings.—16 Cents.



Crown of Bavaria.—\$1.04.



¼ Rix Dollar.—32 Cents.



Ghersh of Tripoli.—10 Cents.

## UNITED STATES, N. A.

## WEST INDIES.



Dime.—10 Cents.



½ Dime.—5 Cents.



25 Centimes.—8 Cents.



10 Skillings.—8 Cents.

Engraved on wood, from the original Coin, by J. W. ORR, 78 Nassau Street, New York.

