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AND

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Diagram showing the progress of bank capital, circulation, deposits, loans and specie, in the United States, from the year 1811 to 1863.

NOTICE.

The next volume of "*The Bankers' Magazine and Statistical Register*" (July, 1863, to June, 1864, inclusive) will contain the following important documents :

I. Case of *McCULLOH vs. STATE OF MARYLAND*, before the Supreme Court United States, 1819, denying the right of taxation of government bonds by the States.

II. Decisions of the Supreme Court United States, 1863, in the case of *BANK OF COMMERCE vs. NEW-YORK TAX COMMISSIONERS*.

III. Recent decisions as to the constitutionality of the act making legal tender of United States notes.

IV. Decisions of the courts of New-England, New-York and other States, 1862, upon banking, bills of exchange, promissory notes, &c.

V. Synopsis of the laws United States relating to loans, currency, banks, &c.

OFFICE BANKERS' MAGAZINE, *June*, 1863.

The undersigned is prepared to furnish information to facilitate the organization of banks under the Acts of Congress of 1863: and will furnish the necessary forms of application, and copies of the Loan Act, authorizing the issue of bonds as a basis of circulation.

"AN ACT TO PROVIDE A NATIONAL CURRENCY, SECURED BY A PLEDGE OF UNITED STATES STOCKS, AND TO PROVIDE FOR THE CIRCULATION AND REDEMPTION THEREOF.—APPROVED FEBRUARY 25, 1863. WITH MARGINAL NOTES AND AN INDEX.

"AN ACT TO PROVIDE WAYS AND MEANS FOR THE SUPPORT OF THE GOVERNMENT, TO JUNE, 1864.—APPROVED MARCH 3, 1863."

The requisite forms, preliminary and otherwise, will be furnished to order, and all information desired on the subject. A charge of Ten Dollars will be made, except in cases subject to special agreement.

Address by mail,

J. SMITH HOMANS, Jr.,
Editor of the Bankers' Magazine, New-York.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII. NEW SERIES.

JULY, 1862.

No. 1.

AMERICAN GEOGRAPHICAL AND STATISTICAL SOCIETY.

New-York, 8th May, 1862.

At the annual meeting of the society, held this evening, ARCHIBALD RUSSELL, Esq., vice-president, in the chair, the minutes of the last meeting were read and approved. The council reported that they had approved of the nomination of OLIVER G. CARTER, Esq., as a resident member, and he was duly elected. The general report of the proceedings of the society and council since the last annual report was read by the recording secretary, and the same was accepted and *ordered* on file. *Whereupon*, on motion of HENRY E. PIERREPONT, Esq., it was

Resolved, That the thanks of the society be tendered to the secretary for the satisfactory and able manner in which he has prepared and presented the general report of the proceedings of the society and council.

The foreign corresponding secretary made a report in writing, which was accepted and ordered on file.

The treasurer made a report of the finances from 1st May, 1860, to 1st May, 1862, which had been audited by the finance committee, and it was accepted and ordered on file. It was then

Ordered, That the election of officers be held, pursuant to the provisions of the by-laws, and that the balloting be by general ticket. *Whereupon* the chair appointed WILLIAM B. TAYLOR and WILLIAM H. ARNOUX, Esqs., as tellers. The recording secretary furnished the tellers with a poll-list, pursuant to the by-laws, and at the closing of the polls the tellers reported that the following gentlemen had been unanimously elected officers of the society for the ensuing year—which report was duly accepted by the society—to wit:

were also under the necessity of accepting the resignation of MARSHALL LEFFERTS, Esq., of the office of librarian, whose business engagements would not allow him to serve the society in that capacity any longer. The council have been enabled to fill the office of foreign corresponding secretary by the election (by their own body, under the provisions of the by-laws of the society,) of FRANCIS A. STOUT, Esq., and imposed the duties of librarian on the recording secretary, *ad interim*, until a very recent period, when council were able to procure the assent of WILLIAM P. TROWBRIDGE, Esq., to assume the duties of librarian, to which office he was elected by council.

On the 13th of November last, Dr. HAYES reported to the society the very interesting results of his "Arctic Explorations," which were listened to by a large and appreciative audience.

On the 5th of December, HENRY V. POOR, Esq., of the society's council, read a paper of much research on the "Internal Commerce of the Country;" and, on the 2d January, Mr. DANIEL C. GILMAN, of Connecticut, (who formerly held the position of general secretary of the society,) favored us with the results of some examinations made by him on the "reports received from the lake regions of Central Africa."

The council having, on the 7th of January, 1862, raised a committee, consisting of Messrs. H. V. POOR, CHARLES GOULD, ARCHIBALD RUSSELL, WILLIAM C. H. WADDELL and L. S. HOMANS, on the subject of "Devising a System of Taxation, and in connection therewith a financial plan, which shall be adapted to the present state of public affairs," adopted the report of their committee, and the same came before the society as a report from council, on the 16th of January. The report was further discussed at an adjourned meeting of the society, held on the 23d of that month, when the report from council was accepted and ordered to be printed. This report has been distributed not only to the members of the society, but also to each member of Congress, as well as to many other public functionaries throughout the United States. The report has received much commendation from the press, and a very elaborate and complimentary notice from the London *Daily News* might here be inserted if space admitted; and as late as the 15th of April last, a month after the issuing of the report, the *New-York Evening Post*, in commenting on the proceedings of the Boston Board of Trade, and urging the necessity which exists of a new system of taxation by the United States, whereby \$300,000,000 can be raised, remarks, that the report of the American Geographical and Statistical Society "shows how this can be done without being a burden."

On the 11th February, CHARLES GOULD, Esq., read a paper "On a National Bank as a substitute for an Independent Treasury," which, after discussion by PETER COOPER, Esq., General PROSPER M. WETMORE and others, finally received the thanks of the society by a complimentary vote to the author, and a copy was requested for the archives of the society.

On the 27th of the same month, the Rev. Dr. BELLWS, whose labors on the commission charged with the sanitary regulations of the government forces, addressed the society on "Sanitary Science," which met with a gratified response from a full meeting of the society; and on the same evening, L. SMITH HOMANS, Esq., favored the society with his views on

the "Comparative value of the Northern and Southern portions of the United States to England in a commercial point of view," which paper, receiving at the time a complimentary vote of the society, has subsequently been copied extensively by both the English and American press, and, deservedly, with much approbation.

On the 6th of March, Dr. WILLIAM H. THOMPSON read a very learned paper on the "Pre-Islamic Arabs and their Wanderings," and the society expressed its gratification and appreciation by requesting a copy for its archives.

On the 3d of April, J. W. FABENS, Esq., formerly consul of the United States at Cayenne, read a paper on "St. Domingo and its resources, derived from personal observations." After the reading of the paper, and the tender of the thanks of the society to the author for his able production, a preamble and resolution were offered, which were deemed by some to be commendatory of a system of emigration of the free colored portion of the population of this country to St. Domingo; *whereupon*, the preamble and resolutions were referred to the council, with power to take such action thereon as they might deem proper, and with instructions to report their actions to the society; and, at the next meeting of the society, on the 1st May, the council reported as follows, to wit: "That the society being purely a scientific body, engaged in the pursuit of the diffusion of geographical and statistical knowledge, it is desirable that the inquiry touching the condition and prospects of St. Domingo, contemplated in the resolutions referred to them, should be prosecuted with a single view to accurate and reliable information upon the physical geography and political condition of the commercial and industrial resources of the island, and that for this purpose a committee be appointed to ascertain what materials are available for a report upon the subject."

On the same evening, (1st May,) a committee was appointed, in accordance with the suggestions contained in that report, consisting of the Rev. Dr. LEAVITT, Messrs. KETCHUM, FABENS, RUSSELL and Dr. THOMPSON; and, on the same evening, CYRUS W. FIELD, Esq., favored the society with some extended remarks upon the present position of the Atlantic Telegraph enterprise; and the thanks of the society were presented to Mr. FIELD for his interesting communication, and a copy thereof was requested for the society's archives. The society further expressed their appreciation of the merits of this production by a resolve, "That the society are highly encouraged by the evidence presented by Mr. FIELD of the entire practicability of the telegraph enterprise across the Atlantic Ocean, and desire, in this manner, to express their confidence therein."

At the meeting of the society on the 11th of February last, the attention of the society was called to the proposed action of the Committee on Commerce of the House of Representatives of the United States, advisory of the continuance on the part of the United States of the "Reciprocity Treaty," now existing between Great Britain and the United States, in reference to the Canadian provinces. Thereupon, on motion, it was

Resolved, That the secretary certify to the Committee on Commerce of the House of Representatives of the United States the action which was had by this society on the 4th of December, 1856, in memorializing

the legislature of this State upon the expediency of increasing the modes of communication between the United States and Canada, and especially by the construction of a ship canal, uniting the St. Lawrence with Lake Champlain and the Hudson River, with a view that the same might be favorably considered by Congress; which memorial accordingly went forward.

On the 18th of November last, immediately upon the organization of council after its election, council adopted a code of by-laws for its government; and, at the same meeting, they raised a committee for the purpose of revising the list of honorary and corresponding members of the society, with instructions to report thereon to council, but the committee have not made any report thereon.

The standing committees appointed in council, as provided by the by-laws of the society, were ordered to be as follows, to wit

On Finance.—Messrs. RUSSELL, Chairman, STOUT, THOMPSON, FOLSOM and WADDELL.

On Topics and Proceedings.—Messrs. HOMANS, Chairman, POOR, WADDELL, RUSSELL and PIRREPONT.

On the Library.—Messrs. LEFFERTS, WADDELL, RUSSELL, DALY and MOORE.

For the purpose of placing the society in the best position, and carrying out as far as practicable the objects for which it was created, the council have caused the rooms of the library to be kept open daily at certain hours; have had attendance thereat by a clerk (under the recording secretary) employed therein, and have restricted the disbursements, (made through the recording secretary therefor,) exclusive of such extra expenses as may be specially allowed by council, and exclusive of rent, gas, &c., to the sum of fifty dollars per month, as a petty cash, which covers the expense of the clerk here referred to and current expenses. And although the by-laws of the society provide that council may allow a compensation to the recording secretary for the onerous duties imposed on him, still, as the pecuniary position of the society does not warrant such an expenditure, council have not availed themselves of that provision of the by-laws.

Under Chapter XIV., and the first section of Chapter XV. of the by-laws, council have designated the Chemical Bank as the depository of the funds of the society.

On the 20th February last, council adopted and reported a system of sections within the society; and as they deem this measure one which may, if favored by the members of the society, be very conducive to its interests, and although each member of the society has been furnished with a copy of the proceedings of council, and of its committee thereon, council would beg leave to re-state the report anew, to wit:

AMERICAN GEOGRAPHICAL AND STATISTICAL SOCIETY, }
NEW-YORK, 20th February, 1862. }

At a meeting of the council of the society, held this evening, the following preamble and resolution were adopted, to wit:

Whereas, the select committee report that, in their opinion, it is advisable that the society should adopt a system of sections; that each mem-

ber of the society be invited to join one or more of the sections and to take an active part therein; that the election of chairman and other officers, as well as the internal management of the section, be regulated by each section; and that each section be required to report at stated times to council; therefore, be it

Resolved, That the committee be authorized to organize such sections, and under such rules as they may deem advisable and are able to put in active operation.—*Extract from the Minutes.*

The committee having entered upon the duties which have devolved upon them, do hereby adopt the following rules as preliminary to the inauguration of sections, to wit:

First. Each section shall consist exclusively of members of the American Geographical and Statistical Society.

Second. Whenever five members of the society shall make known to the committee their desire to form a section appropriate to the objects of the society, and the same shall have been approved, they will proceed to inaugurate the same, by the adoption of a resolution defining the name of the section, and incorporating therewith the names of the first five or more members thereof proposed as aforesaid, and call a preparatory meeting of such section.

Third. Upon the coming together of a majority of the members of a section (under such call) they shall proceed to organize, by the election of a chairman and secretary *pro tempore*, of such section, and the adoption of the following general rules for its government, viz.:

1st. This section shall be known as the section on—(Here insert the subject which the section shall take into consideration.)

2d. This section shall be subject at all times to such resolves, duly certified, as it may receive from time to time from the said society or its council.

3d. This section will adopt a code of by-laws for its government, not inconsistent with the by-laws of the society or council.

4th. Any member of the society who shall make known in writing his desire to become a member of this section, shall, upon the approbation of the society or council, duly certified to this section, be received therein, be entitled to all the advantages thereof, and be subject to its by-laws and rules of government.

AMERICAN GEOGRAPHICAL AND STATISTICAL SOCIETY, }
CLINTON HALL, ASTOR PLACE, *Murch 1st*, 1862. }

The special committee charged with the formation of sections, on different specialties, would respectfully call the attention of members of the society to the advantage, as well as the agreeable associations which must result from the conversation and discussions of persons interested in certain specialties. By means of these sections members will meet with those engaged in congenial pursuits and investigations. The whole internal management of these sections, including the election of chairman and other officers, is confided to the sections themselves, with the additional advantage of the use of the fine library and collections of maps and charts now possessed by the society. This plan is confidently recommended to the attention not only of members, but also of such of their

friends as may be induced to unite with us, as one possessing many good features, and which it is hoped will add to the reputation and usefulness of the society.

Sections on the following named subjects are already in process of formation, viz :

A section on Sanitary Measures and Results.

A section on Vital Statistics, including Population and Emigration.

A section on Physical Geography, including Marine Statistics.

In addition to the foregoing, it has been proposed to form sections on the following subjects, viz : on—

Statistics of Finance and Principles of Taxation.

Geographical Explorations and Discoveries.

Agriculture and Products of the Nation.

Members of the society are invited to join one or more sections, and to take an active part in the discussions. The committee will be happy to receive suggestions from any member, as to the subjects upon which *working* and *active* sections might be formed.

SHEPPARD HOMANS,
WILLIAM COVENTRY H. WADDELL, } *Committee.*

The Committee on Sections have been able, subsequent to that report, to organize the section on "Vital Statistics, including population and emigration," GEORGE W. PHILLIPS, Esq, chairman; and the section on "Physical Geography, including marine statistics," WILLIAM C. THOMPSON, Esq., chairman, and to state that each section is now in pursuit of knowledge on the special subjects committed to them.

These sections have already held meetings under very favorable circumstances, and have called adjourned meetings at a subsequent day, and express themselves (severally) desirous of receiving the co-operation of the individual members of the society.

Council would urge upon every member of the society to take an interest in one or more sections.

A committee was also raised by council, which is now in action, for the purpose of increasing the number of life members of the society; and this committee having invoked the co-operation of the several members of the society, the council engraft their report herein, as follows :

"The undersigned, appointed by council on the 20th March last as a special committee charged with the duty of increasing the number of life members of the society, would respectfully report—

"That in carrying out the wishes of council the committee earnestly desire the co-operation of every member of the society, not only in furnishing the committee with the names of such gentlemen as may have expressed a willingness to become life members, but also by suggesting to the committee the names of such gentlemen as they may have some reason to suppose would make a favorable response to the committee upon such an application by them. The committee feel very desirous of carrying out effectively the duty with which they have been charged by council, enabling the society hereby to increase their library, and other—

wise its usefulness and beneficial results; and, in furtherance thereof, would urgently call not only upon the members of the society, but on all others who may take an interest in its advancement, to aid them in the duties which have been imposed upon them.

Respectfully submitted.

FRANCIS A. STOUT,

HIRAM BARNEY,

WM. C. H. WADDELL,

} Committee.

New-York, 3d April, 1862."

The librarian *ad interim* has been actively engaged, since the office has devolved upon him, in bringing the books and maps of the library, *per se*, from out of the mass of materials, (composed of books collected for the exchange system of the society;) and that officer expresses his confidence that, at the termination of the summer recess, (usually taken by the society,) he would be able to show the library in a healthy condition, and be also able to present the necessary materials for printing a new catalogue of the library to the discretion of the council.

In connection with this action on the part of the librarian *ad interim*, the domestic corresponding secretary has been instructed to solicit, in proper quarters, national and municipal documents for foreign exchanges; and the foreign corresponding secretary is making preparations to transmit, at an early day, to the institutions and governments abroad, such books and maps as we may be able to contribute as our quota in the exchange system with kindred institutions.

The society has, since the last election of officers, added to its members three life members, two non-resident members, twenty resident members, and five corresponding members.

The society has received within the last year 96 quarto, 190 octavo and 7 duodecimo volumes, and 19 quarto and 196 octavo pamphlets, and 32 maps; which have been received from seventy different donors, residing in the United States, the British Provinces, England, France, Norway, Sweden, Denmark, Prussia, Russia, Austria, Bavaria, Bohemia, Belgium, Hanover, Saxony, Switzerland, Nassau, Frankfort-on-Main, Gotha, Italy, China and Siam; all of which have been acknowledged by ninety-two letters. (More particular statements of donors, &c., are appended hereto.)

The society has also on hand 164 complete sets of its bulletin and journal, besides a large number of odd volumes of its various publications, which will become useful in completing sets in the possession of kindred institutions.

In closing their annual report, the council feel some confidence in stating to the society that the society is in a progressive state, and that, in carrying out the system which they have projected, the society will grow in importance, and its usefulness be sensibly felt by the public.

Respectfully submitted, by order of council.

WM. COVENTRY H. WADDELL,

Rec. Sec., and ex officio Sec. of Council.

LEGAL MISCELLANY.

I. *Law of Endorsement—what it is necessary to allege.* II. *Lost Bank Bills.* III. *Copartnership Name.* IV. *Currency of Depreciated Paper.* V. *Claims of Rebellious Citizens.* VI. *Infringement of Patents.*

I. SUITS AGAINST INDORSERS—WHAT IT IS NECESSARY TO ALLEGE.

Before the Supreme Court of New-York, General Term.

The action was against an indorser of two promissory notes, made payable at No. 94 Woodward Avenue, Detroit. The complaint averred that, at maturity, the notes were duly presented for payment to the makers, but were not either of them paid, nor any part thereof, of which the defendants had due notice. The defendants demurred on the ground that the complaint did not allege a demand at the maker's office, No. 94 Woodward Avenue, Detroit.

HELD, That a demand at the place indicated in the note is a condition precedent to the right of recovery against an indorser. An indorser contracts only to be answerable in default of the maker, after demand has been made in strict compliance with the term of the contract and due notice of the default. The provision to pay at a particular place relates only to the mode in which the contract shall be executed, as far as the maker is concerned; but with regard to the indorser, it constitutes a condition precedent on which his liability depends. The presentment, therefore, of the notes in question at No. 94 Woodward Avenue, Detroit, was a condition precedent to entitle the plaintiff to recover against the defendants, which it would have been necessary to allege, were it not for the 162d section of the Code, which provides that the performance may be stated generally, that the party duly performed the condition, &c. This section is general in its language, and may be fairly applied to all conditions precedent. The allegation in the complaint was therefore sufficient. INGRAHAM, J., dissented. HERNER et al. vs. WILLIAMS.

An important decision has been rendered in the Supreme Court of this city, in the suit of LARNED, Assignee, &c., *agt.* LITTLE, involving the legality of "calls," or privileges to call, for given amounts of stock. The suit was brought upon a call for two hundred and fifty shares of Chicago and Rock Island, and was referred by the court to a well known legal gentleman, whose report is in favor of the plaintiff; the defence interposed by the defendant being that the transaction was void, as coming within the prohibition of betting and gaming. (2 *Revised Statutes*, page 980.) The parties were represented by E. R. MEADE and S. G. COURTNEY for plaintiff, and L. HOYT for defendant. The opinion in the case is long, and we only quote the more important parts:

"It does not appear whether the defendant, at the date of the call or during the time the bearer had the option of making it, had the stock; nor does it appear that the bearer of it had no intention of calling for the stock. The legal presumption, in the absence of evidence to the contrary, is that the defendant had it in his power to respond to the call, and that the bearer of it would make the call if he saw fit, or it was for his interest to do so. Giving the instrument a reasonable interpretation, it seems to amount to this: For value received—that is, for a sufficient consideration—I agree that if at any time within sixty days you call on me for two hundred and fifty shares of Chicago and Rock Island Rail-Road stock at sixty per cent., I will deliver it to you. It is true the paper says only the bearer may call, but it is obviously implied that the party granting the call engages to deliver, otherwise there would be no significance to the paper whatever. Without the paper, and without the consideration, any one would have the right to call. The call and the consideration expressed imply necessarily that there was an obligation to deliver. Is this a wager? Suppose an owner of a horse or a house and a lot of land to agree, in consideration of \$100 paid to him, that he would give to the party paying the consideration the privilege or option of purchasing the horse or house and lot of land at a certain fixed price within a limited time, would such a contract be a wager, or illegal, under the statute against betting and gambling? I think not."

A letter from the Banking Department at Albany, relative to engraved signatures to bank notes, says the superintendent does not "regard engraved signatures upon bank bills or notes as a compliance in letter or spirit with the provisions of sections 3 and 21 of the General Bank Law of 1838."

II. LOST BANK BILLS.

Before the Supreme Judicial Court of Massachusetts, January, 1862.

TOWER vs. APPLETON BANK. This is an action of contract to recover of defendants, a banking corporation in Lowell, the amount of several bills issued by the bank, of the denominations of fives and tens, alleged to have been destroyed by fire while plaintiff was the owner thereof. At the trial there was evidence tending to show that plaintiff had the bills, carried them to Chicago, and there in the morning put them in his trunk in his room, and locked the trunk and left the house, which was burned within an hour thereafter, and that he never saw any of those bills after he locked them up in his trunk, and that no one entered the room after he left it, and that the trunk and contents were burned with the house, and there was no other evidence of the destruction of the bills. There was evidence tending to show that the bills of this bank, of the denominations of \$10 and \$5, in circulation at the time of the fire, amounted to from \$20,000 to \$25,000, and that no one bill could be identified or distinguished from another of the same denomination, there being no numbers, and all bearing the same date. There was no evidence tending to describe or identify the particular bills sued for, except that they were of the denominations of \$10 and \$5, and similar to all other issues of the same bank of

the same denominations. Plaintiff notified the bank of the destruction of the bills, demanded the amount thereof, and tendered a bond of indemnity.

At the trial in the court below, the jury were instructed that if plaintiff was the owner of the bills, and they were destroyed by fire, and plaintiff notified defendants thereof, and demanded the amount thereof, and tendered a bond of indemnity, he was entitled to recover. The jury returned a verdict for plaintiff, and the case was carried to the Supreme Judicial Court, and argued at the law term in January last. The Supreme Court have set aside the verdict, filing the following rescript in the case: "An action cannot be maintained against a bank, upon its bills, upon proof that they belonged to the plaintiff, and were accidentally destroyed, when there is nothing to distinguish or identify the particular bills, except their general denominations as five and ten dollar bills of that bank. No sufficient bond of indemnity could be given to protect the rights of the bank." T. WENTWORTH and T. PEARSON for plaintiff; D. S. RICHARDSON and G. F. RICHARDSON for defendants, (T. H. SWEETSER with them.)

III. A COPARTNERSHIP NAME SUIT.

Before the Supreme Judicial Court. ABNER H. BOWMAN and JOHN G. LORING, executors of JOHN G. LORING, *versus* ANDREW FLOYD, BENJAMIN BEAL, JESSE FARMER and JOHN T. KENDALL.

The bill was a petition for an injunction to restrain the respondents from using the name of JOHN G. LORING in their business. It was brought under the statute, chapter 56, section 3:

"No person carrying on business in this State shall assume or continue to use in his business the name or names of any persons formerly connected with him in partnership, or of any other persons, either alone or in connection with his own, or any other name or designation, without the consent in writing of such person or his legal representative."

The facts are these: JOHN G. LORING, ANDREW FLOYD and BENJAMIN BEAL were partners, doing business in Boston as coppersmiths, under the style of JOHN G. LORING & Co. LORING died in January, 1853, and the survivors bought his share of the personal property of the firm, and continued to do business under the same name. In 1859, they took into partnership with them FARMER and KENDALL, without the knowledge of the executors or heirs of JOHN G. LORING, and continued to do business in the name of JOHN G. LORING & Co. This bill was filed in September, 1860. In January, 1861, FLOYD died.

It was contended by the defendants that this bill should be brought by the heirs and not the executors of JOHN G. LORING; that the name was personal property, and as such passed to them when they purchased his part of the property of the firm; that the statute was passed in April, 1853, after the death of LORING in January preceding, and could not apply, and that the petitioners had neglected to apply for an injunction for more than six years, and were barred by the statute of limitations.

The petitioners replied, that they are the "legal representatives" of

JOHN G. LORING, and as such the proper persons to bring this bill; that the defendants have used the name with their implied consent, and subject to their right at any time to revoke it; and that if, by delay, or in any other manner, they lost the control of it, and FLOYD and BEAL gained a right to use it, that the right was forfeited by the defendants when they assume to divide it with FARMER and KENDALL, and again on the death of FLOYD, after the filing of the bill.

The case was heard by Judge DEWEY, in January, 1861, who reported it to the whole court for further hearing. It was argued again in December last, before the full bench.

The court issued the following decree: "That the respondents be restrained and enjoined from using, or continuing to use, the name of JOHN G. LORING in their business, as a designation or name in whole or in part of their copartnership, with costs for complainants;" but should not be enjoined against using the name of JOHN G. LORING & Co. as their trade mark.

IV. CURRENCY OF DEPRECIATED PAPER.

Before the Circuit Court of Illinois, for Cook County. Agreements were read in April, 1861, by the Chicago city bankers and a large number of their depositors, under which the parties were to receive and pay out Illinois bank bills as currency during the war. A case involving in some sense the validity of that agreement, came before Judge MANIERRE. The following is a statement of the points in it:

Circuit Court of Cook County. BICKFORD vs. KING. Judgment by confession. This was a motion by defendant to open a judgment and allow him to plead, upon the ground that he had a good defence to a part of the sum included in the note upon which judgment by confession had been entered.

Numerous affidavits were filed by both parties, which substantially disclosed the following facts:

W. R. KING, the maker of the note, and H. A. TUCKER, the payee, had both signed the agreement circulated among our bankers and business men in April last, for the purpose of sustaining the Illinois currency.

On the 15th of May, the defendant, who was a depositor with H. A. TUCKER & Co., applied to them for a loan of \$5,000 in currency, and gave them his judgment note of \$5,000, payable on demand, with collateral security. No money was passed, but KING received a credit for \$5,000 in Illinois currency, which he at once used. At that time the average value of the bills of the banks of this State was about seventy cents on the dollar.

About the 20th June, negotiations took place between the original parties to the note with regard to its payment. The maker offering "stumptail" for it, which was refused, and other funds demanded. On the 22d day of June, H. A. TUCKER & Co. endorsed the note to H. A. TUCKER, who endorsed it to CHARLES C. BICKFORD, the plaintiff, and the judgment by confession was entered on the 24th.

The court, Judge MANIERRE presiding, held, that although it was a fixed rule of law that oral testimony is inadmissible to explain, vary or

control a written contract, such as a note which is unambiguous on its face, yet this rule does not preclude the court from inspecting several different writings which refer to the same subject matter, and which can be connected one with the other without the aid of extensive evidence.

The original parties to the note had agreed, two weeks before it was given, to pay out, and receive in payment of debts and general transactions of business during the war, the bills of certain banks.

As this agreement was in writing, it was of equal dignity with the note itself; and as it had reference to just such transactions as the giving of the note, the two should be construed together.

Construing them together, it was evident that although the note showed on its face a promise to pay \$5,000 absolutely, the defendant had, nevertheless, agreed to pay \$5,000 in Illinois bank bills, and that he had a good defence to so much of the note as made up the difference between the value of the depreciated money and specie.

Upon the question whether BICKFORD was an innocent holder, the court considered that such doubts were raised by the affidavits as to entitle the defendant to a trial by jury. The present judgment was allowed to stand as security for any judgment which the plaintiff might hereafter recover; and leave was given to the defendant to make his defence.

Of course this merely opens the case for further trial. There can be no doubt that several important legal principles are likely to be settled before the litigation arising out of the decrease of our Illinois currency.

V. CITIZENS OF REBELLIOUS STATES CANNOT SUE IN OUR COURTS. IMPORTANT DECISION.

Before the Supreme Court of New-York—Special Term—February 8. Before GOULD, J.

THOMAS C. BONNEAU *agst.* WILLIAM B. DINSMORE *et. al.* The plaintiff sued the defendant on a promissory note. Defendant set up that the plaintiff, being a citizen of South Carolina, and an alien enemy, could not recover. The plaintiff demurred to the answer, on the ground that while defendant alleged that he (plaintiff) was an alien enemy, he still admitted that he was a citizen of the United States. The judge overruled the demurrer for the reasons contained in the following opinion:

GOULD, J.—The answer in this case sets up for a defence that the plaintiff is an alien enemy. Of course, if such is the fact, the defence is sufficient. But the plaintiff claims that in pleading the defence the defendant has stated facts which do not make the plaintiff an alien enemy, but, on the contrary, show that he is a citizen of the United States, and in all respects entitled to sue in our courts. Then the answer says that the plaintiff is a citizen of, and now resident in, the State of South Carolina, which State is in a state of actual hostility to, and in open war with, the United States. To which the plaintiff (in argument) replies, that the hostilities are those of an insurrection, and the United States claim to be still sovereign over the whole territory, South Carolina included, and that no State court can say that the citizens of South Carolina, though

having levied actual war against the general government, are alien enemies.

There is a sense in which this reply is technically correct, but it is not the sense in which is founded the rule which, in *any case*, makes the defence spoken of a valid one. An *enemy* is not allowed to enforce (in our courts) the collection of any claims against our own citizens, because (in the words of Chief Justice ELLSWORTH, in the case of HAMILTON *agst.* EATON, before the United States Circuit Court of North Carolina, in 1792) "it would be dangerous to admit him into the country, or to correspond with agents in it; and also, because a transfer of treasure from the country to his would diminish the ability of the former, and increase that of the latter to prosecute the war."

The whole ground of excluding a public enemy from our courts is one exclusively of public policy; and whenever public policy would carry the rule, the courts should be bound by it.

This reason for the rule applies in full force, and in every particular, to the case before the court, and the plaintiff is completely within the undoubted spirit of the prohibition, which suspends his remedy while leaving his claim to remain untouched, and liable to be revived and recovered after hostilities are ended. Of course, this view is based upon the concession (by demurring to the answer) that the facts are correctly stated by the defendant.

There is a further ground for holding the plaintiff within the real disability to sue in our courts which is intended to be asserted by this answer. By act of Congress, passed July 15, 1861, the President of the United States was authorized to declare, by proclamation, any State or States "in insurrection against the United States," under certain circumstances, and that whenever he so declared, "thereupon all commercial intercourse by and between the same and the citizens thereof, and the citizens of the rest of the United States, shall cease and be unlawful so long as such condition of hostility shall continue." In pursuance of this act, the president, by proclamation, declared the State of South Carolina to be in such a state of hostility, and expressly stated that all commercial intercourse with that State was unlawful.

There should be no question that the endeavors to enforce commercial rights—the attempts to collect the avails of prior commercial transactions, come completely within the spirit of this restriction; and that under a proper construction of this act it is unlawful to allow a citizen of that rebellious State (especially one alleged to be himself in hostility to the government) to enforce any such remedy in our courts.

The demurrer should be overruled, with costs.

Mr. MITCHELL, for plaintiff; DAVISON, BURRILL & DAVISON, for defendant.

VI. INFRINGEMENT OF PATENT.

Before the United States Circuit Court—in Equity.

TOPPAN, CARPENTER AND COMPANY *against* THE NATIONAL BANK NOTE COMPANY AND OTHERS.—SHIPMAN, *D. J.*—This is a motion for a preliminary injunction to restrain the respondents from using a machine, or ma-

chine, for perforating paper, alleged to be the invention of GEORGE C. HOWARD, and for which he holds a patent. The complainants allege that after the issuing of the patent to HOWARD, (May 21, 1861,) he assigned to them the exclusive right to use the invention for one year. It is not stated in the bill when the year began to run, nor is the date of the assignment given. But I assume the year commenced on the day of the date of the patent.

From the allegations of this bill, and the affidavits filed in the cause, I must, in deciding this motion, assume the following facts :

1. That the machine patented was invented by HOWARD, more than four years before he applied for a patent.

2. That for a valuable consideration to the patentee, and for the profit of the complainants, the former permitted the latter to use one or more of the machines for more than two years before any application was made for a patent.

3. That at the instance of the complainants the patentee permitted the American Bank Note Company to construct one or more of these machines, and use them in their business ; precisely how long, or upon what consideration, does not appear.

4. That only one month and ten days, or at the longest about two months elapsed, during which exclusive possession of the invention secured by the patent could have been enjoyed either by the patentee or the complainants.

Without touching upon the question of abandonment, if I were called to decide upon this motion upon the ground that the patentee had forfeited his right to a patent, under the 7th section of the act of 1837, I should, as the case now stands, be compelled to deny the relief. I could not resist the conclusion that the use of the machines by the complainants, with the consent of the patentee, for a period of more than two years before the application for a patent, in the absence of any evidence that a single step was taken to secure one, or that either the inventor or the complainants ever intended to secure one, that the patentee had forfeited his right. It would be difficult, on the present evidence, to hold that the use was not a public one. And if it was a public use, then the patentee, by permitting such use for more than two years before he made any application for a patent, forfeited all right to one, and his patent is void. This I understand to be the doctrine laid down in *McCORMICK agst. SEYMOUR*, (2 *Blatch*. 254.) In that case Mr. Justice ALISON remarked, in construing the 7th section of the act of 1839, that if a patentee "either sells a machine, or uses one, or puts one into public use two years before his application for a patent, it works a forfeiture of his right."

But I do not wish to prejudice this point of forfeiture in the present case, nor the other of abandonment. Courts should be very tender of the rights of inventors, and not draw hasty conclusions adverse to the validity of their rights secured by patent. I am, therefore, disposed to decide this motion on another ground, and one which will throw no doubt on the validity of this patent, although it is difficult to see how it can be saved on the conceded facts. I will, therefore, assume, for the purposes of this decision, that there was no public use of this invention

prior to the application for a patent—no forfeiture of the patentee's rights by a use of more than two years, and no abandonment and dedication to the public. I will assume that whatever use there was, was secret, and under such circumstances that the right to a patent was not lost.

But, after all these assumptions, it is equally clear that I can grant no preliminary injunction. This extraordinary relief is never granted as matter of course. It is never granted on filing a bill and producing a patent. The patent itself, although in a certain sense it is *prima facie* evidence of the validity of the grant, is never sufficiently strong *per se* to warrant the relief asked for in this motion. The title of the patentee must, in order to obtain this relief, always be strengthened by exclusive possession for some period of time, or by an adjudication in which the validity of the patent has been sustained. This patent never having been litigated, of course no judgment has ever been pronounced in its favor.

The right could not have been in the exclusive enjoyment of any one for more than one month and ten days, or at farthest about two months, as the application was made on the 23d of April, and the patent was granted on the 21st of May, 1861, and before the 1st of July the respondents asserted their right to use the machine, and insisted that the patent was void. The principle that exclusive possession for a time strengthens the title of a patentee, is founded on the idea that, as it is a claim of right adverse to the public, and the public acquiesce in that claim, such acquiescence raises a presumption that the claim is good. But no such presumption can be raised in this case. There is no evidence that the public, or that small portion of them which would be likely to avail themselves of this invention, knew even of its existence, much less of the existence of an exclusive grant to this patentee or to any one else.

Nor in this view of the case can I take into account the possession of the right, and the use of the invention, *before* the application or the grant of the patent. This is sometimes done, on the principle laid down in *SARGEANT agst. SEAGREAVE*, 2 *Curtis C. C. R.*, 555. But, of course, the use in such a case must be a *public* use, under an avowed claim of a right to a patent; otherwise there is no exclusive possession as *against* the public, and no claim in which the public can acquiesce. In this case, I must assume the use prior to the application to have been secret, or the patent is clearly void. This unavoidably places the complainant, so far as this motion is concerned, between Scylla and Charybdis. To hold that the use prior to the application was a public use, and was exclusive as against the public, would, as it extended beyond two years, wreck the patent. To hold that it was a secret use, away from the eye of the public, sweeps away the ground of exclusive possession and acquiescence of the public, and leaves no foundation upon which the motion can stand. But the latter result is least prejudicial to the patent. The motion is, therefore, denied. As these questions of forfeiture and abandonment are peculiarly within the province of the jury, I think, unless the answer, when filed, should change the aspect of the case, that they should be passed upon by a jury before an injunction is asked for.

HISTORY OF THE BANK OF ENGLAND.

By JOHN FRANCIS.

[Continued from June No., page 961.]

CHAPTER XII.

A HISTORY of the cessation of cash payments, in 1797, would be incomplete, without a sketch of the political events which tended to produce it. Thirty years of peace, thirty years of social, moral and physical progress, have enabled the present generation to judge calmly of the events of half a century ago.

Up to the year 1789, the spirit of the times was monarchical. The existing European dynasties possessed great, and, in many instances, irresponsible power. That power was wielded harshly. The great lesson had yet to be learned, that the real strength of a king is the love of his people. In that year, the upheavings of the moral earthquake, which was to create a change in all the institutions of Europe, were felt in Paris. At first, a generous love of liberty pervaded the nation; and the inhabitants of England sympathized with their neighbors. But anarchy succeeded to revolution; the capital was convulsed; the reign of terror followed; and they who had been loudest in their applause were the most rapid in their recantation. "Even in its first hours it showed a thirst for slaughter," says Dr. CROLY, "which stamped its nature. The acclamations of Europe, which, struck with its sudden vigor, its lofty protestations, and the bold rapidity of its strides over the wrecks of feudalism, had followed its early progress, soon died away; men could not wade after it so deep in gore. Still it rushed on, flinging aside at every step some portion of that jesuitical mask which it first wore; hourly rending away, with a more contemptuous hand, some fragment of those ties which allied it to the common families of nations; until at length it scaled the steps of the throne, tore down its unfortunate possessor, and, with the guillotine for its footstool, and the populace for its ministers, seated itself in full supremacy of ruin."

England, with the English nation, felt the shock; a desire for political change spread throughout the country. But the people witnessed the thirst for blood which seized their neighbors, and the sound English heart recoiled from the horrors of the guillotine, from the barbarities of the convention and from the reign of terror. The powers of the continent were stricken with alarm, and united to quench the democratic fury of the republic. But the energy of the French citizens pervaded the soldiery, and they sent the invaders in confusion from the soil of France. From this period a fierce and expensive war shook Europe to her centre; and England bore the burthen. In six months, WILLIAM PITT concluded seven treaties and six subsidies; and France saw her territories invaded by three hundred and fifty thousand of the most warlike troops in Europe. But the pressure fell fearfully upon the people of Great Britain. The national debt was doubled; the national taxes were increased; the na-

tional industry was checked; and, more dangerous than all, national credit was difficult to maintain. Gold grew scarce throughout the country; bullion fled from the bank coffers; and the corporation, urged by WILLIAM PITT, strained credit, means and almost character, to support the government, of which he was the leader. It was, indeed, a question of national existence. A dishonorable peace might have been obtained; but no true Englishman thought of that. It was a question also of existence for the bank, whose life was bound up with that of the State.

It is not too much to say that the bank directors were the support of the country's credit. Bills, for which no forethought of the ministry could provide, were met by them. Sudden emergencies of the State were never disregarded by them. The credit of the treasury was maintained; the army and the navy were supported by them. They acted as generous bankers to the government; and bore the displeasure of their proprietary, to whom, had they been disposed to be selfish, they might have pointed, while they exclaimed, "We do perceive here a divided duty." They were the nerves and sinews of the State.

This is no overcharged picture, drawn by a partial testimony. The evidence of the bankers, and other great men of the city, vouch for it. The letters of WILLIAM PITT verify it. The censure of some of the proprietary, who shortsightedly preferred a large dividend to the salvation of their country, proves it.

But the court of directors were not passive tools. Because no remonstrances appeared, it is not to be concluded that none were made. On the 15th January, 1795, two years before the cessation of cash payments, they came to a resolution to inform the chancellor of the exchequer, "it was their wish that he would settle his arrangements for the present year, so as not to depend on any further assistance from them; and that the stipulation for the future advances for payment of treasury bills of exchange be strictly adhered to, as they could not allow it to exceed £500,000." On 16th April, the governor and deputy-governor were requested by the court "to wait on the chancellor of the exchequer, and express their uneasiness at being in advance for so long a period, of from one and a half to two millions on the treasury bills." It was added, "The court cannot allow any disbursement exceeding £500,000; and they request the chancellor of the exchequer to order the same to be paid." On the 5th of June, a note from the governor and deputy-governor informed Mr. PITT, that though he had promised the advance on the treasury bills should not exceed £500,000, yet they were in advance on them £1,210,015; that by next week it would be £168,467; and they hoped he would give directions in future to prevent it." On the 30th July it was resolved, "That the governor and deputy-governor request the chancellor of the exchequer to adopt some other mode of paying the treasury bills; and that the court is determined to order their cashiers to refuse payment of all bills whenever the advance shall amount to £500,000."

The only reply from Mr. PITT was a request for a further accommodation, on the credit of the consolidated fund, which the court refused to sanction, until they had received satisfaction on the topic of the treasury bills, and requested Mr. PITT to enter into a full explanation on this subject, which was not even touched upon in his letter. This resolution

being communicated, Mr. Prrr wrote to the governor and deputy-governor on the 12th August, that "they might depend upon measures being immediately taken for the payment of one million, and a further payment, to the amount of one million, being made in September, October and November, in such proportions as might be found convenient. But, as fresh bills might arrive, he was under the necessity of requesting a latitude to an amount not exceeding one million." About the same period the court "desired the governor and deputy-governor would express their earnest desire that some other means might be adopted for the future payment of bills of exchange drawn on the treasury." On the 8th of October Mr. Prrr was desired to reimburse the bank one million, conformably to his agreement, together with two millions and a half lent him on the consolidated fund. On the 23d October the governor mentioned to the chancellor that he had heard there might be annexed to a proposed loan, one of £1,400,000 to the Emperor of Germany. Mr. Prrr replied, that he had not at present the most distant idea of it. The governor said, "he received the answer with pleasure, thinking, as he did, that another loan of that sort would go nigh to ruin the country." The governor also acquainted Mr. Prrr that there was a drain on the cash, which was likely to continue while the bills from abroad were drawn on the treasury.

There is no servility in these communications. They are such as any honorable body, jealous of its own credit, and desirous of the country's reputation, could not fail to make. But their appeals grew more serious. On the 18th November "the governor informed Mr. Prrr that gold was £4 2s. per ounce, that the daily large drains of specie from the bank filled the minds of the directors with serious apprehensions, and that he must not rely on any aid from them." In a communication of 20th November, the governor repeated to Mr. Prrr the "absolute determination of the court to have the advance on the treasury bills quite cleared off," and that it would be utterly out of the power of the court to make the advance on the vote of credit. On the 28th January, 1796, the governor informed the court that £301,000 treasury bills would fall due for payment at the bank on 3d February, and that the sum now in advance was £1,157,000. The court came to the bold resolution, "That the governor give directions to the cashiers not to advance any money for the payment of these bills, nor to discharge any part of the same, unless money shall be sent for the same."

To this resolution the directors adhered, and for once the chancellor of the exchequer, after dwelling on the great inconvenience it would cause him, said, "he would arrange his affairs so as to provide the money in time for the payment of the treasury bills." Compulsion like this was not very pleasing to the "heaven-born minister;" and on 12th February, 1796, Mr. Prrr made the following ominous remark, in reply to a communication from the governor: "It lay with the court of directors to judge whether they chose to accommodate the public or not."

About the commencement of this year it was proposed to raise a loan in Germany, for the emperor, to be assisted by a guarantee from the English Parliament. It was soon discovered, however, that the loan might as well be procured in England, as the guarantee would have

nearly the same effect as raising it in this country. The directors were alarmed at the prospect of the gold diminishing, and came to the following resolution: "It is the opinion of this court, that if any further loan or advance of money to the emperor, or any other foreign State, 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." On the 20th of July Mr. PITT wrote a letter to the governor. The following is an abstract of some of the most marked sentences, and demonstrates the importance attached by Mr. PITT to the advances for which he asked:

"I shall consider it as a great accommodation." "I am also under the indispensable necessity of expressing my earnest hope that the court will be induced to make a present advance of £800,000 on the consolidated fund." "I shall also be obliged to request a further advance of £800,000, on the same security, in August." The conclusion is remarkable: "It gives me much concern to be obliged to apply for an accommodation to so large an extent; but I cannot too strongly represent how necessary it is for the public service." One week only after this he wrote even more ardently, with a request for assistance, stating, "He felt it an indispensable duty to represent to them, in the most earnest manner, that it would be impossible to avoid the most serious and distressing embarrassments to the public service," unless his request could be complied with. This appeal was met by the resolution, that the "court do agree to advance, for the service of the public, the sum of eight hundred thousand pounds, on the security of the exchequer bills."

But the almost solemn tone of the letter from Mr. PITT alarmed the directors, and they resolved "that this court do expect that the chancellor of the exchequer will give a promise that a new mode of paying the treasury bills shall be adopted immediately on the meeting of Parliament, as this court will not continue discharging them any longer." It was also accompanied by the following memorial: "The court of directors of the Bank of England, fully sensible of the alarming and dangerous situation of the public credit of this kingdom, and deeply impressed by the communication made to them by the Right Honorable WILLIAM PITT, are very willing and desirous to do every thing in their power to support the national credit; but in complying with the request made them by the Right Honorable WILLIAM PITT, they think they should be wanting in their duty to the proprietors and to the public, if that compliance was not accompanied with the following most serious and solemn remonstrance, which, for the justification of their court, they desire may be laid before his majesty's cabinet.

"They beg leave to declare, that nothing could induce them, under the present circumstances, to comply with the demand now made upon them, but from the dread that their refusal might be productive of a greater evil; and nothing but the extreme pressure and exigency of the case can in any shape justify them for acceding to the measure; and they apprehend that, in so doing, they render themselves totally incapable of granting any further assistance to government during the remain-

der of this year; and unable even to make the usual advances on the land and malt for the ensuing year, should those bills be passed before Christmas. They likewise consent to this measure, in a firm reliance that the repeated promises, so frequently made to them, that the advances on the treasury bills should be completely done away, may be actually fulfilled at the next meeting of Parliament, and the necessary arrangements taken to prevent the same from ever happening again, as they conceive it to be an unconstitutional mode of raising money, what they are not warranted by their charter to consent to, and an advance always extremely inconvenient to themselves."

This important declaration should be remembered. It marks strong good-will on the part of the directors towards the country, which government should always have borne in mind. On 31st January, 1797, the governor and deputy-governor waited on the chancellor of the exchequer, to represent to him how uneasy the court were at their large advances, and to require that some effective measures should be immediately taken for the payment. On the 10th February, the committee, startled at the prospect of a loan of one million and a half for Ireland, a great part of which would be made in specie, resolved to ask a reduction of the following advances to government:

Arrears of advance on land and malt, 1794,.....	£ 337,000
“ “ “ “ 1795,.....	491,000
“ “ “ “ 1796,.....	2,392,000
Exchequer bills on vote of credit,.....	968,000
“ on consolidated fund, 1796,.....	1,323,000
Treasury bills paid,.....	1,674,645
	<hr/>
	£ 7,185,645
Arrears of interest,.....	400,000
	<hr/>
	£ 7,585,645

This statement was immediately placed before Mr. PITT, accompanied with a desire that the sums specified might be repaid, or arranged before the settlement of the Irish loan, which was then contemplated. On the 18th of the same month, the governor was requested by the directors to assure Mr. PITT that this loan "would most probably bring them under the necessity of shutting up their doors." On the 21st, a minute of the meeting of the court expressed the conviction impressed upon them "by the constant calls of bankers from all parts of the town, for cash, that there must be some extraordinary reasons for this drain."

It is impossible to read these communications, and not remark the assistance afforded to the State, through a series of years. That Mr. PITT was fully sensible of it, is proved by the proposition he made to the House, to give bank notes the guarantee of the national security. As it was a crisis in the history of the corporation, caused solely by the advances made to government, so it could only be removed or remedied by the chancellor of the exchequer, in his public character. It is due to this gentleman to say, that he did not shrink from the responsibility, but met the galling fire, with which his opponents assailed him, with great gallantry. The fine rhetoric of Mr. Fox, the wit and the eloquence of Mr.

SHERIDAN, were all borne with an equanimity that resulted equally from the possession of a great mind and a great majority.

While these proceedings were pending, other causes were also in active operation. The drain of bullion continued. From month to month the bank found its stock decreasing. From month to month the directors were alarmed by the foreshadow of that which afterwards overtook them. Whether the plan they adopted to avert the difficulty was advisable, is an open question. In 1795 they began to limit their discounts. On the last day of that year the court of directors came to the following resolution, which was ordered to be placed in the discount office :

“*Bank of England, 31st December, 1795.*”

“Pursuant to an order of the court of directors, notice is hereby given,

“That no bills will be taken in for discount at this office, after 12 o'clock at noon, or notes after 12 o'clock on Wednesday.

“That in future, whenever the bills sent in for discount shall on any day amount to a larger sum than it shall be resolved to discount on that day, a *pro rata* proportion of such bills in each parcel as are not otherwise objectionable, will be returned to the person sending the same, without regard to the respectability of the party sending in the bills, or the solidity of the bills themselves.

“The same regulations will be observed as to notes.”

The diminution of gold; the price of bullion compared with the value of coin; the alarm occasioned by the position of the country, still maintaining its doubtful struggle with an unscrupulous enemy; the expensive operations of the war, which demanded extensive loans, and the subsidies to foreign powers, which carried the gold out of the country; must be accepted as reasons for the diminution of discounts which preceded the panic of 1797. Many competent persons have been persuaded that the decrease of the circulation from 1795, so far from preventing what is popularly known as a run on the bank, possessed a contrary tendency. They asserted that, by reducing the requisite issue, and diminishing the general accommodation, a pressing demand for specie was occasioned. This idea is supported by the fact, that, from March, 1792, to June, 1793, there was a drain of cash and bullion considerably larger than in the same period during the crisis; but instead of lowering, the directors raised the amount of their discounts, and an almost immediate result was an increase of cash and bullion. There was then, however, no distrust in our political relations. The French revolution* had not assumed the appearance which, in 1797, shed a gloom over all the continent, nor were government called upon to subsidize half the powers of Europe for the sake of checking an universal anarchy. Another cause tended to alarm the people. A man named THOMAS PAINÉ possessed a certain degree

* The blowing up of the French currency of “assignats” was the first and last of Mr. PITT’s triumphs. When the campaign of 1793 was commencing, everybody regarded the conquest and dismemberment of France as certain. BURKE had declared that she should be “blotted from the map of Europe.” PITT had described her as “in the gulf of bankruptcy.” The pious king, with the whole clergy and aristocracy, had pronounced the “regicide government” to be “utterly abandoned of God.”—DOUBLEDAY’S *Financial Review*.

of unenviable notoriety. In 1796 he wrote an inflammatory pamphlet, termed "The Decline and Fall of the English System of Finance," in which he attempted to prove that the cellars of the Bank of England "could not contain so much as two millions of specie; most probably not more than one million." The following is a part of the reasoning by which he arrived at this false conclusion. After arguing that there could not be more than sixteen millions of gold and silver coin in England, he thus proceeds: "But admitting there be sixteen millions, not more than a fourth part thereof can be in London, when it is considered that every city, town, village and farm-house in the nation must have a part of it; and that all the great manufactories, which most require cash, are out of London. Of this four millions in London, every banker, merchant, tradesman, in short, every individual, must have some. He must be a poor shopkeeper indeed who has not a few guineas in his till. The quantity of the cash, therefore, can never, on the evidence of circumstances, be so much as two millions; most probably not more than one million." The same writer then endeavored to prove that the total amount of bank notes in circulation amounted to sixty millions. These assertions, speciously supported, and put forward at a time when the national anxiety was extreme, produced considerable effect amongst those who required support in their faith in the bank. It was the small holder of bank notes who most needed encouragement, and it was the small holder to whom this pamphlet was addressed, and who was most particularly affected by it. At the very period when it was pronounced that there was most probably only one million of specie in the bank, and sixty millions of notes in circulation, it was afterwards proved that the specie was about three, and the circulation only from nine to ten millions. But the mere assertion that sixty millions were circulating, with only one million of cash to meet the payment, must have produced a want of confidence in the people of England, by many of whom the author was regarded as an authority. The public mind, indeed, was altogether agitated.* Towards the close of 1796, and the commencement of 1797, fears of an invasion were very prevalent. Rumors of descent on various parts of the coast were freely propagated. The public were in so feverish a state that they were inclined to believe all they heard, and those possessed of public securities became anxious to receive gold in exchange. The occasion

* The aspect of public affairs in Britain had never been so clouded since the commencement of the war, nor, indeed, during the whole of the 19th century, as they were at the opening of the year 1797. The return of Lord MALMESBURY from Paris had closed every hope of terminating a contest, in which the national burdens were daily increasing, while the prospect of success was continually diminishing. Party-spirit raged with uncommon violence in every part of the empire. Insurrections prevailed in many districts of Ireland; discontents and suffering in all. Commercial embarrassments were rapidly increasing, and the continued pressure on the bank threatened a total dissolution of public credit. The consequence of this accumulation of disasters was a rapid fall of the public securities. The three per cents were sold as low as 51, having fallen to that from 98, at which they stood at the commencement of the contest. Petitions for a change of ministers and an alteration of government were presented from almost every city of note in the empire; and that general distrust and depression prevailed, which is at once the cause and effect of public misfortune.—ALISON'S *Europe*.

was a pressing one. The position of the directors was most responsible. The well-being of the commercial state was at issue. The drain of cash continued, and the dwindling coffers were difficult to replenish. In March, 1796, the stock of bullion was £2,972,000. By June it had fallen to £2,582,000. In September it lowered to £2,532,000. In December it was £2,508,000, and on 25th February, 1797, it had fallen to £1,272,000.

Thus diminished and diminishing, the directors had but one course to pursue. The government, which had reduced their means, was alone capable of supplying a remedy. The chancellor of the exchequer was, therefore, made acquainted with their present position, and with their fears for the future; and to his judgment was left the proposal of a plan to obviate the evil. It does not appear that any proposition was made by the bank directors, but that their danger was simply placed before him. On the 24th of February, the deputy-governor, with one of the directors, waited on him, to ask how long the bank might venture to pay cash before he would think it necessary to interfere. Mr. PITT replied, that it was a matter of great importance, and that he must be prepared with some resolution to bring before the council, for a proclamation to stop cash payments at the bank. At the same time, he added, it would be necessary to appoint a committee of inquiry into their affairs. No objection was offered to this proposition. On the contrary, it was intimated that every assistance would be rendered.

In addition to foreign force, domestic treachery was justifiably feared. Corresponding societies, Friends of the People, and Jacobin societies, were spreading a poison and a pestilence through the minds of the nation. It was well known that a number of discontented men would gladly hail the appearance of a French fleet off the English coast. Ireland was approaching an open insurrection. Disaffection had seized upon our seamen. The Nore witnessed an open mutiny. The only defence from invasion appeared to fail the country, and men knew not where the evil would pause, or how far the seeds of treason were spread, when that navy, which was familiarly and affectionately termed "the wooden walls of old England," forsook the nation in its dark and perilous hour.

The fireside of the yeoman heard these things, and a vague oppressive terror agitated the beautiful homesteads of England. The difficulties of the great London bank, the dissatisfaction of the metropolis, the fear of invasion, the disaffection at the Nore, were exaggerated in journals and reported in villages, and a feverish desire to hoard manifested itself. The small tradesman took his notes to the banker, and kept the specie in his house, until the aspect of the times was determined. The cottager heard the report, caught the infection, and followed the example. The country banker grew anxious, and sent for gold, rather in proportion to his fears than his necessities. The London banker applied to the Bank of England upon the same principle, and thus the gold of the corporation became unnecessarily decreased. The inhabitants of the remote parts of the empire are always prone to needless alarm. Their information is more vague, their judgment less cultivated; they are more easily acted on by reports than the dwellers in large cities; and thus a great portion of the notes were presented through the groundless fears of an ignorant impulse.

CHAPTER XIII.

ORDER IN COUNCIL—SUSPENSION OF CASH PAYMENTS—MEETING OF THE MERCHANTS—
PARLIAMENTARY DEBATES—ISSUE OF DOLLARS—ENLARGED DISCOUNTS REQUIRED—
THE RESTRICTION ACT PASSED—ISSUE OF ONE AND TWO POUND NOTES—BANK OF
FRANCE—THE REST—RENEWAL OF THE CHARTER—OPINION OF MR. PITT AND
OTHER MINISTERS.

The evening of Saturday, the 24th February, 1797, was a gloomy period for most of the merchants and traders of London. More than all must the directors of the bank have felt their important and responsible position. They had seen during the week a heavy demand made on their diminished cash. They had marked their small stock of bullion decreasing day after day. They had witnessed and participated in the dismay which preyed upon the people. They knew that the demand would continue unless some method could be adopted to check it; and they felt that the period had arrived when, for the first time in their history, they must altogether cease payment of their notes; for the first time since 1697 they must fail in meeting the demands of their creditors. On the following day, Sunday, a cabinet council was held at Whitehall; and it is said that the only occasion on which the monarch violated the Sabbath was this great one. He attended the council at this important crisis; and the presence of royalty gave a high sanction to the proceedings. Immediately after the meeting, the members of the government met the governor, deputy-governor, Mr. THORNTON and Mr. BOSANQUET, in Downing-street, to inform them of the result of their deliberation, when the following resolution was communicated:

“At the Council Chamber, Whitehall, Feb. 26, 1797.

“By the lords of his majesty’s most honorable privy council.

“Upon the representation of the chancellor of the exchequer, stating that, from the result of the information which he has received, and the inquiries which it has been his duty to make, respecting the effect of the unusual demands for specie that have been made upon the metropolis, in consequence of ill-founded or exaggerated alarms in different parts of the country, it appears that unless some measure is immediately taken, there may be reason to apprehend a want of sufficient supply of cash to answer the exigencies of the public service, it is the unanimous opinion of the board, that it is indispensably necessary for the public service that the directors of the Bank of England should forbear issuing any cash in payment until the sense of Parliament can be taken on that subject, and the proper measures adopted thereupon for maintaining the means of circulation, and supporting the public and commercial credit of the kingdom at this important conjuncture. And it is ordered, that a copy of this minute be transmitted to the directors of the Bank of England; and they are hereby required, on the grounds of the exigency of the case, to conform thereto, until the sense of Parliament can be taken, as aforesaid.”

On Monday morning, the 27th of February, at the earliest period of commencing business, the office was crowded. Bullion was vociferously demanded. The notes of the bank were eagerly proffered in exchange for gold. The notice of the previous day was placed conspicuously in the hall; but men will not easily see that to which it is their interest to be blind. Officers were in waiting to repress any indecent ebullition of feeling. Copies of the order in council were distributed, and the announcement of the suspension of specie payments passed off as quietly as its nature would allow. To pacify the natural alarm, the following notice was freely circulated, and advertised in all the daily papers:

"Bank of England, February 27th, 1797.

"The governor, deputy-governor and directors of the Bank of England think it their duty to inform the proprietors of bank stock, as well as the public at large, that the general concerns of the bank are in the most affluent and prosperous situation, and such as to preclude every doubt as to the security of its notes. The directors mean to continue their usual discounts for the accommodation of the commercial interest, paying the amount in bank notes, and the dividend warrants will be paid in the same manner."

The rumor that the bank had stopped payment spread throughout London. Those persons who were unacquainted with business looked upon it as tending to universal ruin. The better informed saw the importance of the proceeding, and, with them, there was every effort made to support the credit of the corporation.

Notwithstanding the terror which possessed the less instructed portion of the community; notwithstanding the severe language which Mr. Fox used in the House, when he said that "the measure had destroyed the credit of the bank;" that, for the "first time since the revolution, an act was done which struck at the foundation of the public credit, by seizing the money belonging to individuals;" notwithstanding his triumphant question of "What can restore that public credit?" it appeared as if, now that the blow was struck, a feeling of security was produced, which the mercantile community had long required. For, notwithstanding these things; notwithstanding even the oratory of Mr. **SHERIDAN**, of which the chancellor of the exchequer remarked, "it would be atrocious arrogance in him to attempt to answer what it would be unpardonable arrogance to attempt to understand;" a great authority of that day, Mr. **HENRY THORNTON**, said, before a committee of the House of Commons, "I conceive the distress, for some time preceding, and especially for two days before, to have been so great, that the relief given by the discounts on the Monday more than compensated, in the minds of most of the mercantile world, for any alarm occasioned by the stoppage." Throughout the evidence of this gentleman, the conviction that the bank should have increased its circulation, instead of diminishing it, was constantly expressed. The question yet remains unsettled. On the day succeeding the suspension, the discounts were augmented, and the feeling of security, which has already been mentioned, confirms the opinion of Mr. **THORNTON**.

A meeting of the merchants was promptly called, and, on the 27th of

February, they proved their desire to support the credit of the bank, by voting the following :

“Resolved, unanimously, That we, the undersigned, being highly sensible how necessary the preservation is of public credit at this time, do most readily hereby declare, that we will not refuse to receive bank notes in payment of any sum of money to be paid to us, and we will use our utmost endeavors to make all our payments in the same manner.”

The *“Gentleman’s Magazine,”* speaking of the above, says, “We never remember to have witnessed a more loyal meeting;” four thousand of the best names in the city were soon attached to this resolution. On the following day a paper, nearly similar, which was published by the lords of the privy council, tended greatly to relieve the public mind, and confidence, to some extent, was restored.

On the 25th of February the discounts were reduced to one-fourth of the sum at which they stood in the beginning of the year, and the decreased accommodation of the bank compelled a similar decrease in the discounts of the private banker. This joint restriction, at the very crisis when an increase was desirable, tended to augment, if not to produce, the demand for cash. The advances made to Mr. PITT were specially asserted by the governor to have originated the embarrassments. The voluminous correspondence, which has been abridged, amply proves that it was of the utmost importance for the bank directors to be relieved from the incessant claims of the chancellor; the urgent tone of their letters, and the earnest appeals of their personal representatives, are only to be equalled by the demands of Mr. PITT. But the energy of his applications to the loyalty of the directors almost demonstrates that the continuance of their advances was imperatively required for the safety of the commonwealth. Many of the practical men, besides Mr. THORNTON, summoned before the committee of the House of Commons, considered the great diminution of discounts as the cause of the run upon gold, and thus, indirectly, blamed the policy of the bank. It must be remembered that the directors were in a critical position. An embarrassed government urged them to make advances for the safety of the country. Extensive mercantile operations demanded extensive discounts. To meet both demands was, in their opinion, imprudent. Every reason which could operate tended to the former. The extracts from the correspondence with the chancellor of the exchequer prove that it was no servile wish to court a powerful friend, but a positive necessity, wrung from them by the pressure of the application.

In the evidence before the secret committee, Mr. WALTER BOYD says : “I attribute the drain chiefly to that line of conduct which, I believe, the directors of the bank have pursued since the month of December, 1795, when they announced to the public, by an advertisement, certain changes in the quantity and manner of conducting their business of discount.” “The diminution of discounts has diminished the powers of commercial houses, and diminished the value of public securities.” Mr. HENRY THORNTON remarked, “It was the want of bank notes, and not of guineas, that had been felt, and no anxiety seemed to be entertained in the city, if bank notes were brought into circulation, respecting the manner of con-

triving to effect the smaller payments." On another occasion this gentleman expressed his conviction that, if the quantity of bank notes had remained as they were, or without any material alteration, the inconvenience would have resulted, though in a less degree, as the increased transactions of commerce required an increased circulation. This gentleman also stated that an enlarged number of notes, proportioned to the occasion for them, would prevent a demand for guineas; but if fewer notes were issued than the mercantile world required, it would occasion a demand for gold. The measure had now to be justified and reported to the House of Commons.

On the evening of the day that this announcement was issued to the public, Mr. PITT brought down a message from his majesty, to the "experienced wisdom and firmness of his Parliament." At the same time he announced his conviction that the resources of the bank were most abundant, and proposed, as an aid to public faith, to give the security of the State to its engagements. The rhetoric of Mr. FOX, and the oratory of Mr. SHERIDAN, were employed to reprobate the course of the ministry: but rhetoric and oratory are feeble assailants when truth and justice are opposed to them. On the following day the message was taken into consideration, and a motion carried for a committee to ascertain the affairs of the company. Mr. FOX again attacked the policy of Mr. PITT with vehement eloquence, and in the same speech gave due credit to the conduct and importance of the bank. He added: "The effect of this measure I will not describe by saying that it has impaired—that is but a weak word—it has destroyed the credit of the bank." "For the first time since the Revolution an act has been done in the king's name which has struck at the foundation of the public credit, by seizing the public money, belonging to individuals, deposited in the public treasury of the public creditor." No time was lost by the committee; and on the 3d of March they reported "that the total amount of demands on the bank, on the 25th February, was £13,770,390, and that the total amount of funds (not including £11,686,800 due from government) was £17,597,280; leaving a surplus of £3,826,890, exclusive of the government debt."

The necessity of an issue of notes under £5 being greatly felt by the commercial interest, an act was passed by the 3d of March, authorizing it; and by the 10th of the same month notes for £1 and £2 were ready for delivery. The country bankers also circulated notes under £5, owing to the repeal of the act passed in 1777.

The report of the secret committee had satisfied the minds of the most doubtful, but among the less informed branches of the community great uneasiness continued. Some anxiety was, therefore, relieved when the following, bearing date the 6th of March, appeared: "In order to accommodate the public with a further supply of coin for small payments, a quantity of dollars, which have been supplied by the bank, and stamped at the mint, are now ready to be issued at the bank, at the price of 4s. 6d. per dollar, and a further quantity is preparing."

A discovery was made, however, in time to prevent the issue. It was found that 4s. 6d. would be 2d. under their value in the market as bullion; and this great error was rectified by the following notice on the

9th of March: "In consequence of its appearing to be the general opinion that the dollars will be more conveniently circulated at the rate of 4s. 9d. than at that of 4s. 6d., notice is hereby given, that dollars are now ready to be delivered at 4s. 9d. per dollar." The dollars were Spanish, and bore a small king's head stamped on the Spanish king's neck.

The debates in the senate attracted attention; and the public mind, ready to start at shadows, was depressed by the language of the opposition. The enemies of the ministry had sought to depreciate the value of bank paper; the announcement, therefore, that dollars would be issued in exchange, created great satisfaction to the holders of notes. On the first morning appointed for their delivery the office was crowded with applicants; the cashiers saw the public several deep waiting for dollars; the usual striving and struggling which, to the present day, distinguishes the claim for cash, was acted, and many had to wait some hours before they could be supplied. The knowledge that the bank was filled with claimants increased the alarm of others. The following days witnessed the same scene; but, as there appeared no hesitation in supplying all the applications, and as there seemed no want of the metal, the claims soon abated.

The report of the committee gradually produced its proper effect; and the call for dollars decreased every day. In less than a month the demand was measured by the wants and not the fears of the people; and on the 31st of October, 1797, these dollars, of which 2,325,099 had been issued in eight months, were called in. Since their circulation a large number had been imported into the country, and stamped in resemblance of those sent from the mint. When the latter were paid in it was almost impossible to distinguish the true from the false; and after some vain and futile attempts to do so, the bank were compelled to receive, without discrimination, all stamped dollars at 4s. 9d.

Notwithstanding the increased accommodation granted to the mercantile interest on the 27th of February, and stated by Mr. THORNTON to have more than balanced the distrust occasioned by the cessation of payments in specie, it appears to have been generally considered that the increased amount of business demanded enlarged discounts. A meeting, therefore, at which the principal merchants attended, took place at the London Tavern. Mr. ALDERMAN LUSHINGTON presided, and some resolutions, of which the following are the heads, were agreed to: "That the accommodation afforded by the Bank of England, in discount of bills and notes, is inadequate to the present extended commerce of the country." "That without an extension of the circulating medium of the kingdom, by discount of mercantile bills and notes, the general commerce of the country will be exposed to the most serious, immediate and alarming evil." "That the recent mark of confidence reposed in the Bank of England by the respectable association for receiving their notes, notwithstanding the order of council of 26th February, has given the merchants and traders a fair claim to reasonable and necessary accommodation."

On the 24th March another meeting was held, at which it was resolved, "That in the opinion of this meeting, the capital employed in the export and import trade of Great Britain has amounted, on an average of the last six years, to forty-five millions per annum; and that there is always two months' supply of this merchandise in the custody of the merchants

and traders, and that a discount accommodation to such proportion may be afforded without risk, backed by this security." These resolutions were forwarded to the directors of the bank; but the reply was not considered satisfactory. On the following week a third meeting was held, at which it was resolved, "That though well satisfied with the sentiments expressed by the bank, they considered that the practice of discounts should be extended upon the scale mentioned at the previous meeting."

The reply of the bank directors to these resolutions was to the effect that they declined pledging themselves to any specific sum; that though they were perfectly apprised of the larger discounts required by the trade of the country, it would be impossible to meet the views expressed in the resolutions until government had paid off a considerable portion of the debt due to them. But should this occur, they would have a greater latitude, and feel strongly inclined to avail themselves of it in favor of the merchants.

On the 3d of May, notwithstanding the great opposition made, and the blame thrown on government, "The Bank Restriction Act" was passed. This, which is the 37th GEORGE III., is entitled "An act for continuing for a limited time the restriction contained in the minute of council of 26th of February, 1797." By it the bank directors were not permitted to issue cash except for sums under twenty shillings. But if any person lodged specie in the bank, he might be repaid to the extent of three-fourths of the sum lodged, if it exceeded £500. The directors were also allowed to advance to the bankers any sum not exceeding altogether £100,000. They were also permitted to lend £25,000 each to the bank and Royal Bank of Scotland. The act was only to remain in force till the 24th of June. On the 22d of that month, however, another was passed, continuing the restriction of cash payments until one month after the commencement of the following session; and in November a third act was passed, limiting it to the somewhat indefinite period of six months after the conclusion of the war.

On the 17th of November, a report from the committee of secrecy was ordered to be printed, of which the following is an abstract. The total amount of outstanding demands on the bank on the 11th of November, was £17,578,910, while the funds for discharging the same, (not including £11,686,800 due from government,) was £21,418,460. The bankers and traders, who might have claimed three-fourths of their deposits in cash, had only demanded one-sixteenth. Notwithstanding, however, all these favorable circumstances, the committee concluded by saying, "they were led to think it would be expedient to continue the restriction," from the political circumstances of the period.

The last act was deemed politic by the government; but a court of proprietors was held in the same month; and Mr. RAIKES, after saying, that by the report of the secret committee, there was a net balance in favor of the bank, exclusive of the government stock of £3,839,000, added, that the bank was in so affluent a state as to be ready to pay all the demands on it in specie whenever called upon. The consent of the proprietors was also asked for advancing the amount on the land and malt tax of £2,750,000, which was unanimously agreed to.

By the act passed in November, the power of paying in cash was

taken from the hands of the directors. The ministers, viewing it principally in a political light, and regarding the war, which was then furiously raging, as one which was almost as doubtful as it was determined, adopted the policy, which, whatever its faults, led to, if it did not produce, some of the finest results which ever inspired the pen of the historian. Let it be remembered that, during the whole of the time, prohibitory of cash payments, we were waging a fierce but eminently triumphant contest with a memorable spirit and with a memorable man. The spirit was that of the French revolution; the man was NAPOLEON BONAPARTE. Let us remember, also, that during the existence of that system, which has been so much censured, we were alone in the contest with him, whose name was for many years synonymous with success. The thunders of the Vatican were silenced. The military pride of Prussia was humbled. The power of Austria lay prostrate at his feet. Russia embraced the universal conqueror. England stood alone in her resolute defiance. She strengthened the weak and encouraged the wavering. Wherever the free spirit of a people arose, her gold gave strength to their arms; her wisdom enlightened their councils. Her navy swept the seas, and crippled the commerce of her adversary. And when her unconquerable resolution once more stirred the prostrate powers of Europe—when, through her exertions, “the little island of St. Helena confined him, for whom a world was once too small,” the law passed in 1797 was in active existence. These things are not written to defend; they are only penned to mitigate the wrath which has been poured upon the bank restriction act. Extraordinary events require extraordinary measures, and our history from 1797 to 1815 is unsurpassed in the annals of nations.

The haste with which the one and two pound notes had been executed, together with the ease with which they were received by the public, produced extensive forgeries. In January, 1799, the bank advertised that all notes of the above amount, dated before July, 1798, might be received in cash, or exchanged for new notes, and that all odd sums not exceeding £5, might be received in specie. The first fruits of the restriction on cash payments occurred this year, as the proprietary received a bonus of ten per cent. on their capital in five per cents, 1797.

It is curious, and sometimes not uninteresting, to notice in what manner other establishments have acted under similar circumstances. In January, 1814, the national bank of France experienced a demand for bullion. The star of NAPOLEON was on the wane; the climate of Russia had destroyed the confidence in his success. He was engaged in a desperate strife with those he had so often subdued; and the conviction was felt that the glory had departed from him. The holders of the notes of the French bank, uncertain how far a change of dynasty might affect them, went eagerly to require payment in gold, until £600,000 only remained. With the sanction of the emperor, the bank determined not to pay more than £20,000 a day; and to effect this, the prefect of police announced that no one might apply for gold unless he should be the bearer of a number, to be supplied him by the mayor of his quarter.

It has already been seen that the government were constantly pressed for money, and in 1798 an act was passed to legalize voluntary contributions for carrying on the war. Merchants and manufacturers vied with

each other in subscribing. A temporary office was erected under the east piazza of the Royal Exchange to receive contributions. The Bank of England offered £200,000; the city of London gave £10,000. The place was filled with all classes and conditions, eagerly crowding to contribute. £300,000 were remitted from India, with the promise of a similar annual repetition during the war; and upwards of two millions, exclusive of this sum, were contributed to support the dignity of the empire against the aggressions of the enemy.

The question of preserving the rest* was disputed in 1798, by a portion of the proprietors. The maintenance of a reserved capital has been argued in another place, and time has tested its wisdom. A strenuous exertion was, however, made by Mr. ALLARDYCE, who published a quarto volume, and called courts of proprietors to his aid, to compel the division of this fund. The question is a simple one; and as the proprietor derives part of his half-yearly interest from the reserved capital, while the value of the stock is in some proportion to it, he has no just cause of complaint. Should such a proposal ever be carried out, the price of the stock would be deteriorated, and the dividends would vacillate as they did a century and a half ago. A great fraud like that of ASTLETT, or a series of colossal forgeries like FAUNTLEROY'S, might engross the whole of the half year's profits, and send the proprietors from their half-yearly meeting discontented and without a dividend.

The reasons which actuated Mr. SAMUEL THORNTON, then governor, and the court of directors, to moot the renewal of the charter at so early a period as 1800, when it had twelve years to run, are to be found in the acknowledgment that they considered it a favorable moment, because ministers, pressed by the expenses of the war, were disposed to accept terms which, under more favorable auspices, would be rejected. For more than a hundred years the name of THORNTON appears in the list of the direction, and the house of THORNTON constantly occupied an important mercantile position. During the governorship, therefore, of such a man, with whom the capacity of direction was almost hereditary, there was

* Or balance of undivided profits.

† The wisest and most comprehensive experience shows, that no set of men have ever been invested with the power of making unrestricted issues of paper money without abusing it; or, which is the same thing, without issuing it in inordinate quantities. Should the power to supply the State with paper money be vested in the managers of a private banking company, then to suppose that they should, by limiting their issues, endeavor constantly to sustain the value of their paper, would really be to suppose that they should be extremely attentive to the public interests, and extremely inattentive to their own.

It is quite certain, that the re-enactment of the restriction on cash payments by the Bank of England, and the rendering of it perpetual, would not have the least effect on the value of our paper currency, provided its quantity was not at the same time increased. * * * In this quarter of the world we are much too eager, in the pursuit of fortune, to be in any degree affected by such scruples. It is indispensable, therefore, that the issuers of paper money should be placed under some efficient check or control; and the comparative steadiness of the value of the precious metals at once suggests, that no check can be so effectual as to subject the issuers of paper money to the obligation of exchanging their notes, at the pleasure of the holder, for a given and unvarying quantity, either of gold or silver.—*Edinburgh Review*, 1825, p. 266.

every chance of the bank receiving its due proportion of justice from the government. The period also was propitious. The services rendered by the bank to the State had been so important that Mr. PRRR, in all his pride of place, was compelled to acknowledge their necessity. They were so recent that they could not be forgotten. The ministry to which they had been rendered were still in power, and still compelled to seek assistance; and, to crown all, the undeniable fact that the bank had stopped payment through its endeavors to aid government, was in the remembrance of every one. These, then, were claims to a just consideration, the remembrance of which was calculated to lead to a fair and favorable result. The reasons assigned by Mr. THORNTON, in the House of Commons, were to the following effect: That the first overtures had come from the governor and directors, because they were convinced that a renewal at such a period would prove of utility to the bank and the country. A motion had been made for the establishment of a rival bank. Meetings had been held; endeavors had been made; pamphlets had been written in its support; and the renewal of the charter would be the most effectual check to so idle a measure.

But no considerations have ever prevented a ministry from making a good bargain with a bank. It has grown into a habit, and custom is too often a cloak for injustice. In 1708, when the charter was renewed for twenty-two years, the renewal was paid for with a loan of £400,000, without interest, and the cancelling of a million and a half of exchequer bills. In 1713, when found expedient to extend it for a further ten years, the bank undertook, in return, to circulate nearly a million and a quarter more of these bills. In 1742, on a renewal of twenty-two years, £1,600,000 were lent, without interest, in perpetuity. The year 1764 witnessed an equal exertion of the screw, and, for a further extension of a similar period, £110,000 were paid, and one million lent to government. In 1781 a loan of two millions for three years was claimed for the same service. That statesmen regarded these agreements with the eyes of traders, is evident, from a remark of Mr. GRENVILLE, that "he thought the last-named contract a good bargain for the nation." But is this the light in which such matters should be regarded? Is it worthy a great nation to fly to a corporate body in the hour of need, and, when met honorably and liberally with the requisite supplies, to turn around and bargain like a miser with its benefactor? Is it befitting the character of a great statesman to make a company pay a tax for their charter, and then, in the time of panic and peril, demand increased assistance, which carries danger and distress with it? The government either have no right to claim payment for the privileges they grant, or they have no right peremptorily to demand further assistance. It has been already seen that Mr. MONTAGUE and Lord GODOLPHIN were decidedly of opinion, "that no fine ought to be expected for a renewal." This is the principle they propounded; but this is not the principle upon which their successors have acted.*

* *War and Suspension of Payment.*—Mr. J. W. GILBART, in his testimony before Sir ROBERT PEEL, in 1843, being cross-questioned on this ticklish topic, gave the following veritable and manly explanation: "If I were prime-minister, I would imme-

For the renewal of the charter, in 1800, the bank proposed to lend three millions for six years, without interest—a right being reserved to them of claiming re-payment at any time before the expiration of six years, if consols should be at or above eighty per cent. In the event of such re-payment, they were to allow six per cent. per annum on the sum re-paid, for such part of the six years as might remain. This proposal was deemed liberal by Mr. PITT, who considered the profits to amount to six or seven hundred thousand pounds “on dry calculation,” and not the actual gain, which would probably be much more. In return for this payment, Mr. PITT expressly enumerated, among the advantages to be enjoyed, and for which they made the government a remuneration, that of holding the public balances in their possession. This minister stated that “the public had derived great assistance by the aid of the bank, and would do so again under any similar pressure.” Such was the opinion of WILLIAM PITT—such was the persuasion of Lord NORTH—such was the declaration of Mr. GRENVILLE—at the renewal of each successive charter. Yet, at each period, a heavy sum has been claimed; and, in the present instance, six or seven hundred thousand pounds were paid by the proprietors of the Bank of England for the privilege of benefiting the people of Great Britain; and it will be seen, at a later period, that the State made a further claim upon the bank many years before the charter had expired.*

diately, on the commencement of war, issue an order in council for the bank to stop payment. I stated, also, that I spoke as a politician, not as a banker. The only war that has occurred, in my memory, is the war of twenty years with France; that is the war to which I referred. Now, under such a war as that, it appeared to me that a suspension of payments would be advisable. I recollect, some time ago, investigating the circumstances attending the suspension of 1797. I came to the conclusion that, under the circumstances, a suspension of cash payments was not a matter of choice, but of necessity. That is the opinion at which I arrived, after a careful investigation of the circumstances.”

* The leading financial and commercial features of the half century, ending with this period, (1800,) were as follows:

1751.—An act of Parliament (1751, 24 GEORGE II.) orders the Gregorian (or new) style to be used in Great Britain. Canal from Stockholm to Gottenburg finished. Treaty of commerce between England and Spain. 1753.—Two thousand bales of cotton exported by Jamaica. 1754.—Commencement of war between England and France, and military operations under WASHINGTON, in Virginia, &c. 1756.—Playing cards, in England, first paid a stamp duty. 1757.—The manufacture of brocade was established at Lyons. 1758.—New taxes levied on houses and windows in England. 1759.—The Bank of England issued £15 and £10 notes, 31st March. Thread and gauze manufactures begun at Paisley. First improvement of the stocking-loom. 1760.—Culture of silk commenced in Connecticut. Conquest of Canada from the French, by the English.

1761—1770.—Opening of the Duke of BRIDGEWATER'S Canal, (1761,) between Manchester and Liverpool. The Royal Exchange, Edinburgh, finished. ARKWRIGHT'S first patented spinning-frame. 1762.—The Island of Cuba surrendered to Lord ALBEMARLE and Admiral POCOCKE. Martinique, St. Lucia, St. Vincent and other islands taken from the French. 1763.—Commercial crisis in Amsterdam and Hamburg. 1764.—First improvement of steam-engine, by WATT. Bank of England charter renewed. 1765.—Stamp Act for America passed by the British Parliament, 22d March. Bank of Berlin established. 1766.—American Stamp Act repealed. 1767.—The House of Commons resolved to impose duties on various articles imported into America. 1768.—Art of bleaching introduced into England,

from Holland. 1769.—Failure of the French East India Company, followed by commercial distress in France. 1770.—Botany Bay discovered by Captain Cook.

1771—1780.—**ARKWRIGHT'S** second patent (1771) for his improvement in cotton spinning. Manufacture of calico begun in Lancashire. Return of Captain Cook, June 12. Culture of silk commenced in Pennsylvania. 1772.—Bridgewater Canal passage boats established. **LLOYD'S** Coffee-House established. Commercial panic in London, caused by the failure of **NEALE, FORDYCE & Co.**, bankers. 1773.—Tea destroyed in Boston harbor, 16th November. The governor of Bengal made governor of all the British settlements in India. Exportation of cotton machinery from England prohibited. British Cast Plate Glass Company chartered in England. 1774.—The petition of the Massachusetts Assembly to Parliament, presented (January) by **Dr. FRANKLIN**, who was then removed from the office of deputy postmaster-general for the colonies. **BURKE'S** celebrated speech on the tea tax, April 19. 1774.—**WARR**, in partnership with **BOULTON**, founds his steam-engine establishment at Soho. Stamp duties introduced into Ireland. Bromberg Canal, uniting the Oder and the Vistula, finished. 1776.—Captain Cook sailed on his third voyage. 1777.—**Dr. DODD** executed for forgery. The Mont de Piété, Paris, established. 1778.—Cutlery manufactured extensively at Sheffield. 1780.—Charter of the first Bank of North America, approved by Congress 26th May. English lottery granted to raise £12,000,000. Exportation of woollen goods from Ireland first permitted.

1781.—Bank of England charter renewed, on making further advances to government of £3,000,000. East India Company's charter renewed. **NECKER** published his financial statement for France, 1781, and retired from office. 1782.—National Bank of Ireland established. 1783.—Charter granted to the Bank of Ireland. 1784.—The Bank of New-York chartered, 9th June. Mail coaches first established in England. Taxes on saddle and coach horses first imposed, and tax on hats, in England. 1785.—Opening of the canal between the Baltic and the Northern Ocean. 1786.—British treaty of commerce with France. Bank of St. Petersburg established. 1787.—"Pennsylvania Society for the encouragement of Manufactures and the Useful Arts," formed. Cotton exported by West India Islands. 1788.—Formation of the African Association. 1789.—Issue of assignats in France, 17th December. Canal between the Thames and Severn. 1790.—The first life-boat launched in England, at South Shields. Nails first made by machinery.

1791.—The first Bank of the United States chartered; capital, \$10,000,000. **VANCOUVER'S** voyage of discovery. The buckle-makers of Birmingham petitioned Parliament against the use of shoe-strings. Numerous riots at Birmingham. 1793.—An income tax proposed in England, but abandoned. Commercial embarrassments in England. Five pound notes first issued by the Bank of England. The first ambassador from Turkey arrived in London, December 20. **WHITNEY'S** cotton-gin invented and first used. 1794.—Treaty of commerce between England and the United States. 1795.—Embargo on all Dutch ships in English ports, 26th January. **WARREN HASTINGS** acquitted, 23d April. Forced loan of 800,000,000 francs in France. Mandates substituted for assignats. 1796.—Note and bill stamps increased in England. Tax imposed on bachelors. Loyalty loan of £18,000,000. 1797.—Suspension of the Bank of England, 26th February. Notes of £1 and £2 first issued, March 11. A Frugality Bank proposed by **JEREMY BENTHAM**. 1798.—Silver tokens issued by the Bank of England, 1st January. 1799.—Sugar first extracted from beet-root, by the Prussian chemist, **ACHEARD**. 1800.—General distress and riots in England, caused by the high price of bread, January. Dispute respecting the close of the century. **LALANDE** decided that 31st December, 1800, is the last day of the eighteenth century. Union of Great Britain and Ireland, 2d July. Bank of England charter renewed until 1833. Stock Exchange, Capel Court, commenced. Armed neutrality of Northern powers.

CHAPTER XIV.

INCREASE OF FORGERY—BONUS ON BANK STOCK—ADDITION TO THE INCOME OF THE CLERKS—TRUCE OF AMIENS—CONTINUANCE OF THE RESTRICTION OF CASH PAYMENTS—FRAUD OF ROBERT ASTLETT—RENEWAL OF THE WAR—ISSUE OF DOLLARS—BERLIN DECREES—FINANCE COMMITTEE—ITS RESULT—ABRAHAM NEWLAND—FORGERIES.

THE circulation of £1 notes proved conducive to a melancholy waste of human life.* Considering the advances made in the mechanical arts, they were rough and even rude in their execution. Easily imitated, they were also easily circulated; and from 1797 the executions for forgery augmented to an extent which bore no proportion to any other class of crime. During six years prior to their issue there was but one capital conviction; during the four following years eighty-five occurred. This great increase produced inquiry, which resulted in an act "For the better prevention of the forgery of the notes and bills of exchange of persons carrying on the business of bankers." By this, some stringent penalties were denounced against offenders; and a notice to the following effect was published in September, 1801: "All the one and two pound notes issued by the Bank of England, on and after the 1st of August, will, to prevent forgeries, be printed on a peculiar and purposely constructed paper; consequently, those dated 31st July, or any subsequent day, will be impressed upon paper manufacture, with waved or curved lines."

It will be seen, at a later period, that this endeavor to repress crime fell sadly short of the necessity, owing to the great truth which now begins to possess the minds of our legislature, that punishment is not a sufficient preventive; but that to teach men to be good is more effectual than to punish them for being bad. The extinction of human life continued. The English criminal laws, those laws which were said to be written in blood, and which were the remains of the old feudal spirit that disregarded the life of the serf, at first found supporters among the class which suffered from the evil. So long as the law was left to take its

* This is largely discussed in the *Edinburgh Review*, of 1818, which says: "The year 1798 opened a new scene. The act for authorizing the Bank of England to stop payment, passed in 1797; and another act was passed in the same year, the necessary consequence of the former, but still more directly applicable to our present purpose, to enable the bank to issue notes under the value of five pounds. The number of those who suffered death for the forgery of bank notes in 1798, and the two succeeding years, was twice or thrice as great as that of all who had suffered for the same offence for fifty years before the suspension. From a return of "nil" in the eight years before 1797, we suddenly pass to a return of a hundred and forty-six capital executions for this offence, in the eight years which followed that unfortunate year. From three executions in the fourteen years before the suspension, the number becomes two hundred and nine in the fourteen years after it. In the last twenty-one years of cash payments there were five or six executions for forgery. In the twenty-one which we have passed, under the destroying power of compulsory paper, three hundred and thirteen persons have suffered death for counterfeiting bank notes."—*Edinburgh Review*, 1818, p. 209.

course, and no voice was heard, save that of the victim, the justice which hung a man for a one pound note was unquestioned; while those who read in the daily press of the punishment of the offenders, rejoiced in it as an evidence of increasing civilization, and thanked heaven, as they sat down to their well-stored tables, that they had been preserved from so great a crime. Nor was it for a long period after that of which we write that the eyes of men were opened alike to the sinfulness and intility of capital punishments.*

A second bonus was made in 1801 to the proprietors of bank stock, who received £5 per cent. upon the capital, in navy five per cents. To the artisan and to the stipendiary it was a time of much distress. By the latter a period of scarcity is, perhaps, most keenly felt, from the necessity of supporting an appearance in keeping with his position, and from the dangerous ease with which he can procure credit. A magazine of this year says, "of all the modes of relief, that which was adopted by the bank directors, in their conduct towards their servants, is entitled to the highest praise, and furnishes an example every way worthy of imitation. They made a very liberal addition to the salaries of their numerous clerks and other servants.

In the year 1802, a peace, which, unhappily, proved only temporary, known by the name of the "Peace of Amiens," was concluded. The war, which had deprived England of the blood of some of her bravest citizens, and reduced the national treasury to the verge of bankruptcy, was supposed to be over. The empire once more saw a prospect of the enjoyment of peace; and men, tired with "war and rumors of war," sick at heart of the announcements of great battles won and lost, and more than all, dissatisfied at the rapid increase of taxes which accompanied laurels by land and supremacy by sea, began to think that a cessation from so costly a game would be agreeable. Though gilded by many victories; though triumphant in Egypt; and though the battle of the Nile had spread a rejoicing throughout the land, England had witnessed too many reverses not to hail any thing like peace with gladness. On the continent

* Frightful contrasts multiply at every change of our point of view. Four prosecutions for forgery by the Bank of England are to be found from 1788 to 1797. In the equal period from 1797 to 1811, the number is four hundred and sixty-nine. They were multiplied more than a hundred fold. Well might the preamble of a statute, passed in 1801, recite, that "The forgery of bank notes has of late increased very much in this kingdom," but the preamble does not confess the whole truth. Even at that time it was not an offence increased, but an offence created. One fatal measure of State had, even then, caused more blood to flow for forgery in three years than had been shed in England for that offence during fifty years before. Perhaps no civilized government has, by one act, given so dreadful a wound to the morality of a people. The visible connection between the issue of small notes and the effusion of blood, is one of the most frightful parts of this case. Before 1797, the bank could issue no notes under £5. In 1802, the average number of notes under that value was about three millions and a half. In the former period there were no capital executions; in the latter, one hundred and sixteen occurred in four years. In 1817, there were 80,000 forged notes stopped at the bank of £1 and £2; nine hundred of £5; fifty of £10, and two of £20. The whole crime is in truth imputable to the small notes. The forgery of the larger we are authorized, by the experience of the former period, entirely to ascribe to the habits of criminality which originated in the temptation of small notes.—*Edinburgh Review*, Vol. xxxi., 1818.

NAPOLÉON had been every where successful; and when the preliminaries were ratified on 10th^o October, 1801, the most enthusiastic tokens of delight were exhibited throughout England.

By the act of November, 1797, the payment of cash was restricted to within six months after the conclusion of the war. It became, therefore, necessary in April, 1802, to increase this limit. The reasons assigned by Mr. ADDINGTON, in the House of Commons, were, "that it would be inexpedient to increase the circulation of guineas, as the exchange was against this country, and for several months guineas had been purchased with a view to exportation. For three or four years the credit of the bank had undergone no diminution. Bank notes were received cheerfully and readily; and when the bank was allowed to call in notes of £1 and £2 to the amount of £800,000, only £400,000 were claimed in specie. The motion was opposed on the ground that the very mention of it was a word of terror, and that since the restriction in 1797, the forgeries of bank notes had increased so alarmingly as to require seventy additional clerks to be employed merely in detecting them; that within that very year no less than thirty or forty persons had been executed for the crime. To this it was replied, that in Liverpool bank paper was preferred to cash; that the credit of the bank had increased, and that no petitions had appeared against it." The motion was carried, and the bank restricted from paying cash before 1st March, 1803.

The first instance of fraud, in the present century, to a great amount, was perpetrated by one of the confidential servants of the corporation. In the year 1803, Mr. BISH, a member of the stock exchange, was applied to by Mr. ROBERT ASTLETT, cashier of the Bank of England, to dispose of some exchequer bills. When they were delivered into Mr. BISH's hands, he was greatly astonished to find not only that these bills had previously been in his possession, but that they had been also delivered to the bank. Surprised at this, he immediately opened a communication with the directors, which led to the discovery of the fraud, and the apprehension of ROBERT ASTLETT. By the evidence produced on the trial, it appeared that the prisoner had been placed in charge of all the exchequer bills brought into the bank, and when a certain number were collected, it was his duty to arrange them in bundles, and deliver them to the directors, in the parlor, where they were counted, and a receipt given to the cashier.

This practice had been strictly adhered to; but the prisoner, from his acquaintance with business, had induced the directors to believe that he had handed them bills to the amount of £700,000, when they were only in possession of £500,000. So completely had he deceived these gentlemen, that two of the body vouched by their signatures for the delivery of the larger amount.

He was tried for the felonious embezzlement of three bills of exchequer, of £1,000 each. A fatal objection was, however, raised by the counsel of Mr. ASTLETT, and the bank failed in their endeavor legally to establish his guilt. Though the prisoner was acquitted in this instance, he was detained in custody, until the directors could cause a civil process to be issued against him. From this plan they departed, however; and on the renewal of the sessions ASTLETT was again tried for the criminal offence.

The indictment charged him this time with the felonious embezzlement of property and effects of the Bank of England. He was found guilty, with the reservation of some points of law, which were left for the decision of the twelve judges. In the following year Mr. Baron HOTHAM said the objections had been ably and legally discussed, and that the judges were of opinion that "the prisoner, having been found guilty of the embezzlement, was subjected to the pain of death."

This sentence, however, was not executed; and Mr. ASTLETT remained a prisoner in Newgate for many years.

At the next half-yearly meeting of the proprietors, it became necessary for the governor to state that a loss had been sustained through Mr. ASTLETT of £320,000, £78,000 of which the directors hoped to recover. It was announced that this would make no alteration in the dividend, although it amounted to nearly the entire interest of the half-year. The governor then said that the directors were not to blame for the malpractices of Mr. ASTLETT, who had succeeded in making away with the effects of the bank by interlineations, and by calling out false sums, when the property was regulated. A very satisfactory explanation was given, by which it appeared that the directors had relied on Mr. ASTLETT's character and long fidelity. Under all circumstances, it was stated that it would have required a supernatural power to have at first detected him.

Although the governor stated that the defalcation would make no difference in the dividend, it was probably preventive of a bonus. Upon the capital stock of the company the fraud would have amounted to two and a half per cent., and, as this was the only year between 1798 and 1807 (with the exception of that when the charter was renewed) which passed without the declaration of a bonus, there can be little error in assigning the crime of the cashier as a cause of the omission.

In February, 1803, the bank restriction bill was again proposed by Mr. ADDINGTON. The uncertainty of the peace enjoyed by the nation, the knowledge that the restless spirit of the first French consul was planning schemes of conquest, and an extension of territory, incompatible with the liberty of England, was undoubtedly one great reason. In addition, a three years' scarcity had compelled us to seek a supply of grain from the continent; and for this purpose twenty millions of bullion had been sent out of the country within that period. An additional large drain of cash for our army and navy also appeared to render a return to specie payments almost impossible, as, in the opinion of Mr. ADDINGTON, we ought to wait the operations of a flourishing commerce to bring back some proportion of this vast amount. A bill, therefore, limiting the suspension of specie payments to six weeks after the commencement of the ensuing session, was passed. The wisdom of the arrangement was soon seen. The stipulations of the treaty of Amiens had never been fulfilled by BONAPARTE. The attempt to control by treaties the man who never made one but with the view of violating its provisions, proved fallacious.

During the short period which the truce lasted, antagonistic feelings were operating in England, and a violation of justice was witnessed in the transactions of the first consul of France, which obviously tended to destroy the existing peace. His insidious fomentation of the quarrels of

the Swiss, and his insolent assumption of the character of arbiter; his interference with St. Domingo; his treacherous conduct to

“TOURNAINT, the most unhappy man of men !”

tended to nourish the dislike with which NAPOLÉON was universally regarded by the English. The feelings of the rival nations were soon kindled into rage. Foul, and even false assertions, were made on both sides of the channel. The press of London and Paris attacked and re-primed, and the ruler of France lowered the personal dignity which he usually so sternly maintained, by prosecuting a royalist emigrant for an offensive libel. But that which marked the insecure nature of the truce of Amiens was the discovery of persons, chiefly military, in the act of performing BONAPARTE's directions, to make exact plans of the harbors and coasts of the United Kingdom. The indignation of England, hitherto somewhat suppressed, burst forth like a torrent. The treachery of France was openly and vehemently denounced. The press and the Parliament alike spoke the voice of the people. The government openly announced that the French were recruiting their armies, and increasing their fleet, and that it was necessary for England to adopt the same course. At length the storm burst forth which was to desolate Europe. The ambassador was recalled from Paris; and on the 18th May, after a short and uncertain peace of fourteen months, war was again declared.

The commencement of hostilities rendered a return to cash payments impracticable. The English government was well aware that this country would be called upon, by whatever allies she might form, for pecuniary support. Her great commercial prosperity, the vast stake she had in preserving her independence, and with it that of the great nations of Europe, rendered England the most important enemy of France.* But it was her gold which chiefly made her dangerous. The sinews of war possessed by her caused her demonstrations to be regarded with anxiety, enabling her to treat upon independent terms with the enemy, when the remainder of Europe crouched obsequiously before him. It was necessary, therefore, to reserve her specie as much as possible to meet the expenses of the contest; and in 1803 a bill was introduced, postponing cash payments until six months after a definitive treaty of peace. “Nor was this done,” said LORD HAWKESBURY, “either at the request or suggestion of the bank directors, as government had brought it forward solely from a conviction of its necessity.” In the debate which occurred, the chancellor of the exchequer remarked, “that it was very much to the credit of the bank that it had not abused the discretion given it, with a view to its own private profits.”

* At the commencement of the Reign of Terror the government adopted the plan of a forced loan from the opulent classes. This tax was imposed on an ascending scale, increasing according to the fortunes of the individuals; and out of an income of 50,000 francs, or about £3,000 a year, they took, in 1792, 36,000 francs, or about £1,600. This immense burden was calculated as likely to produce at once a milliard of francs, or £40,000,000 sterling; and as a security for this advance, the persons taxed received assignats, or were inscribed as public creditors on the *grand livre* of the French funds, a security, in either case, depending entirely on the success of the revolution, and which proved, in the end, almost illusory.—ALISON'S Europe, vol. 1, p. 815.

The scarcity of silver had been severely felt for some time prior to 1804, and the bank issued dollars of five shillings. "These dollars," says Mr. GILBART, "had on the obverse side an impression of his majesty's head, and the following superscription: 'GEORGIUS III., Dei Gratia Rex,' and on the reverse side, the impression of Britannia, and the following: 'Five shillings dollar. Bank of England, 1804.'" In the same year, a bill was introduced to prevent the tokens issued by the bank from being counterfeited; and though, in the course of the debate, the directors were accused of wishing to grasp one of the privileges of the sovereign, the bill was carried. Of these coins, 1,419,484 were issued.

The restriction placed upon the bank by government was naturally productive of increased profits. Although the chancellor said, "that to its honor, it had not availed itself of the disposition of the act, to issue a quantity of paper exceeding its amount of capital;" yet the absence of treasure in its bullion office was a sufficient reason for the bonus which was annually presented to its proprietary, and which was renewed in 1804, 1805 and 1806, at the rate of five per cent. in cash upon the capital in each year; and in 1807 they received the agreeable announcement that the dividend would be raised from seven to ten per cent., free of income tax; at which rate it remained until 1822. At the declaration of the bonus, in 1806, a proposal was made by one of the court, and carried unanimously, that the gratuity to the directors should be doubled. The amount of income received by these gentlemen for their devotion to the interests of the proprietary, has always been regarded by them of small moment, compared with the importance of the position, and the circumstance is, therefore, only noticeable as an evidence of an estimation of their services.

In 1696 it was arranged that the same recompense to the governor, deputy-governor and directors, which had been presented them by an order of the court in 1695, should be continued annually. In accordance with this, £200 per annum had hitherto been received by the governor and deputy-governor, and £150 by each of the directors; but by the new arrangement, the former have since continued to receive £400, and the latter £300 per annum.

In 1806, the three millions which the bank had advanced to the State in payment of the charter of 1800 became due. In the ordinary course of events, this sum should have been returned, or an increased rate of interest allowed. The government, however, thought differently, and prevailed upon the bank to renew the loan at three per cent., until six months after the ratification of peace. An additional sum, therefore, of nearly five hundred thousand pounds, may be added to the price paid by the company for the renewal of its charter.

The war had been costly to the government. The star of NAPOLEON was yet in the ascendant. Threats of invasion were boldly uttered by the French. Vast efforts were made in England to meet them. Five hundred men of war traversed the seas, ventured into the enemy's harbor, destroyed his navy, and crippled his flotillas. The officers of the bank formed a volunteer corps. On every hill-top throughout the island, beacons blazed and sentinels watched. The spirit of the citizen soldiery was awake, and Europe saw the tradesman leave his shop, the merchant

his counting-house, and the clerk his desk, to attest that the ancient spirit of England still survived to maintain the freedom bequeathed to the land. The fine coalition organized by Mr. PITT had been crushed. The emperors of Russia and Germany witnessed their armies cut to pieces, and their hopes defeated, from the heights of Austerlitz, and England mourned the death of that great man who had roused the States of Europe to a sight of their national degradation. The continuation of a loan of three millions, therefore, at an interest far below the market value, was of some importance. It is, perhaps, to the same causes, together with others, hereafter to be mentioned, that the Bank of England was made the object of a searching inquiry at a later period. The energy with which the ambition of BONAPARTE had been met by the government of Great Britain, the knowledge that the commerce of this country, together with her insular position, rendered her calm, self-possessed and defiant, while the remainder of Europe either courted him or was crushed by him, produced from the conqueror that fiercest of feelings, an impotent longing after vengeance. With the vain hope of destroying our supplies of corn from the Baltic, the entrance of British ships was prohibited into any of the ports or rivers of Prussia; and in November, 1806, from the captured city of Berlin, was issued a decree, declaring the British islands in a state of blockade. France was without a navy; the maritime power of England was preëminent; and the insolence, therefore, of such a proclamation can only be measured by its impotence.

The chivalrous spirit which has from time to time shone from the anarchy of war, and which, in our own days, we have seen exemplified in the noble conduct of MEHEMET ALI, was absent in NAPOLEON BONAPARTE. But the blow aimed by him in his Berlin decrees was more mischievous to French commerce than to English enterprise. In all the seaports of France* the contraband trade was at a premium. In vain, from the heart of conquered nations, did he launch his imperial edicts. English merchandise was requisite, and English merchandise was borne in triumph through the custom-houses of France to the homes of her people. The only difference between illegal and legal traffic being that, in the former, the profit was made by the contrabandist, and in the latter

* CAMBON, the minister of finance, soon after the fall of ROBESPIERRE, made an important and astonishing revelation of the length to which the emission of assignats had been carried under the reign of terror. The national expenses had exceeded three hundred millions of francs, or above £12,000,000 a month; the receipts of the treasury, during the disorder which prevailed, never exceeded a fourth part of that sum, and there was no mode of supplying the deficiency but by an incessant issue of paper money. The quantity in circulation at the fall of ROBESPIERRE amounted to six milliards four hundred millions, about £300,000,000 sterling, while the national domains were still worth twelve milliards, or above £520,000,000 sterling. But this astonishing issue of paper could not continue without introducing a total confusion of property of every sort. All the persons employed by government, both in the civil and military departments, were paid in the paper currency at par; but as it rapidly fell, from the enormous quantity in circulation, to a tenth part, and soon a twentieth of its real value, the pay received was merely nominal, and those in the receipt of the largest apparent incomes were in want of the common necessities of life.—ALISON'S *Europe*, vol. 1, p. 818.

by government. In addition to this, our capitalists sought other fields; and the energy which, to some extent, was depressed in one, was more determined and successful in its attempts after another market.

In 1808, a committee was appointed to inquire into several branches of the public expenditure; the accounts of the Bank of England were examined with the view of decreasing the emoluments. Since 1786, when the charge upon each million of the public debt had been reduced from £562 10s. to £450, no change had occurred. The national debt, which then was £224,102,424, and for the management of which £100,846 were paid, amounted in January, 1807, to £550,441,314, on which £265,818 were received by the bank, in addition to the original £4,000 and £1,898 on £4,000,000, bought from the South Sea Company.

The difficulty of the finance committee was great in procuring some satisfactory criterion by which to arrive at a fair conclusion. The South Sea House, which received £582 13s. 6d. for each million, was the nearest; but the small amount of stock was a reason for so large a sum being paid. The charges of the Bank of Ireland had been fixed by the rate which was paid to the English bank, and to argue from that would be very like arguing in a circle. The management of the public debt in America afforded some illustration; but there was one material difference in the banks of the United States merely undertaking the payments of the dividends, while the transfers were managed at the public offices. For this cause, and from the limited number of the stockholders, (at that period about 15,000,) the risk and expense of the American could not be brought into comparison with the English bank. This was somewhat unfortunate; for the finance committee might have urged the fact that the American bank charged nothing for their trouble, with full force upon that body, on the profits of which they were in judgment.

Under these circumstances, they had recourse to the corporation itself for information. "Assuming as an incontrovertible proposition," says the report, "that in proportion as the business becomes enlarged, a moderate commission on a large business produces a greater proportionate profit than a higher rate on one more confined, it is obvious that a charge of allowance reasonable upon twenty or twenty-five millions, becomes profuse and extravagant upon five hundred millions. The increase in the establishment of the bank, which has been rendered necessary by the augmentation of this branch, consists principally in the number of the clerks; of whom the whole number employed in the public business, exclusively or principally, was, in 1786, 243; in 1796, 313; and in 1807, 450; whose salaries, it is presumed, may be calculated on an average, at between £120 and £170 for each clerk; taking them at £135, which exceeds the average of those employed in the South Sea House, the sum

at £100,	£ 60,750
at £150,	67,500
170,	76,500

either of which two last sums would probably be sufficient to provide a superannuated fund.

Incidental expenses and sundries, about,	£16,000
Additional buildings and repairs,	10,000
Law expenses, and losses by frauds and forgeries,	10,000

On this penurious calculation, the committee proceeded to state that the whole increase of officers who transacted the business was, in the previous eleven years, 137, the annual expense of whom might vary from £18,449 to £23,290, the addition to the other permanent charges being, probably, about one-half or two-thirds of that sum, while the increased allowance for management in the last ten years was more than £155,000." The conclusion at which the committee arrived, was recommendatory of a reduction of the profits. After stating that the bank, "over and above the charges of management, are accustomed to receive allowances from the public of £805 15s. 10d. per million, for receiving contributions for loans, and £1,000 for contributions to the lottery; and that they have the benefit of holding all the money for half-yearly dividends, besides having the cash for the navy and army service," they concluded by stating that "it is deserving the attention of Parliament, whether a further reduction of expense cannot and ought not to be made upon this branch of public expenditure."

The reason which appeared most plausible was, the large amount of deposits committed by the government to the keeping of the bank to meet the expenses of the war. In 1800, Mr. PITT alluded to this balance as affording some right to an interest in the annual profits of the company. These balances were, however, entirely optional. It suited the purpose of the State to choose so secure a depository as the national bank; it was a cause of expense to the latter; and the claim of Mr. PITT to participate in the profits, appears about as reasonable as the demand of any wealthy individual to share in the yearly returns won by the sagacity of his banker, because he has, to meet his own views, deposited a large sum in the hands of the latter. The real origin of the committee was the spirit which could not bear to see the bank directors give bonus after bonus to their proprietors, or increase their dividend from seven to ten per cent., without longing to participate. This is apparent in the following extract: "The annual and temporary bonus of £5 per cent. which the bank have for some successive years added to their accustomed dividends of seven per cent., and the recent augmentations of their regular dividends to ten per cent., exclusive of property tax; the rise, also, in the market price of their stock, which, having sold in 1786* from £156 to

* Nine years of peace, up to 1792-'3, had enabled Great Britain to recover, in a great degree, the losses and exhaustion of the American war. If she had lost one empire in the Western, she had gained another in the Eastern world; the wealth of India began to pour into her bosom, and a little island in the west of Europe already exercised a sway over realms more extensive than the arms of Rome had reduced to subjection. A vast revenue, amounting to £7,000,000, was already derived from her Indian possessions; and, although nearly the whole of this great sum was absorbed in their costly establishment, yet her rulers already looked forward with confident hope to the period, now very likely to be realized, when the empire of Hindostan, instead of being, as heretofore, a burden, should be a source of revenue to the ruling State, and the wealth of India really become that mine of gold to Britain which it had long proved to numbers of her children. Her national debt, amounting to £244,000,000, and occasioning an annual charge of £9,317,000, was, indeed, a severe burden upon the industry of the people, and the taxes, though light in comparison of what have been imposed in later times, were still felt as oppressive; but, nevertheless, the resources of the State had augmented to an extraordinary degree during the repose which had prevailed since the conclusion of the for-

£173 per cent., now sells at £230, are strong circumstances in confirmation of the large increase of their profits." These profits the government desired to grasp, but they were only attainable by mulcting the establishment in an indirect way.

The unclaimed dividends were another source of gain recommended by the committee, which was perfectly justified in the report, that, as they amounted, on the 8th of July, 1806, to £986,573, the sum of £800,000 might be honorably claimed.

It has long been the custom to regard the bank as indebted entirely to the State. The profit on the management of the national debt is pompously announced. The gain arising from the paper circulation secured by the bank charter is proclaimed as an additional revenue. The interest also arising from the government balances is not forgotten. But let it be remembered that there are other and strong claims for the bank. At the period of the finance committee, its capital, of more than eleven millions, was lent at the low interest of three per cent., and on this an annual payment of £230,000 was derived from the company for the charter. Advances were also made to the extent of £2,750,000 on the annual land and malt taxes, at four per cent., and this produced a profit to the country; while the three millions advanced for six years, and continued when this period had expired, at the interest of three per cent., was another mode of payment for the patronage of government. The bank also deducted the property tax from the public dividends, and paid it into the exchequer without charge, by which means delay was obviated, and the expense of collection saved.

The only point of the report, independently of the unclaimed dividends, which bore the semblance of justice, was its conclusion, when, after pointing out in what place the establishment was most vulnerable, and where it might be most easily assailed, it stated, "The accommodations derived by the public from its connection with the bank, have been carried on some years to a very large amount; and it must always be considered as an object of the greatest consequence to maintain the permanence of an establishment of such opulence and credit, which has contributed so materially to extend commercial prosperity, and to maintain the public faith of the country. Your committee cannot conclude their report without bearing testimony to the favorable disposition so often manifested on the part of the bank towards the public service; and they entertain no doubt of the same readiness to accede to any equitable arrangement that may be proposed under the present circumstances."

The report of the committee* was followed by an application, on the

mer contest; commerce, agriculture and manufactures had rapidly increased; and the trade with the independent States of North America had been found to exceed what had been enjoyed with them in a state of colonial dependence.—ALISON'S *Europe*, vol. 1, p. 157.

* A new plan of finance was proposed to Parliament, in 1807, by Lord HENRY PERRY, (now Marquis of Lansdowne,) Chancellor of the Exchequer, and adopted in the arrangement of the loan for that year.

The annual expenditure during the war was estimated at £82,000,000 beyond what the surplus of the consolidated fund and the annual taxes could supply. The war taxes were estimated at £21,000,000, viz., property tax, £11,500,000, and other

part of Mr. SPENCER PERCIVAL, proposing a reduction in the rates of management, a further advance of £500,000 of the unclaimed dividends, and a loan without interest of three millions, until six months after the conclusion of the war, or the payment of £150,000 per annum for the same period, urging, however, the superior benefit to be derived by the public from the former. The following extract from a letter, the last written on the occasion by the chancellor of the exchequer, embraces the arrangement as it was concluded :

“ I have proposed, first, that the bank shall now advance, out of the unclaimed dividends in their hands, the sum of £500,000 for the use of the public, in addition to the sum already advanced out of that fund, provided that the amount of such dividends remaining in the bank shall not be reduced below £100,000.

“ 2d. That for the management of the public debt, the bank shall henceforth be allowed as follows: £340 per million per annum upon the debt, whenever it may amount to £400,000,000, and not exceed £600,000,000; £300 per million per annum on the amount of any debt unredeemed above £600,000,000. The said £600,000,000 continuing in such case to be managed at the aforesaid rate of £340. £450 per million per annum on the debt when it may exceed £300,000,000, and not amount to £400,000,000.

“ 3d. That the bank shall, on or before the 5th of April next, advance for the public service in the present year, three millions, by way of loan, without interest. The principal to be secured by exchequer bills.”

At a meeting of bank proprietors, in January, 1808, the proposals were read by the governor, and, after some explanations, unanimously agreed to. The following was their purport: “ That £500,000 should be withdrawn from the fund appropriated for unclaimed dividends, for the use of the public. That an alteration should take place in the rate of the management, which would be a saving to the government of £70,000 per annum; and that three millions sterling should be advanced to the State, without interest, the payment to be secured by exchequer bills, to be made payable from the signing of a definite treaty of peace.”

These resolutions, after some debate, were agreed to, and the object of the finance committee gained. The interest on the three millions, at five

articles, £9,500,000. The annual deficiency to be supplied by loan was, therefore, £11,000,000, which were proposed to be raised by mortgaging the war taxes to the extent of ten per cent. on the sum borrowed; the surplus of which sum mortgaged, after paying for interest and management, was to form a sinking fund for the redeeming the debt, and thereby disengaging the part of the war taxes mortgaged in a certain number of years, according to the rate of interest at which the loan was transacted. Thus, if the interest and management was five per cent., there would remain five per cent. as a sinking fund, and this would pay off the debt in fourteen years. The sums proposed to be borrowed in this manner were £12,000,000 for the first three years, £14,000,000 for the fourth, and £16,000,000 for each of the succeeding ten years; amounting altogether to £210,000,000; for which, at the rate of ten per cent., the whole of the war taxes would be mortgaged. But the debt contracted the first year being now paid off by the sinking fund appropriated to it, the portion of the war taxes mortgaged for it would be set free, and be applicable to the loan of the following year. And another portion being set free the following and each succeeding year, these loans might be continued on this system without limitation of time.

per cent., till the conclusion of the war, amounted to about one million sterling.

The name of ABRAHAM NEWLAND, that name by which the notes of the bank were often indicated, is familiar to most readers. In 1807 he retired from the office of chief cashier, after a service of more than half a century. His last act was to decline the pension which the liberality of the directors offered. The same year he died; and as a specimen of the fortunes which were occasionally amassed in the service of the establishment, it may be mentioned that his property amounted to £200,000, besides £1,000 a year landed estates. It must not be supposed that this was saved from his salary. During the whole of Mr. NEWLAND's career, the loans, which, during the war, were made almost yearly, and occasionally oftener, proved very prolific. A certain amount of them was always reserved for the cashier's office, (one parliamentary report names £100,000,) and as they generally came out at premium, the profits were great. The family of the GOLDSMITHS, then the leaders of the stock exchange, contracted for many of these loans, and to each of them he left £500, to purchase a mourning ring. From some remarks in the papers it may be gathered that the large funds of Mr. NEWLAND were occasionally lent to these gentlemen, to assist their varied speculations. It was also the subject of frequent allusion in the pamphlets of the period; and as those who know the least are frequently the most confident, there was not much ceremony used in the strictures passed upon Mr. ABRAHAM NEWLAND.

The odium thrown upon the bank for the many deaths which have taken place for forgery, must necessarily find some palliation in the subtlety of those who entered into the dangerous traffic. It was in truth a trade. The notes were frequently sold at so much in the pound, and, as in the instance about to be related, they were often sent into the foreign market. In 1808 VINCENT ALESSI, a native of one of the Italian States, went to Birmingham, to choose some manufactures likely to return a sufficient profit in Spain. Amongst others he sought a brass founder, who showed him that which he required, and then drew his attention to "another article," which he said he could sell cheaper than any other person in the trade. Mr. ALESSI declined purchasing this, as it proved to be a forged bank note; upon which he was shown some dollars, as fitter for the Spanish market. These also were declined, although it is not much to the credit of this Italian that he did not at once denounce the dishonesty of the Birmingham brass founder. It would seem, however, from what followed, that Mr. ALESSI was not quite unprepared, as, in the evening, he was called on by one JOHN NICHOLLS; and after some conversation he agreed to take a certain quantity of notes, of different value, which were to be paid for at the rate of six shillings in the pound.

ALESSI thought this a very profitable business, while it lasted, as he could always procure as many as he liked, by writing for so many dozen candlesticks, calling them Nos. 5, 2, or 1, according to the amount of the note required. The vigilance of the English police, however, was too much even for the subtlety of an Italian; he was taken by them, and

allowed to turn king's evidence, it being thought very desirable to discover the manufactory whence the notes emanated.

In December JOHN NICHOLLS received a letter from ALESSI, stating that he was going to America; that he wanted to see NICHOLLS in London; that he required twenty dozen candlesticks, No. 5; twenty-four dozen No. 1, and four dozen No. 2. Mr. NICHOLLS, unsuspecting of his correspondent's captivity, and consequent frailty, came forthwith to town, to fulfil so important an order. Here an interview was planned, within hearing of the police officers. NICHOLLS came with the forged notes. ALESSI counted up the whole sum he was to pay, at six shillings in the pound, saying, "Well, Mr. NICHOLLS, you will take all my money from me." "Never mind, sir," was the reply, "it will be all returned in the way of business." ALESSI then remarked that it was cold, and put on his hat. This was the signal for the officers. To the dealer's surprise and indignation he found himself entrapped, with the counterfeit notes in his possession, to the precise amount in number and value that had been ordered in the letter. Thus Mr. NICHOLLS found his business suddenly brought to a close, and the brisk trade in imaginary candlesticks finished, to the infinite welfare of the public.

In 1809, also, the public were made aware that a traffic in one, two and five pound notes, had existed for some time to a most alarming extent. The Bank of England had long known of these forgeries, and had been successful in detecting many of the delinquents. A traffic so large had never before been discovered. It was positively sworn that forged notes might be bought in "sufficient quantities to load a jackass." Those which reached the bank were detected at a glance. The signatures of some cashiers who had long been dead were on many, while others bore only Christian names. From these inconsistencies, and the bad color of the paper, they were chiefly circulated in parts remote from the metropolis. Not the less, however, was it the duty of the directors to detect the culprits, thirteen of whom were taken in one day, through a clever contrivance of the officers; and notes to the amount of £10,000 seized on the premises. The paper had been retailed by poor ignorant people, few of whom could write or read, at from five to ten shillings in the pound. Birmingham was the fountain-head whence they flowed, and Wales and Scotland the parts where they were principally passed. The idea was prevalent among all, that if the forged notes were not actually found in their possession they could not be convicted; a delusion quickly dispelled, to the cost of these unhappy men.

REPORT ON FIRE INSURANCE.

The progress of the business of fire insurance, during the year 1861, has fully justified the views concerning that branch of business expressed in the reports of this Chamber for the years 1858 and 1859.

The constantly diminishing prices charged by our local companies for insuring, the large comparative increase of expense, and the reduced net remainder, after payment of losses and expenses, clearly indicate that the period is not remote when a number of companies in this city must necessarily cease insuring, and pay back to their stockholders the amount in hand; while those remaining will as certainly see the necessity of charging adequate rates of premium.

The results of the business for the year 1861 are exhibited in the following figures. In this State there are ninety-five (95) companies, having an average capital of \$213,504 each, amounting, in the aggregate, to \$20,282,860, divided as follows:

1 having.....	\$ 50,000	1 having.....	\$ 275,790
1 "	100,000	1 "	280,000
28 "	150,000 each.	4 "	300,000 each.
1 "	153,000	1 "	350,000
42 "	200,000 each.	1 "	400,000
1 "	204,000	3 "	500,000 each.
2 "	210,000 each.	1 "	1,000,000
7 "	250,000 each.		

The aggregate amount of premium received, for the year 1861, was \$6,827,736, being an average of \$71,870 to each company. The actual receipts, however, vary greatly, the facts being as follow:

No. of companies receiving in premiums less than		
	\$ 20,000 per annum.....	5
Between \$ 20,000 and 30,000	"	11
" 30,000 and 40,000	"	13
" 40,000 and 50,000	"	18
" 50,000 and 60,000	"	14
" 60,000 and 70,000	"	9
" 70,000 and 80,000	"	4
" 80,000 and 90,000	"	3
" 90,000 and 100,000	"	4
" 100,000 and 125,000	"	5
" 125,000 and 150,000	"	4
" 150,000 and 200,000	"	1
" 200,000 and 250,000	"	1
" 250,000 and 300,000	"	2
Over 300,000.....		1

The aggregate losses of the year have reached the sum of \$3,771,209. The expenses paid during the year amount to the sum of \$2,404,266; the expenses being an average, according to the gross amount of premium received, of 35 per cent.; but, according to the number of companies and expenses of each, the average expense is 42 per cent.

No. of companies expending less than

30 per cent. of receipts, 14	Between 50 and 60,.....	8
Between 30 and 35,..... 24	“ 60 and 70,.....	7
“ 35 and 40,..... 14	“ 70 and 80,.....	2
“ 40 and 45,..... 19	“ 80 and 90,.....	1
“ 45 and 50,..... 5	Over 100,.....	1

The net profits of the year's business amount to the sum of \$651,960, being $9\frac{1}{4}$ per cent. upon the gross premiums; and upon the capital employed the per centage of profit is a fraction less than $3\frac{1}{4}$ per cent.

The dividends paid during the year amounted to \$2,111,788, equal to nearly $10\frac{1}{4}$ per cent. upon the capital. It is evident that this is fully equal to the interest (7 per cent. generally) received upon the investments representing the capital, and the $3\frac{1}{4}$ per cent. profit upon the business. It is equally evident that the companies are no stronger at the close of the year than they were a year ago, although the dividends are not so great by \$357,300 as they were in 1860.

Another feature, of great interest, in the exhibits of our fire insurance companies, is found in the various estimates for re-insurance. There seems no good reason why these should differ materially, when estimated upon *unexpired* premiums only. Certainly a difference of 5 per cent. ought to cover the greatest extremes of actual difference. And yet the estimates range from 27 per cent. to 55 per cent. These estimates are as follow:

No. of companies estimating re-insurance at

27 per cent.,..... 1	38 per cent.,..... 3	46 per cent.,..... 1
28 “ 1	39 “ 4	47 “ 1
31 “ 2	40 “ 27	48 “ 1
32 “ 1	41 “ 3	50 “ 15
33 “ 2	42 “ 5	51 “ 3
35 “ 6	43 “ 1	54 “ 1
36 “ 6	44 “ 5	55 “ 1
37 “ 2	45 “ 4	

These discrepancies may, in some cases, be accounted for by actual differences; in others, by the indistinct apprehension of the officers as to what enters into an estimate for re-insurance; but there is one very significant fact, which cannot fail to have its influence. There are 54 companies which estimate re-insurance at 40 per cent. or less, and, notwithstanding the narrowness of the reserve, they have, in the aggregate, but about \$1,250,000 surplus. On the other hand, the remaining 41 companies, while estimating for re-insurance between 41 and 55 per cent., have remaining an aggregate surplus of about \$2,100,000.

It may well be doubted whether any thing not actually terminated should be regarded as in any part earned. If no such wholesome rule is likely to be enforced, the companies should, at least, approximate to facts in their estimates, and any one outside of an insurance office would certainly place the amount necessary for re-insuring at a proportion of the unexpired premium, which would be nearer 50 per cent. than 45 per cent. of the amount.

The influence of the insurance department, a new office created some two years since, is calculated to be valuable and permanent. The immediate and responsible supervision of the superintendent cannot fail to induce increasing circumspection on the part of the managers of the companies. Mr. BARNES, who occupies the post of superintendent, is competent to fill the place, if his abilities may be judged from the reports he has issued.

It is to be regretted that his report of 1862 is so much less full than that of 1861. The publication of a list of mortgages may well enough be made at intervals of three or five years, but the stocks owned by companies, and the stocks loaned upon, should always be specifically stated in each printed annual report. The supervision of the superintendent is important, but the more full his published report is made, the more aid does he receive from the public among whom the report is circulated, and thus a double inspection is established. The probability is, that some spasmodic symptoms of economy in the legislature has induced Mr. BARNES to contract his annual exhibit, by omitting what he supposed could most easily be spared. All such omissions are unfortunate, and it is to be hoped that another year will witness a complete and ample statement of the special condition of each company having a charter from the State of New-York. The Chamber is under obligations to Mr. BARNES, as it is by the aid of his very able reports, and the various synopses of insurance statements which were published in anticipation of the issue of the reports, that this annual revision has been made. The statement of the superintendent represents that the capitals of eight companies are, to a slight extent, impaired. This must be the case with a number of other companies, if the unearned premiums were estimated at a proper ratio of the whole amount received on unexpired risks.

The statistics extracted from the report and presented hereafter, furnish food for reflection. In the first place, it would seem that either the number of companies must be largely reduced, or that premiums should be largely increased. If it is a legitimate part of the business of insurance to find comfortable places for worthy men, and to fill offices owned by reputable landlords, then rates must be sufficiently high to permit as many companies to be formed as will suffice for these purposes; and as a result, the business will be much divided, and expenses will absorb a still larger proportion of the receipts. If, on the contrary, the proper accommodation of the community is to be the standard which regulates the number of companies, it is plain enough that one-half the present number would accomplish the work better and cheaper. This would be clearly exhibited in the reduced per centage of expense and the consequent profit of the business, which would permit the constant increase of security to the insured which each successful year's business of an insurance company should present. In no other way can a company properly prepare itself for those years of disaster which are to be expected, not, indeed, with regularity, but still with great certainty.

The following tables (pp. 68-70) from his reports will commend themselves to attention :

FIRE INSURANCE COMPANIES OF NEW-YORK.

Table compiled by CHARLES H. RAYMOND, Esq., Deputy Superintendent, from the Annual Statements of the New-York Joint-Stock Fire Insurance Companies, showing their Capital, gross Assets, gross Income, Expenditures, &c., for the year ending December 31, 1861.

Year of Incorporation.	Name of Company.	Capital.	Re-insurance.		Gross Income.	Gross expenditures.	Net cash Premiums received.	Am't paid for losses.	Amounts paid for fire ends.	Net amount of fire risks.	Avg. rate of premium.	Per centum loss.
			Gross Assets.	Per centage.								
1854	Zetna	\$ 200,000	\$ 297,908	44.30	\$ 81,185	\$ 68,881	\$ 45,768	\$ 23,158	\$ 17,000	\$ 17,000	100.00	50.59
1858	Adriatic	150,000	159,859	39.63	61,861	84,144	90,965	7,717	19,000	4,962,593	4898	32.99
1811	Albany	150,000	204,068	41.80	60,456	64,478	48,949	14,880	40,000	6,468,879	7415	30.78
1860	Albany City	100,000	107,398	44.48	10,498	4,764	5,871	468	.....	871,878	8607	8.90
1857	American	900,000	983,686	50.06	78,994	54,880	60,680	12,991	31,000	19,190,507	3178	31.41
1859	American Exchange	900,000	909,073	35.16	68,916	61,581	54,746	38,780	.....	7,574,548	7938	65.36
1853	Aretic	200,000	204,751	32.80	95,861	115,084	75,956	73,929	19,088	6,801,888	4899	35.03
1851	Astor	150,000	210,731	50.00	18,797	62,259	51,486	17,670	24,000	8,460,644	6083	34.83
1851	Atlantic	150,000	249,801	41.85	85,000	111,184	107,110	47,869	30,000	17,114,743	5459	50.30
1853	Beekman	900,000	923,608	40.00	10,990	44,118	44,868	39,064	15,946	5,183,684	5669	43.88
1857	Brevoort	150,000	168,399	35.53	6,000	34,918	35,509	35,784	5,947	3,690,557	7811	50.61
1849	Broadway	900,000	973,409	40.00	13,684	52,048	58,408	33,973	27,888	7,147,888	4768	44.73
1854	Brooklyn	150,000	978,978	34.53	96,000	91,057	73,990	74,748	30,600	14,469,980	5604	34.85
1860	Central Park	150,000	162,046	50.00	5,911	23,093	18,945	18,191	.....	3,584,680	5084	37.94
1856	Citizens	150,000	383,618	45.00	38,509	100,881	87,138	80,009	38,868	14,788,359	5468	32.54
1853	City	910,000	894,708	50.00	91,519	69,087	76,078	47,694	84,477	11,891,667	4899	47.36
1850	Clinton	250,000	300,325	34.46	14,000	63,617	65,643	48,973	84,790	10,143,807	4480	38.53
1858	Columbia	900,000	934,558	44.80	18,708	59,177	59,071	44,367	37,000	5,650,417	7883	37.44
1859	Commerce	900,000	926,937	40.08	13,000	44,808	39,300	38,509	16,000	4,019,069	7486	43.61
1859	Commerce Fire	900,000	918,435	45.00	7,093	34,937	34,719	33,640	.....	5,977,967	3791	30.54
1850	Commercial	900,000	978,921	40.00	28,988	84,880	88,967	64,399	81,840	11,047,068	6001	38.53
1853	Commonwealth	950,000	950,754	34.84	17,380	84,816	129,967	67,070	30,000	8,998,000	6766	113.38
1853	Continental	500,000	1,071,518	50.00	198,889	849,867	988,511	375,640	60,951	59,887,908	5983	43.19
1853	Corn Exchange	900,000	899,287	28.48	13,000	188,954	184,119	138,761	89,980	8,648,100	4768	54.96
1806	Eagle	800,000	431,878	36.00	19,111	87,937	94,641	59,368	39,469	18,845,501	4379	25.58
1833	East River	375,790	284,937	40.00	18,408	98,068	54,944	34,991	33,094	10,854,555	5987	49.09
1850	Empire City	900,000	370,054	37.99	13,000	65,858	59,368	43,188	37,885	10,994,108	4406	34.09
1853	Excelsior	900,000	944,555	40.00	18,816	67,566	60,949	58,215	.....	7,684,004	7686	71.56
1853	Exchange	150,000	171,707	40.00	14,946	50,865	71,811	41,878	10,500	4,878,877	3685	81.19

1855	Farmers' Joint-Stock,	50,000	64,003	81.26	7,000	17,076	7,906	17,051	9,496	4,471,699	8908	90.64	
1856	Firesmen's,	304,000	841,081	50.00	94,464	74,438	75,453	99,087	83,097	10,936,710	8968	54.39	
1857	Firesmen's Fund,	160,000	151,818	94.86	6,000	20,445	81,004	30,008	18,376	2,765,991	8689	91.64	
1858	Firesmen's Trust,	100,000	174,985	46.00	10,001	37,888	87,868	87,809	5,494	7,668	6947	90.09	
1859	Felton,	300,000	334,317	89.70	34,719	128,006	189,886	184,940	63,690	14,088,966	7481	50.37	
1857	Gallatin,	100,000	156,591	84.00	4,400	35,880	38,998	14,944	9,399	3,608,868	8948	63.37	
1857	Gebhard,	300,000	316,114	85.30	8,789	44,867	47,184	31,800	23,411	6,000	6,751,159	4699	70.48
1859	Germania,	300,000	299,166	40.00	13,878	68,666	61,317	58,308	32,810	6,938,149	5958	44.67	
1857	Goodhue,	300,000	388,876	43.59	16,979	87,143	68,908	43,471	40,399	7,688,079	5466	94.77	
1854	Greenwich,	300,000	243,510	54.50	30,000	58,777	45,940	37,435	8,987	6,874,458	4934	93.06	
1850	Grocers',	300,000	293,409	50.00	7,910	85,178	89,001	30,094	4,069	5,448,908	3693	94.69	
1859	Hamilton,	150,000	181,988	40.00	14,167	45,618	34,818	35,438	14,396	6,000	4,110,174	8731	98.70
1858	Hanover,	300,000	351,235	83.38	15,100	59,793	54,326	45,198	11,796	24,000	10,088,854	4406	94.09
1858	Harmony,	150,000	184,091	43.85	15,000	60,480	55,370	51,414	34,548	6,508,887	7380	47.74	
1858	Home,	1,000,000	1,031,968	44.97	304,044	919,399	899,619	899,459	685,476	89,097,941	8884	64.59	
1856	Hope,	300,000	316,073	81.38	10,000	57,671	51,943	39,459	38,056	7,980,376	5877	71.07	
1855	Howard,	300,000	368,677	44.55	41,500	132,048	135,138	98,247	49,566	16,240,779	5980	50.47	
1857	Humbolds,	300,000	248,918	40.00	30,417	79,158	79,785	64,064	41,336	10,344,249	6159	64.61	
1859	Importers and Traders',	300,000	317,793	40.00	6,834	33,113	35,353	19,188	4,819	4,099,387	4668	95.15	
1859	Indemnity,	150,000	160,380	40.00	7,856	38,387	37,968	33,908	18,665	6,000	5,564,808	4106	81.49
1858	Irving,	300,000	284,807	46.00	34,689	79,399	73,891	64,693	33,393	30,000	9,894,766	6597	48.74
1824	Jefferson,	100,010	313,605	93.30	19,096	73,371	73,921	59,445	14,595	11,948,685	4666	37.90	
1798	Kings County,	100,060	163,179	89.08	13,887	43,570	36,960	38,599	9,468	4,170,861	3047	93.16	
1798	Knickerbocker,	300,000	350,973	50.00	91,007	66,891	66,180	43,149	9,709	11,568,596	3730	93.50	
1856	Lafayette,	150,000	181,900	87.89	18,000	64,036	61,506	54,406	31,791	6,111,038	3908	56.69	
1856	Lamar,	300,000	341,905	84.36	38,000	115,497	119,568	94,352	75,439	12,000	11,824,874	5886	79.98
1858	Lenox,	150,000	188,600	48.47	18,747	59,689	43,766	38,485	32,646	6,000	5,398,806	7939	56.84
1838	Long Island,	300,000	315,185	47.00	18,441	68,093	73,116	43,799	30,316	40,880	8,491,894	5158	44.38
1851	Lorillard,	300,000	349,389	50.00	50,001	171,941	169,366	189,093	71,877	37,500	35,641,938	5880	51.69
1851	Manhattan,	300,000	361,700	88.48	75,000	241,896	237,408	319,668	184,669	47,945	39,368,048	7483	61.35
1858	Market,	300,000	338,269	45.17	40,000	133,439	108,641	105,047	53,391	30,000	19,913,081	5975	50.83
1857	Mechanics,	160,000	197,139	40.00	14,378	55,375	46,905	43,911	6,011	31,000	6,850,307	6864	14.01
1858	Mechanics and Traders',	300,000	359,809	40.00	19,390	69,496	39,453	31,804	31,804	40,815	10,398,088	5094	60.84
1859	Mercantile,	300,000	247,570	40.00	14,049	58,384	63,984	48,091	33,326	24,000	7,778,608	5540	51.95
1850	Merchants',	300,000	308,969	60.00	45,948	113,091	104,661	94,459	33,640	40,000	16,999,671	5655	56.59
1854	Metropolitan,	300,000	388,414	44.31	43,000	148,619	155,017	118,748	98,666	10,500	14,748,398	8996	76.88

FIRE INSURANCE COMPANIES OF NEW-YORK, 1861.—(Continued.)

Yr of Incorporation.	Name of Company.	Capital.	Re-insurance.		Gross Income.	Gross ex-penditures.	Net cash received.	Anti-paid for losses.	Amounts paid for dividends.	Net amount of fire mkt.	Avg. rate per m. ins.	Per cent. of prem. losses.								
			Gross Assets.	Per centage.																
1857	Montank.....	\$150,000	\$181,888	42.01	\$53,964	\$50,198	\$41,099	\$19,783	\$18,500	\$6,516,945	.8898	47.93								
1857	Nassau.....	150,000	316,028	50.00	46,389	55,028	88,391	9,880	80,000	6,876,928	.4710	28.77								
1858	National.....	900,000	988,177	50.00	66,091	79,287	47,616	16,389	89,887	10,048,178	.4740	54.44								
1858	New Amsterdam.....	900,000	949,896	50.00	73,966	85,991	68,457	84,183	98,000	8,083,071	.7894	56.94								
1856	New World.....	900,000	218,777	38.88	48,485	48,317	29,304	8,867	16,000	5,890,148	.5480	28.66								
1858	New-York Brewery.....	900,000	887,873	48.38	90,950	94,995	11,896	11,896	60,000	15,597,618	.4895	17.39								
1858	New-York Equitable.....	510,000	816,283	40.00	95,761	95,967	70,760	81,683	48,126	13,561,170	.5318	44.77								
1860	Xingars.....	900,000	254,318	45.00	71,169	67,656	58,605	28,108	84,000	9,907,849	.5411	48.70								
1858	North America.....	250,000	287,181	43.60	107,148	116,706	89,899	48,660	40,000	14,849,811	.5549	58.00								
1852	North River.....	850,000	376,514	37.53	87,188	106,751	66,690	59,307	19,073	11,789,181	.5669	84.97								
1852	Northwestern.....	900,000	414,948	51.98	78,488	66,396	48,718	4,685	41,851	9,092,819	.5175	9.28								
1851	Pacific.....	900,000	960,000	40.00	51,792	104,880	148,681	194,805	7,450	10,874,901	1.1459	107.64								
1851	People's.....	150,000	160,068	40.00	47,288	37,881	84,918	32,394	.....	6,315,708	.6838	62.08							
1858	Peter Cooper.....	150,000	171,279	41.83	34,719	34,964	24,911	8,811	18,500	6,240,076	.4159	24.00								
1855	Phenix.....	900,000	298,288	40.00	90,714	189,071	194,129	187,868	18,000	16,981,000	.8899	65.84								
1855	Relief.....	900,000	254,581	42.14	88,500	100,409	99,061	88,991	98,000	11,826,439	.7953	47.88								
1859	Republic.....	150,000	804,048	40.00	19,859	84,809	64,748	46,387	10,107	11,907,528	.5078	69.45								
1857	Resolute.....	900,000	947,953	40.16	139,013	180,188	118,529	100,304	16,000	15,164,999	.5066	88.85								
1858	Rugers.....	900,000	945,478	40.00	90,785	73,618	164,988	96,111	28,000	8,000,369	.7116	68.43								
1856	Security.....	500,000	643,045	51.13	329,998	318,430	291,639	189,701	85,800	27,083,916	.5393	65.05								
1858	St. Mark's.....	150,000	176,304	40.00	49,287	45,064	88,016	25,864	7,080	8,386,719	1.9687	65.00								
1859	St. Nicholas.....	150,000	169,615	38.00	49,091	59,389	40,480	31,644	10,398	8,293,868	1.3079	53.59								
1859	Standard.....	900,000	928,089	40.00	53,833	48,674	28,207	16,800	10,000	9,087,173	.4073	43.97								
1851	Stuyvesant.....	900,000	350,158	31.06	49,428	48,707	84,486	9,097	84,000	6,998,785	.4924	26.43								
1858	Trademen's.....	150,000	176,259	36.43	10,000	43,176	88,177	6,765	18,000	5,995,061	.6994	17.87								
1824	United States.....	250,000	898,844	55.93	63,643	51,199	44,208	10,980	25,071	9,841,789	.4491	24.70								
1850	Washington.....	400,000	498,178	50.00	161,683	128,125	131,940	64,884	22,000	14,280,493	.5079	48.68								
1858	Williamaburgh City.....	150,000	904,164	60.00	73,077	78,468	61,178	81,917	51,144	7,885,304	.6889	59.17								
1859	World's Safe.....	.....	.....	40.00	8,700	17,049	10,043	4,879	.....	928,739	1.0871	43.61					
Aggregate.....										\$30,268,660	\$26,580,680	68.13	\$2,264,989	\$8,488,580	\$8,800,283	\$3,771,900	\$3,111,768	\$1,097,112,506	.5990	55.38

While it is manifest that, in nearly all of the companies, improvements can easily be made by a reduction of expenses and an enhancement of charges, and in the manner of calculating profits, and while, in some cases, the departures from a correct basis are flagrant, yet it is equally manifest that the companies, in general, are, in a most satisfactory condition so far as their securities are concerned. And, in some cases, the exhibition of large surplus, reaching, indeed, in a few instances, to a sum equal to the capitals, proves that the business has, at some time, been good enough, and the managers have exercised sufficient sound sense in advance, to enable the institutions they controlled to weather such a storm of low-rate competition as now exists.

It is, no doubt, true, that excessive competition has unduly and unwisely led to reduced rates of premium, and equally true, that this is undesirable both for insurer and insured. The latter ask to be charged a uniform, reasonable price; and will pay it readily, provided the companies use the results of favorable years to fortify themselves against the heavier losses of unfavorable years. What effect is to be produced in the end by the system known as the Participation plan, is not yet entirely clear. There are about a dozen of the fire insurance companies of this city, now insuring upon the plan of dividing to their customers from two-thirds to four-fifths of the net profits of the business; the amount allotted to scrip holders being funded until the limit fixed upon, varying from \$250,000 to \$800,000, shall be reached, when the future accumulation of profits are to be employed in paying off the earlier issues of scrip, which, in the mean time, receives an annual interest. The effect of this system is, with each successful year, to increase the security afforded by the companies, and this is a most important element, and one which commends itself to all insurance companies.

The matter of security is the most important consideration in insurance; then comes fair and manly dealing; and after that, moderate cost; and whatever system, or whatever company presents to the public these elements in the highest degree, will be ultimately and certainly successful. It should always be borne in mind, that moderate cost is as remote from extreme cheapness as it is from extreme dearness.

That the capitals of New-York insurance companies are, in most cases, too small, is, no doubt, plainly manifest to underwriters and to the insured. The feeling is growing among merchants that no company should hereafter be established with a capital below \$500,000. It behooves those having the management of companies to use their best efforts to add to their reserved funds by restraining dividends. With many companies it is now too late to do this. Competition and heavy losses and expenses, in proportion to the premium received, utterly preclude making any amount of profit with which to reinforce the capital, unless dividend making is abandoned altogether, and this requires an amount of virtuous determination not commonly possessed. The tide of business will naturally and certainly flow towards those companies which present the greatest security; and it would be strange, indeed, if, even at increased charges over the usual depressed standard of rates, such companies did not draw custom from weak companies, and this, too, though companies thus deserted may be positively good for all they claim to possess. This

natural tendency renders weak companies still weaker, and will, in the end, work out so radical a remedy for the present defects, that those interested, who shut their eyes to passing events, and what they indicate, will find certain and not very tardy dissolution awaiting them.

The length to which this review is already drawn out prevents other suggestions which would certainly be interesting and probably useful, but which must be reserved for another opportunity.

We commend to the attention of the members of the Chamber the following extracts from the Annual Report of the Superintendent of the Insurance Department, for the year 1861-2 :

"The golden era for unsound institutions in this country has now passed away, it is hoped never to return. Solid capital is now required for the business of insurance, instead of unsound securities and fictitious faith. Under these circumstances, a prudent sagacity and foresight plainly indicate the path of wisdom for our companies to be in, steadily and surely augmenting their business and assets. The public demand, and will have, integrity and ability in the transaction of the business of underwriting, and also increased strength and capital. No company should hereafter rest content without improving in each year last year's assets and business.

"If repeated admonitions to this effect in our own country were not sufficient, the great fire in London last June, which destroyed over seven millions dollars' worth of property, ought to admonish us that the cycle of great fires may soon reach us, and that nothing but spreading risks over different cities and States, and the accumulation of a large capital or ample reserve funds, will save our companies from destruction, and the people from terrible loss under such an affliction. The recent fire in London is the largest which has visited that metropolis since the celebrated great fire of 1666. The heavy losses of the various companies were mostly paid from the "Fire Reserve," without impairing their capital to any serious extent.

"A company which so imperfectly comprehends its true mission as to yearly impair even its sacred capital, for the purpose of making a paltry dividend to stockholders, must change its course, or it will soon become insolvent and useless to the community, and be lopped off as an unnecessary encumbrance to the body politic. The people are willing to pay fair and remunerative premiums, but they insist upon sound and reliable indemnity. The unfair and reckless competition of irresponsible and unsound companies has for several years tended to unsettle and disproportionate rates, thus endangering alike the insurer and the insured.

"It is due to our companies to say, that since the publication of the second volume of last year's report, no single mortgage contained therein has been shown to this Department to be fraudulent, defective or unsound. The superintendent invites the most rigid examination into these mortgage securities on the part of directors and stockholders, as well as on the part of the insured, and the public generally. No unsound mortgage should ever again be suffered to deceive and defraud the public for a single day. The recent crisis has demonstrated the general soundness of mortgage securities, and even their superiority, as an investment, over

bank and other stocks, in critical times of financial distress and national calamity.

"The recent imminent danger of war with the only foreign country from which companies have been admitted in this State, has led to the consideration of the condition of American policy-holders, and the legal remedies for the collection of losses, if a war should ever, unhappily for both countries, occur between these two nations. It is an established principle of the English common law, that all insurances of the property of an alien enemy are *illegal and void*, and also repugnant to every principle of public policy. Return premium, even, will not be paid, whether the policy is effected before or after the commencement of hostilities, except in the single case of an insurance obtained in England through an innocent agent, unaware of hostilities at the time he procures the policy, on the ground that the money is paid under a mistake of fact. All British policies of insurance must be understood not to extend so far as to cover *any loss happening during the existence of hostilities* between the respective countries of the insured and the underwriters. Policies effected before the commencement of hostilities are legal in their inception, although claims for losses happening before the war are suspended during the existence of hostilities, but to revive on the restoration of peace."

NEW-YORK LAW OF FIRE INSURANCE.

Passed April 19th, 1862.

CHAPTER 367.

AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO PROVIDE FOR THE INCORPORATION OF FIRE INSURANCE COMPANIES," PASSED JUNE TWENTY-FIFTH, EIGHTEEN HUNDRED AND FIFTY-THREE. PASSED APRIL 19, 1862, THREE-FIFTHS BEING PRESENT.

The People of the State of New-York, represented in Senate and Assembly, do enact as follows :

SECTION 1. The sixth section of the act entitled "An act to provide for the incorporation of fire insurance companies," passed June twenty-fifth, eighteen hundred and fifty-three, is hereby amended so as to read as follows :

§ 6. No joint-stock company shall be incorporated under this act in the city and county of New-York, nor in the county of Kings, nor shall any company incorporated under this act establish any agency for the transaction of business in either of the said counties, with a smaller capital than two hundred thousand dollars, nor in any other county in this State with a smaller capital than fifty thousand dollars; nor shall any company, formed for the purpose of doing the business of fire or inland navigation insurance, on the plan of mutual insurance, commence business, if located in the city of New-York or in the county of Kings, nor establish any agency for the transaction of business in either of said

counties, until agreements have been entered into for insurance with at least four hundred applicants, the premiums on which shall amount to not less than two hundred thousand dollars, of which forty thousand dollars at least shall have been paid in cash, and notes of solvent parties, founded on actual and *bona fide* applications for insurance, shall have been received for the remainder; nor shall any mutual insurance company in any other county of the State commence business until agreements have been entered into for insurance with at least two hundred applicants, the premiums on which shall amount to not less than one hundred thousand dollars, of which twenty thousand dollars at least shall have been paid in cash, and notes of solvent parties, founded on actual and *bona fide* applications for insurance, shall have been received for the remainder. No one of the notes received as aforesaid shall amount to more than five hundred dollars; and no two shall be given for the same risk, or be made by the same person or firm, except where the whole amount of such notes shall not exceed five hundred dollars; nor shall any such note be represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the company, upon a risk which shall be for no shorter period than twelve months. Each of said notes shall be payable, in part or in whole, at any time when the directors shall deem the same requisite for the payment of losses by fire or inland navigation, and such incidental expenses as may be necessary for transacting the business of said company. And no note shall be accepted as part of such capital stock unless the same shall be accompanied by a certificate of a justice of the peace or supervisor of the town or city where the person making such note shall reside, that the person making the same is, in his opinion, pecuniarily good and responsible for the same; and no such note shall be surrendered during the life of the policy for which it was given. No fire insurance company organized under this act, or transacting business in this State, shall expose itself to any loss on any one fire or inland navigation risk or hazard, to any amount exceeding ten per cent. of its paid up capital.

SEC. 2. The eighth section of said act is hereby amended so as to read as follows:

§ 8. It shall be lawful for any fire insurance company organized under this act, or incorporated under any law of this State, to invest its capital, or the funds accumulated in the course of its business, or any part thereof, in bonds and mortgages on unincumbered real estate within the State of New-York, worth fifty per cent. more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured and the policy transferred to said company, and also in the stocks of this State, or stocks or Treasury notes of the United States, and to lend the same, or any part thereof, on the security of such stocks or bonds, or upon bonds and mortgages, as aforesaid, and to change and re-invest the same as occasion may from time to time require; but any surplus money over and above the capital stock of any such fire and inland navigation insurance companies, or of any fire insurance company incorporated under any law of this State, may be invested in or loaned upon the pledge of the stock, bonds or other evidences of indebtedness of any institution incorporated under the laws of this State, except their own stock: *Provided always*, that the current

market value of such stocks, bonds, or other evidences of indebtedness, shall be at least ten per cent. more than the sum so loaned thereon.

SEC. 3. The twelfth section of said act is hereby amended by adding thereto, at the end thereof, the following provisions :

No fire insurance company, chartered by this State, shall hereafter divide to its stockholders, in any one year, an amount greater than one-tenth of its capital, unless such company shall have accumulated and be in possession of a surplus fund, in addition to the amount of its capital and of such dividend, equal to the whole amount received by such company for premiums on policies which shall be in force at the time of declaring such dividend ; and such accumulated fund is hereby declared to be the unearned premiums of such company. This section shall not apply to any companies chartered by this State which are authorized to issue certificates of profits, and to redeem the same from future earnings.

SEC. 4. The eighteenth section of said act is hereby so amended as to read as follows :

§ 18. Any existing joint-stock fire insurance company, heretofore incorporated under the laws of this State, and any company organized under this act, having a capital of at least one hundred and fifty thousand dollars, may, without increasing its capital, at any time within two years previous to the termination of its charter, after giving notice, at least once a week for six weeks successively, in a newspaper published in the county where such company is located, of such intention, and with a declaration, under its corporate seal, signed by the president and two-thirds of its directors, of their desire for such extension, extend the term of its original charter to the time specified in the twenty-sixth section of this act, by altering and amending the same so as to accord with the provisions of this act, and filing a copy of such amended charter, with the declaration aforesaid, in the office of the Superintendent of the Insurance Department, whereupon the same proceedings shall be had as are required in the tenth section of this act ; and any mutual insurance company heretofore incorporated or organized under any of the laws of this State, having surplus assets, aside from premium and stock notes, sufficient to re-insure all its outstanding risks, after having given notice, once a week for six weeks, of their intention, and of the meeting hereinafter provided for, in the State paper, and in a newspaper published in the county where such company is located, may, with the consent of two-thirds of the corporators or members present at any regular annual meeting, or at any special meeting duly called for the purpose, or with the consent in writing of two-thirds of the corporators or members of such company, and the consent, also, of three-fourths of the trustees or directors, (unless otherwise provided in the charter,) become a joint-stock company, by conforming its charter to and otherwise proceeding in accordance with this act ; and every member of such company, on the day of said annual or special meeting, or the date of said written consent, shall be entitled to priority in subscribing to the capital stock of said company, for one month after the opening of the books of subscription to such capital stock, in proportion to the amount of cash premiums paid in by such members, or unexpired risks in force on the day of said annual or special meeting, or the date of said written consent ; and every

company so extended or changed shall come under the provisions of this act, in the same manner as if it had been incorporated originally under this act. Every mutual insurance company heretofore incorporated under the laws of this State, and doing business with a capital in premium notes, of at least fifty thousand dollars, may, at any time within two years previous to the termination of its charter, without increasing its capital, after giving notice, at least once a week for six weeks successively, in a newspaper published in the county where such company is located, of such intention, and with a declaration, under its corporate seal, signed by its president and two-thirds of its directors, of their desire for such extension, extend the term of its original charter to the time specified in the twenty-sixth section of this act, by altering and amending the same so as to accord with the provisions of this act, and filing a copy of such amended charter, with the declaration aforesaid, in the office of the Superintendent of the Insurance Department, whereupon the same proceedings shall be had as are required in the tenth section of this act, except as to its capital, which shall be certified to be in accordance with the provisions of this section, applicable to the re-organization of mutual insurance companies. Every mutual insurance company so extended shall, except as to the amount of its capital, come under the provisions of this act, in the same manner as if it had been incorporated originally under this act.

SEC. 5. The twenty-third section of said act is hereby so amended as to read as follows :

§ 6. It shall not be lawful for any fire insurance company, association or partnership, incorporated by, or organized under the laws of any other State of the United States, or any foreign government, directly or indirectly, to take risks or transact any business of insurance in this State, unless possessed of the amount of actual capital required of similar companies formed under the provisions of this act ; and any such company desiring to transact any such business as aforesaid, by an agent or agents in this State, shall first appoint an attorney in this State, on whom process of law can be served, and file in the office of the Superintendent of the Insurance Department a certified copy of the vote or resolution of the directors appointing such attorney ; which appointment shall continue until another attorney be substituted. In case any such insurance company shall cease to transact business in this State, according to the laws thereof, the agents last designated, or acting as such for such corporation, shall be deemed to continue agents for such corporation, for the purpose of serving process for commencing actions upon any policy or liability issued or contracted while such corporation transacted business in this State ; and service of such process, for the causes aforesaid, upon any such agent, shall be deemed a valid personal service upon such corporation ; and also a certified copy of their charter or deed of settlement, together with a statement, under the oath of the president or vice-president, and other chief officer and secretary of the company for which he or they may act, stating the name of the company and place where located ; the amount of its capital, with a detailed statement of its assets, showing the amount of cash on hand, in bank, or in the hands of agents ; the amount of real estate, and how much the same is encumbered by

mortgage; the number of shares of stock of every kind owned by the company, the par and market value of the same; amount loaned on bond and mortgage; the amount loaned on other security, stating the kind and the amount loaned on each, and the estimated value of the whole amount of such securities; any assets or property of the company; also, stating the indebtedness of the company; the amount of losses adjusted and unpaid; the amount incurred and in process of adjustment; the amount resisted by the company as illegal and fraudulent, and any other claims existing against the company; also, a copy of the last annual report, if any, made under any law of the State by which such company was incorporated; and no agent shall be allowed to transact business for any company, whose capital is impaired to the extent of twenty per cent. thereof, while such deficiency shall continue; and any company incorporated by, or organized under any foreign government shall, in addition to the foregoing, deposit with the Superintendent of the Insurance Department, for the benefit and security of policy holders residing in the United States, a sum not less than two hundred thousand dollars, in stocks of the United States or of the State of New-York, in all cases to be or to be made to be equal to a stock producing six per cent. per annum; said stocks not to be received by said superintendent at a rate above their par value, or above their current market value; or in bonds and mortgages on improved unincumbered real estate in the State of New-York, worth fifty per cent. more than the amount loaned thereon; or in such stocks and securities as now are or which may hereafter be receivable by the Bank Department as security for circulating notes. The stocks and securities so deposited may be exchanged, from time to time, for other securities receivable as aforesaid; and so long as the company so depositing shall continue solvent and comply with the laws of this State, may be permitted by the said superintendent to collect the interest or dividends on said deposit; the said deposit shall be in lieu of the investments in the name of trustees as heretofore required, and, upon its being duly made, either by the transfer of the trust funds or otherwise, the trustees shall thereby be discharged from all liability; and where a deposit is made of bonds and mortgages, accompanied by full abstracts of title and searches, the fees for an examination of title by counsel, to be paid by the party making the deposit, shall not exceed twenty dollars for each mortgage; and the fees for an appraisal of property shall be five dollars to each appraiser, not exceeding two, besides expenses for each mortgage; nor shall it be lawful for any agent or agents to act for any company or companies referred to in this section, directly or indirectly, in taking risks or transacting the business of fire or inland navigation insurance in this State, without procuring from the Superintendent of the Insurance Department a certificate of authority, stating that such company has complied with all the requisitions of this act which apply to such companies, and the name of the attorney appointed to act for the company; a certified copy of such certificate of authority, with statement, must be filed by the agent, in the office of the clerk of every county where such company has agents, and shall be published in the paper in which the State notices are required to be inserted, four successive times after the filing of such

statement as aforesaid; and within thirty days thereafter proof of such publication, by the affidavit of the publisher of such newspaper, his foreman or clerk, shall be filed in the office of the said superintendent. The statements and evidences of investments required by this section shall be renewed from year to year, in such manner and form as may be required by said superintendent, with an additional statement of the amount of premiums received and losses incurred in this State during the preceding year, so long as such agency continues; and the said superintendent, on being satisfied that the capital, securities and investments remain secure, as hereinbefore provided, shall furnish a renewal of this certificate as aforesaid, and the agent or agents obtaining such certificate shall file a certified copy of the same in the office of the clerk of the county in which such agency shall be established, within the month of January; the fees for each certificate of authority, and certified copy thereof, shall be five dollars. But any company organized under, or incorporated by any foreign government, may furnish and file such annual statements and evidences, in the month of January in each year, made out for the year ending on the preceding thirtieth day of June, if accompanied, also, by an annual supplementary statement, duly verified by the attorney or general agent of the company in this State, showing the amount of risks written, premiums received, losses sustained, and taxes paid in this State, for the year ending on the preceding thirty-first day of December; said supplementary statement shall also contain a description of the investments of such company in this country, and such other information as may be required by the said superintendent. Any violation of any of the provisions of this section shall subject the party violating to a penalty of five hundred dollars for each violation, and of the additional sum of one hundred dollars for each month during which any such agent shall neglect to make such publication, or to file such affidavits and statements as are herein required. Every agent of any fire insurance company shall, in all advertisements of such agency, publish the location of the company, giving the name of the city, town or village in which the company is located, and the State or government under the laws of which it is organized. The term agent or agents, used in this section, shall include an acknowledged agent or surveyor, or any other person or persons who shall, in any manner, aid in transacting the insurance business of any insurance company not incorporated by the laws of this State. The provisions of this section shall apply to all foreign companies, partnerships, associations and individuals, whether incorporated or not.

Sec. 6. Any fire or fire and marine insurance company, chartered by this State, may have a lien, by passing a by-law to that effect upon the stock or certificate of profits owned by any member, for any debt hereafter to become due the said company for premiums, by stating that the said stock is subject to any such lien upon the certificates of stock or profits, and such lien may be waived, in writing, by the consent of the president of said company, upon the transfer of any such stock.

Sec. 7. The twenty-fifth section of said act is hereby amended, by adding thereto, at the end thereof, the following words:

Such penalties may also be sued for and recovered, in the name of the people, by the attorney-general, and, when sued for and collected by him, shall be paid into the State treasury.

REPORT ON MARINE INSURANCE, FOR THE YEAR 1861.

ANNUAL STATEMENT OF THE MARINE INSURANCE COMPANIES OF NEW-YORK, FOR 1861.

COMPANIES.	Premiums, rec'd during the year.	Losses for the year.	Expenses, do.	Return on Investment, Premiums, &c.	Interest on In-vestments.	Net Profit.	Dividend, per cent.	Strip on Dividend, per cent.	Interest on Stock &c.	Dividend.
Atlantic.....	\$ 8,540,368	\$ 4,155,165	\$ 2,811,650	\$ 788,476	\$ 1,115,069	6	80	7	Dec. 31, 1861	
Great Western.....	1,608,048	1,459,708	1,214,590	181,792	918,709	6	10	7	Dec. 31, 1861	
Sun.....	1,494,140	1,458,268	1,094,568	94,897	164,963	6	10	7	Oct. 4, 1861	
Mercantile.....	814,550	847,973	515,068	119,899	127,839	6	13	7 & 4	Dec. 31, 1861	
Pacific.....	598,206	599,068	388,606	70,843	101,835	6	10	7	June 30, 1861	
New-York.....	664,785	788,874	580,064	70,168	95,593	6	10	7	Dec. 31, 1861	
Columbian.....	+388,680	+789,973	604,951	+184,164	131,570	6	7	7	June 30, 1861	
Commercial.....	688,147	851,897	354,454	150,768	119,888	6	10	7	Dec. 31, 1861	
Union.....	469,784	518,668	162,077	210,494	194,007	6	81	7	Dec. 31, 1861	
Great.....	500,416	517,843	64,813	45,365	144,435	6	18 1/2	7 & 3 1/2	Dec. 31, 1861	
Keystone.....	388,578	248,886	271,705	64,813	138,818	6	7	7	Feb. 28, 1861	
Washington.....	200,564	188,180	45,865	25,804	6,887	7	7	7	Dec. 31, 1861	
	\$11,578,705	\$12,194,576	\$7,867,368	\$1,788,745	\$663,980	\$368,786	\$3,108,989			

ASSETS OF THE MARINE INSURANCE COMPANIES OF NEW-YORK, FOR 1861.

COMPANIES.	Real Estate.	Stocks, Bonds, &c.	Loans on Stocks, &c.	Cash.	Dividends and Claims.	Subscription Notes.	From Notes, Bills Receivable, &c.	Total Assets.
Atlantic.....	\$ 898,760 00	\$ 2,928,408 81	\$ 890,840 00	\$ 945,548 84	\$ 128,788 09	.....	\$ 1,618,809 09	\$ 5,995,689 79
Great Western.....	514,000 00	945,899 71	88,000 00	515,884 00	.....	.....	941,784 06	2,511,567 77
Sun.....	.....	985,791 77	Incl'd in stocks.	118,869 84	44,628 59	.....	704,485 88	1,694,585 18
Mercantile.....	.....	404,780 00	105,860 00	80,799 87	75,705 88	.....	560,687 97	1,284,783 97
Pacific.....	.....	498,461 90	96,668 68	88,376 90	95,649 49	\$ 21,502 50	290,514 73	948,178 48
New-York.....	68,464 84	498,705 46	.....	24,887 59	51,896 45	.....	850,295 08	993,199 48
Columbian.....	.....	297,800 00	.....	96,188 00	58,896 81	Inc. in h. reer.	581,619 28	918,468 59
Commercial.....	.....	500,885 48	.....	91,819 11	89,586 53	.....	890,999 07	980,704 18
Union.....	70,000 00	506,284 00	\$48,955 00	143,189 65	148,929 58	.....	868,187 70	1,567,445 98
Orient.....	.....	410,350 00	199,350 00	265,865 05	16,646 49	600,000 00	944,879 09	1,493,445 06
Keystone.....	.....	193,864 87	87,500 00	7,098 90	48,281 51	.....	159,484 19	454,784 19
Washington.....	.....	26,000 00	.....	24,690 78	48,837 18	.....	106,194 90	261,968 59
	\$ 894,934 84	\$ 7,847,186 80	\$ 1,096,285 17	\$ 1,459,510 77	\$ 771,800 47	\$ 709,577 88	\$ 6,128,491 78	\$ 18,888,014 98

* Less return premium. † For 16 months. ‡ Premium and expenses included in losses. § Including interest in investments. ¶ Loss. †† Loss deducted, \$165,866.

MARINE INSURANCE.

It appears, from the preceding table, that the marine insurance companies of this city have received about twelve millions of dollars for insurance premiums, on risks terminating during the year ending December 31st, 1861; and have paid out, for losses and expenses, during the same period, about ten millions of dollars. Last year the earnings were thirteen millions, and the disbursements about the same, (ten millions,) so that the profits of that year's business were one-third greater than those of the present one. Considering the disturbed state of the country, and the entire suspension of a most profitable class of business, the southern inland and coasting trade, and the consequent falling off in importations, the results of this year's operations may be favorably compared with those of the preceding one.

The present volume of this report contains a very full and accurate description of all the losses that have occurred during the year to ships and their cargoes; giving not only the nature and locality of the disaster, but the voyage which the vessel was performing at the time it occurred. It would be very desirable to have these disasters classified so as to show the proportion of losses from each kind of accident, and also the proportion of the aggregate losses of all kinds on the various voyages made. These classifications would be useful and interesting in themselves, but would be of far more practical value if they could be compared with the amount of property exposed to risk, both in the aggregate of all the voyages made, and also in each of the principal trades. Statistics such as these, however, can only be obtained by great labor, and it is necessary that an organization of some kind should be formed before any thing like exactness in such inquiries can be arrived at. A bureau of statistics must be formed, either by the aid of government or of private enterprise, if any reliable data are to be obtained. It is rumored that the government contemplate the establishment of such a bureau for the collection of mercantile statistics generally. Should such a department be formed, a large and interesting portion of the materials collected would naturally be the statistics of disasters at sea. Nor could any branch of such an inquiry be suggested which is intrinsically of more importance. For it will be readily admitted that, without insurance, commerce would be very limited; and it is hardly too much to say, that we owe every blessing of civilization, directly or indirectly, to commerce. It may seem strange to say, that the propensity to barter is the principal cause of all the difference between a man and a beast. But, strange as it is, it is, nevertheless, true. Without this innate propensity, which seems to be born in man, to exchange the surplus product of his own labor for the similar surplus of other men's, the human race could never have arisen from their original degradation. If there were no exchange there could be no division of labor, and each man would have been forced to provide for his own necessities himself. The variety of his occupations would have made him master of none, and he would have been

badly fed and clothed, and entirely deprived of that leisure which is absolutely necessary for the cultivation of the intellect. This is the condition of savage nations at the present day, and was undoubtedly the original condition of the human race. That more modern nations have raised themselves from this degraded state, is owing to the division of labor, which enables each man to bring to perfection the particular art or handicraft to which he devotes himself, and in a still greater degree to commerce, which renders this division of labor possible. It is true that an overland commerce can exist without insurance, since the risks are so slight, that the losses occasioned by the accidents, which now and then destroy merchandise in this branch of trade, would be absorbed by the profits of the successful ventures. But with foreign commerce the case is far otherwise. Here, insurance is indispensable. And as it is upon its foreign commerce that a nation principally depends for its wealth and importance, whatever is indispensable to it, is of the greatest importance to the nation itself.

Any one familiar with the exact calculations, and the certain results of life insurance, can easily appreciate the importance of attaining a similar exactness in marine insurance. And, indeed, as it is plain that the existence of commerce itself, and consequently of that high degree of civilization which makes life insurance possible, depend upon the practice of insuring property at sea, it certainly follows, that whatever tends to the perfection of this system must be even of more importance than that which tends to the perfection of the other. If, however, we look at practical results, it would seem that the majority of men regard the latter as of far more consequence than the former. For centuries back much that relates to human mortality has been carefully collected in almost every civilized country on the globe. It is true that these data have been amassed, not with the direct object of affording the basis for the calculations of the actuary, but with the view of assisting in the general economical calculations of legislators, to ascertain the number of persons capable of bearing arms in defence of their country; the number of polls for taxation; the number of constituents for representation; and the number of voters for the election of government officers. But whatever the motive with which these statistics are collected, the fact remains the same. They are collected, and upon them the exact calculations of life insurance are founded. Their importance is readily admitted, and the expense of their collection is cheerfully borne. Few persons can appreciate, however, the equal, if not greater importance, of similar statistics of the destruction and damage to property at sea. Various private efforts have been made to collect these data, but they have been all coldly received. The underwriters themselves, of all men the most directly interested in such statistics, have seemed to be peculiarly indifferent to them. It seems as if they feared that the collection of such data would reduce their occupation to a mere mechanical pursuit, in which the dullest man could as easily guide the affairs of a marine insurance company, by the aid of the tables that would then be prepared, as the most intelligent one is able to do now. But a little reflection would convince them that such is far from being the case. With the most exact data that could be collected, and with all the aids that the application of the science of proba-

bilities could possibly give, nothing more than an average could ever be attained. And as it is only within this average that profit is possible, the same discrimination and judgment in the selection of the better class of risks—of risks that would probably fall within the average that is now necessary, would still be indispensable.

And the possession of a well-balanced judgment, and a thorough knowledge of the technicalities of his business, which now gives one underwriter a decided superiority over another, and enables him to pursue his business with a better prospect of success, would still continue to give him the same advantage.

In fact, the introduction of such statistics would only give occasion for a greater application of skill and talent in their use, than are now necessary in their absence. Since, where all are groping in the dark, a man may as easily blunder upon a successful venture as upon an unfortunate one.

The long period required to make observations of this kind of any value, and, consequently, the expense required for collecting them, is the only excuse for their neglect. And as the government now collects the statistics of human mortality, it is not unreasonable to urge that they should also collect those of disasters at sea.

These things are better appreciated in Great Britain than with us. For in that country, the Board of Trade have annually collected, for several years back, all the particulars of disasters happening on or near their coasts, and have classified and tabulated them in various ways, both as to the amount of property destroyed and the number of lives sacrificed. Under the auspices of this body an annual chart of the British coast is also published, in which the localities and nature of these disasters are designated by various appropriate symbols. These annual wreck-charts are of course capable of being condensed every five or ten years, and could as easily be made to represent the average of a long period as the particulars of annual disasters.

The more such inquiries are extended, the more valuable they evidently become; and could the example of Great Britain be followed by this country, and a similar wreck-chart of our extended coasts be annually made, we would soon have the dangerous spots pretty clearly marked out. An example set by two leading commercial countries would probably be followed by others, and in a little while a similar system would be inaugurated all over the world.

At the present time, however, when all the energies of the country are taxed to their utmost to suppress the existing rebellion, it can hardly be supposed that such a project could be started by the government, and it must, therefore, wait for a more propitious period, or be commenced by individual enterprise.

An institution has lately been started in this city, under the auspices of the marine insurance companies, and with the aid and countenance of our leading merchants, called "The American Shipmasters' Association." Its objects are the improvement of the professional and moral character of shipmasters, and the promotion of greater security to life and property at sea. Certificates of service and competency are issued to masters whose applications are properly endorsed, and whose qualifications in

seamanship and nautical knowledge will stand the test of the proper examination. These certificates are renewable annually, and may be forfeited by misconduct. In all cases of shipwreck, where the conduct of the master is susceptible of blame, courts of inquiry are to be held, and suspensions or entire forfeitures of certificates may ensue. It will be readily seen that the records of this association will of themselves, in time, form a most valuable appendage to our marine statistics. This desirable result, however, can be rendered much more certain of accomplishment, and the statistics collected made much more copious and useful, if the attention of the association be directed towards it, as a specialty, from the outset. And, since the importance of the objects of this association are sufficiently felt by underwriters to cause them to give it their liberal support, it is to be hoped that they will fully carry out these objects. Systematic tables of disasters should be kept from the commencement, and the proportion of these disasters to the amount of property, and number of vessels exposed to risks, should be annually made. The various kinds of disasters should be carefully classified; those in which the masters have been negligent should be separated from those which have occurred in spite of the greatest skill and carefulness; the localities of accidents should also be noted; and wreck-charts, showing these dangerous places, should be compiled. Indeed, if they took the English Blue Book for their model, they would not merely classify these particulars, but many others, such as the direction and force of the wind when the accident occurred, &c. By these means, not merely the fact of the disaster, its nature and extent, would be noted, but, by observing the meteorological signs that accompanied it, a better knowledge of those now-hidden laws which regulate storms would be arrived at; and facts accumulated, the observance of which would serve as a warning to the mariner, and, perhaps, enable him to avoid many dangers altogether.

The field is a wide one, and, as further progress in investigation is made, new inquiries would suggest themselves. For the present, however, it is sufficient to say, that the importance of such inquiries can hardly be over-estimated; and the facility with which such information could be obtained, makes it seem strange that so much apathy and indifference should prevail about it.

This subject has been discussed before, both in the preceding volumes of this report and in the cotemporary works and the newspapers; but, so far, it has met with little encouragement.

It is difficult to persuade men to tread out of their beaten paths; and so many novelties have proved themselves to be such utter fallacies, and so much false information has been published under the name of statistics, that it is not surprising that the majority of men, who have neither the time nor the patience for what is necessarily so dry and repulsive an investigation, should either neglect it altogether, or condemn it outright, as a laborious waste of time and a needless expenditure of money. It is necessary, therefore, in order to obtain a hearing, to urge the importance of this subject, "line upon line, precept upon precept," until, perhaps, like the pestered judge of old, men listen from mere weariness of refusing.

It is a subject of frequent remark, that notwithstanding the numerous improvements in ship-building and the mechanic arts which distinguish our age; notwithstanding the improvements in navigation and the greater perfection of nautical instruments; and in spite of the general diffusion of knowledge, which would make it probable that shipmasters, as a rule, would be sufficiently well-educated to avail themselves of this greater knowledge; that, notwithstanding these things, the number of ships annually lost, and the amount of property annually destroyed, seems not to diminish, but to increase. In the absence of exact data, we cannot say positively that this increase is not merely numerical, but is also in proportion to the whole number of ships, and the entire amount of property exposed to risk; but it is fair to presume that it is so. The reasons for this state of things is plain; vessels are frequently lost by the carelessness or incompetency of their masters. This is now becoming so notorious, as to awaken the very serious attention of underwriters, and also of shipmasters themselves. For, if frauds of this kind are allowed to increase, the standard of the profession itself will be lowered and honest and competent men will avoid it. The facilities with which the insurance upon ships is now obtained, is undoubtedly the direct cause of dishonesty and incompetency on the part of the shipmasters. For, it is plain, that if a merchant had to bear the whole, or even a large part of the risk of loss himself, he would be more careful in the choice of a good master, and very strict to dismiss a bad one. But, when the loss of his ship, instead of a serious misfortune, comes in many cases to be a pecuniary benefit to the owner, by the conversion of an unsalable hulk into ready money, through the agency of an insurance company, then the case is quite different; and it is but natural that he should be careless about a matter with which he has really very little concern. To prevent this evil, the Shipmasters' Association was started, and, through its agency, those who have really the most at stake in the selection of competent masters, are enabled to have a voice in their selection. The plan seems likely to become a popular one, as the organization has only been in operation a few months, and numbers already over twelve hundred shipmasters among its members; and as its usefulness becomes more generally appreciated, its members will doubtless increase proportionally. It is popular among underwriters, for the reasons above mentioned, that they can thus select the men to whom their interests are confided, and can encourage honesty and skill, and render fraud and culpable carelessness more certain of detection and punishment. It is popular among the masters, because a generous emulation is thus excited among them, and the better class of them will be pleased to see their profession weeded, by its efforts, of all members that would disgrace it. And it is also popular with merchants, because a little reflection convinces them that marine disasters are really as serious a burden upon them as upon the insurance companies; since it is evident, that the greater the losses, the higher the premiums out of which they are paid must necessarily become.

As the records of this society accumulate, many facts about the misconduct of masters will necessarily be collected, and these statistics will

certainly recommend themselves to the attention of underwriters and merchants. Whatever doubts may arise about the possibility of obtaining information as to the law of storms or the value of insurance premiums, by collecting facts as to the nature and number of marine disasters, none can possibly exist as to the necessity of preserving the records of individual misconduct. And it is to be hoped that, in this way, a series of observations may be commenced, which will in time be extended so as to embrace particulars of greater value, though of less obvious importance.

During the past year the attention of the underwriters of this city has been directed to the importance of ascertaining some method of correcting the deviations of the compass, caused by the large quantity of iron now used in the construction and equipment of steamers, of iron vessels, and sometimes, also, of wooden vessels. A plan of accomplishing this object has been presented to them, which has called forth some little discussion, and is, we believe, now under consideration.

It is well known that the local magnetism of the earth causes the needle to vary from the true north, in a slight degree, at every part of the globe; and it is also known that the changes in the magnetism of a ship depend not only on the place at which the ship is, but on the place at which the ship has been for some preceding days or weeks; her magnetism being thus in arrear of its theoretical amounts, to an extent which there appears to be no means of estimating. But the influence of the iron used in the construction of the ship, acting conjointly with the earth, and exerting greater or less deviating effect, as the direction of its action coincides more or less closely with the constant direction of terrestrial magnetism, is not so well understood. "In general, in north magnetic latitudes, the north point of the compass is attracted towards and follows the ship's head. This arises from the large mass of iron before and below the compass. As the upper end of every vertical mass of iron attracts, and the lower end resists the north end of the needle, the funnel—the lower end of which is generally before the standard compass—generally diminishes the attraction and acts as a corrector. An iron stern-post is still more effective, and frequently more than counteracts the effect of all the iron in front of it, causing the north point of the compass to follow the stern of the ship. In such a case we may generally find a place in the ship, before the stern-post, where the semi-circular deviation is zero. But placing the compass in such a position is of less advantage than might be supposed, as a change would probably take place on a change of latitude. Whatever be the amount of semi-circular deviation, it may easily be corrected, at any given time and place, either by a bar of soft iron or by magnets. These corrections may be useful when the vessel does not change her magnetic latitude materially, as in the case of vessels plying between ports in the United Kingdom, or even in Europe, or plying between England and the United States; but are worse than useless when the vessel changes her magnetic latitude considerably, more especially when, from a northern, she goes to a southern latitude. In fact, whenever the semi-circular deviation is reduced to zero, by the addition of either soft iron or a magnet, it can only be by the induced magnetism of the soft iron (including the

soft iron corrector, if applied) compensating the permanent magnetism of the hard, (including the correcting magnets, if applied.) The consequence is, that in a ship whose compass has been so corrected, going to an equal south magnetic latitude, the induced magnetism of the soft iron changing its sign, doubles instead of compensating the magnetism of the hard iron. How, then, are the deviations to be corrected? By fixing a compass, to be called the standard compass, in a place in the ship, as far removed as possible from the disturbing influence of the ship's iron, directing the ship's course by this, and using the binnacle compass merely as a guide to the man at the helm. It has been proposed to fix such a compass at the mast-head, fitting the mast-head with brass work instead of iron work; and it is said that a compass may be so fixed and there observed without inconvenience, and that, when so fixed, the deviations are insensible. If this method is not adopted or is not successful, the method adopted by the royal navy is to be preferred. An azimuth compass is fixed at a convenient place, so high above the deck that bearings can be taken over the ship's bulwarks. Then the ship's head should be placed on a number of compass points, as nearly equidistant as possible, and the deviation on each point observed, either by comparison with a compass or by the bearing of a distant terrestrial object, or of a heavenly body. From these observations, a table of compass courses, and corresponding correct magnetic courses, may be formed, by which, (making a simple interpolation, if necessary,) from any compass course, the corresponding correct magnetic course may be found, or, conversely, from a correct magnetic course, the corresponding compass course."—NICHOLS' *Cyc. Physical Sciences*.

The adjustment obtained by this latter method, however, would not be correct, if the ship passed from a northern to a southern magnetic latitude, and would have to be continually repeated. The laws which govern this phenomena are at best but imperfectly understood, and there is great danger to be apprehended from trusting to artificial corrections. The compass, it is true, is the great instrument of navigation; but, as it has been shown to be by no means an unerring guide, too much reliance should not be placed upon it. The variations which are discovered, in sailing to the different parts of the globe, should be carefully noted by mariners, and a set of observations collected, from which a law might be traced. As ships are frequently lost through mistakes in reckoning, caused by these errors in their compasses, the importance of ascertaining some method of removing them will be readily appreciated; and, as the subject of magnetism is not as yet sufficiently well understood for any exact rules to be laid down, which will not prove exceptional in some cases, there seems to be no better method to be suggested than the one just alluded to; that is, to collect and examine the practical experience of sailors themselves.

The frequent loss of vessels on the coast of Ireland has brought forth a suggestion that these disasters may be in a measure caused by the practice of taking channel-pilots from Liverpool. It may seem strange to say, that what would appear to be an extra precaution for safety, is itself a cause of loss; but the explanation is very simple. After passing the northern coast of Wales, the best thing for ships to do is to find sea-

room as speedily as possible—and this a master will naturally endeavor to do, if he commands his vessel himself; but if a channel-pilot is in charge, the pilot naturally wishes to be landed, and the master, too, is anxious to get rid of him. Neither the one nor the other desire a passage to America in each other's company; and thus the ships, instead of keeping clear of the coast of Ireland, are made to hug its dangerous shores, in order to afford the pilots an opportunity to land, and are frequently stranded in consequence. As there are no difficulties in the navigation of the British channel, which render the aid of a pilot indispensable, this single objection should cause those interested in the safety of ships to do all in their power to discourage the practice.

Among the various plans for improving the standing and capacity of sailors, none is deserving of more encouragement than the proposed establishment of a nautical school in this city. Such a school already exists in Boston, but its beneficial influences are much impaired by the fact that it is being converted into a penal establishment for the reformation of young offenders. It is easily seen that whatever benefit may result to the individuals themselves from such a system, it can hardly be expected that honest boys will be anxious to go to a school where they will be thrown into such a class of associates. It is to be hoped that no similar mistake will be made here, otherwise it can hardly be expected that our nautical school will do much towards the accomplishment of its object, that is, the training of a better class of men for manning our ships. Much has been said and written about sailors, but no definite results have been arrived at. An apprentice system has been proposed and tried, but has been partially abandoned. The system of farming out sailors by the boarding-housekeepers, and all the corruptions and frauds to which it gives rise, have again and again been exposed and condemned; but the system itself has not been abolished. The better education of the sailors themselves is, perhaps, the best remedy for the evil, and this remedy can only be applied through the nautical school. As this class of men become more intelligent and better informed, they will not allow themselves to become the victims of a designing class of men who now, in reality, steal their wages, and encourage them in many vicious and degrading habits.

The law which makes freight the "mother of wages," often acts unjustly to the sailor, since it is necessary that freight is, or could be, earned, in order to entitle a sailor to remuneration for his services; the practice of paying a month's wages in advance has become general in order to offer the sailor something like an equivalent for the risk he runs of losing his pay altogether; the practical result of which is, that the sailor ashore is waylaid by the landlord, and encouraged into dissipation and extravagance of all kinds. When a crew is wanted, the merchants apply to the landlords, who engage to furnish men on a given day. As these men are invariably in his debt, he, of course, pockets the advance they receive, and frequently ships them in a state of beastly intoxication, and entirely destitute of the clothing, and other necessaries, with which the advance might have provided them, and which are absolutely needed to render them tolerably comfortable. One would think that the miseries which accompany one such experience, would render the sailor more

careful of falling into a similar snare again. But this class of men are proverbially careless, and when the voyage is over its troubles are forgotten, the experience of the past is neglected, and a similar short debauch on shore is followed by a similarly long penance at sea. So common is the practice of shipping men drunk, that it is asserted, on one or two occasions, dead men have actually been sent on board. And it is quite a common occurrence for one set of men to sign the articles, while men of much inferior capacity are shipped by the landlords to represent them. That such a crying evil should be tolerated at all is, indeed, most surprising; but that it should be patiently submitted to year after year, and that no determined efforts should be made to put it down, is quite incomprehensible.

MARINE LOSSES FOR FOUR YEARS.

Comparative number of American and Foreign Vessels lost, or partially damaged, during the years 1858-1861, in voyages to or from United States Ports.

	AMERICAN.					FOREIGN.					Grand Total.
	1858.	1859.	1860.	1861.	Total.	1858.	1859.	1860.	1861.	Total.	
Steamers,...	54	82	73	37	246	3	11	10	9	33	279
Ships,.....	231	241	213	183	868	22	53	47	47	169	1,037
Barks,.....	143	136	160	113	552	29	58	53	68	208	760
Brigs,.....	138	139	124	112	513	25	34	42	52	153	666
Schooners,...	311	277	292	290	1,170	9	12	23	37	81	1,251
Total,.....	877	875	862	735	3,349	88	168	175	213	644	3,993

COMPARATIVE LOSSES ON SHIPS AND FREIGHTS DURING THE YEARS 1858, 1859, 1860 AND 1861.

MONTH.	Year 1858.	Year 1859.	Year 1860.	Year 1861.	Total, four years.
January,.....	\$597,550	\$1,362,700	\$1,178,300	\$1,580,100	\$4,668,650
February,....	861,660	1,230,600	1,295,000	955,300	4,342,560
March,.....	954,350	699,400	1,537,450	1,237,700	4,428,900
April,.....	767,800	642,400	733,100	778,100	2,970,900
May,.....	772,800	1,197,052	946,300	1,189,300	4,105,452
June,.....	645,350	1,413,400	613,300	653,100	3,330,650
July,.....	546,000	1,975,100	749,200	572,950	3,843,250
August,.....	855,800	1,140,000	493,900	459,300	2,949,000
September,...	698,100	1,023,400	976,600	489,500	3,187,600
October,.....	671,300	1,591,700	1,759,000	353,300	4,375,800
November,...	1,367,900	3,203,100	1,800,100	1,132,300	8,003,400
December,...	1,670,100	1,223,900	1,192,750	736,300	4,822,950
Totals,.....	\$10,909,210	\$16,702,752	\$13,325,000	\$10,092,150	\$51,029,112

COMPARATIVE LOSSES ON CARGOES DURING THE YEARS 1858, 1859, 1860 AND 1861.

MONTH.	Year 1858.	Year 1859.	Year 1860.	Year 1861.	Total, four years.
January,.....	\$247,300 ..	\$1,419,400 ..	\$1,659,900 ..	\$1,400,500 ..	\$4,827,100
February,.....	435,100 ..	1,246,700 ..	1,114,000 ..	1,448,700 ..	4,244,500
March,.....	1,555,100 ..	1,159,000 ..	1,894,500 ..	1,410,800 ..	6,019,400
April,.....	854,400 ..	599,560 ..	1,430,700 ..	839,450 ..	3,724,110
May,.....	992,200 ..	1,193,900 ..	1,243,500 ..	1,838,300 ..	5,065,900
June,.....	682,900 ..	1,042,500 ..	859,000 ..	265,400 ..	3,829,800
July,.....	240,460 ..	2,253,600 ..	1,662,000 ..	359,550 ..	4,614,610
August,.....	584,700 ..	1,044,150 ..	462,400 ..	230,100 ..	2,321,350
September,...	950,800 ..	1,242,900 ..	959,600 ..	466,950 ..	3,620,250
October,.....	672,300 ..	2,059,600 ..	1,018,000 ..	347,550 ..	4,092,450
November,...	976,900 ..	6,543,160 ..	1,416,900 ..	691,050 ..	9,618,010
December,...	847,100 ..	749,950 ..	1,300,500 ..	408,700 ..	3,301,250
Totals,.....	\$9,219,260 ..	\$20,558,420 ..	\$15,016,000 ..	\$9,490,050 ..	\$54,278,730

STATEMENT SHOWING THE COMPARATIVE LOSSES ON VESSELS, FREIGHTS AND CARGOES, DURING THE YEARS 1858, 1859, 1860 AND 1861, BEING THE AGGREGATES OF THE PRECEDING TWO TABLES.

MONTH.	Year 1858.	Year 1859.	Year 1860.	Year 1861.	Total, four years.
January,.....	\$944,850 ..	\$2,782,100 ..	\$2,838,200 ..	\$2,930,800 ..	\$9,495,750
February,.....	1,296,760 ..	2,477,200 ..	2,409,000 ..	2,404,000 ..	8,587,060
March,.....	2,509,450 ..	1,858,400 ..	2,421,950 ..	2,648,500 ..	10,448,300
April,.....	1,621,700 ..	1,241,960 ..	2,213,800 ..	1,617,550 ..	6,695,010
May,.....	1,765,000 ..	2,390,952 ..	2,189,800 ..	2,825,800 ..	9,171,352
June,.....	1,308,750 ..	2,455,900 ..	1,472,300 ..	922,500 ..	6,160,450
July,.....	888,460 ..	4,227,700 ..	2,411,200 ..	922,500 ..	8,457,860
August,.....	1,440,500 ..	2,184,150 ..	956,300 ..	689,400 ..	5,270,350
September,...	1,643,900 ..	2,266,800 ..	1,926,200 ..	956,450 ..	6,807,350
October,.....	1,344,100 ..	3,651,300 ..	2,772,000 ..	700,850 ..	8,468,250
November,...	2,844,800 ..	9,746,260 ..	2,217,000 ..	1,813,850 ..	17,621,410
December,...	2,517,200 ..	1,973,850 ..	2,492,250 ..	1,129,900 ..	8,124,200
Totals,.....	\$20,122,470 ..	\$27,256,172 ..	\$23,241,000 ..	\$19,582,200 ..	\$105,307,842

This list embraces both partial and total losses, and includes those only in voyages to or from United States' ports during the years named. The diminished losses reported for the year 1861 are mainly the results of diminished business, owing to the Southern rebellion and the cessation of the ordinary imports and exports of the Southern States. The past year, therefore, forms no criterion of the movements and general results of a series of years; the aggregate losses in the United States trade, for the whole year, being only \$19,582,200, while the average for the preceding three years exceeded twenty-five millions of dollars.

Annual Report.

RECAPITULATION OF MARINE LOSSES FOR JANUARY, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
6 Steamers,	\$ 166,000 ..	\$ 143,000 ..	\$ 309,000
38 Ships,	975,500 ..	980,000 ..	1,906,500
29 Barks,	244,000 ..	175,500 ..	419,500
12 Brigs,	57,600 ..	89,000 ..	146,600
25 Schooners,	87,000 ..	63,000 ..	150,000
110	\$ 1,530,100	\$ 1,400,500	\$ 2,930,600

RECAPITULATION OF MARINE LOSSES FOR FEBRUARY, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
5 Steamers,	\$ 152,500 ..	\$ 275,000 ..	\$ 427,200
21 Ships,	420,000 ..	717,500 ..	1,137,500
19 Barks,	202,500 ..	270,000 ..	472,500
18 Brigs,	67,300 ..	81,500 ..	148,800
27 Schooners,	113,000 ..	104,700 ..	217,700
90	\$ 955,300	\$ 1,448,700	\$ 2,404,000

RECAPITULATION OF MARINE LOSSES FOR MARCH, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
7 Steamers,	\$ 103,500 ..	\$ 66,000 ..	\$ 169,500
31 Ships,	577,000 ..	565,800 ..	1,142,800
23 Barks,	243,200 ..	305,000 ..	548,200
27 Brigs,	116,700 ..	223,600 ..	340,300
65 Schooners,	197,300 ..	250,400 ..	447,700
158	\$ 1,237,700	\$ 1,410,800	\$ 2,648,500

RECAPITULATION OF MARINE LOSSES FOR APRIL, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
4 Steamers,	\$ 23,500 ..	\$ 24,000 ..	\$ 47,500
25 Ships,	432,300 ..	354,500 ..	786,800
20 Barks,	168,300 ..	179,600 ..	347,900
20 Brigs,	66,700 ..	130,100 ..	196,800
42 Schooners,	87,300 ..	161,250 ..	238,550
111	\$ 778,100	\$ 839,450	\$ 1,617,550

RECAPITULATION OF MARINE LOSSES FOR MAY, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
5 Steamers,	\$ 307,000 ..	\$ 159,000 ..	\$ 466,000
26 Ships,	563,000 ..	1,096,500 ..	1,659,500
16 Barks,	131,800 ..	187,100 ..	318,900
17 Brigs,	120,200 ..	127,700 ..	247,900
32 Schooners,	67,800 ..	66,000 ..	133,800
96	\$ 1,189,300	\$ 1,636,300	\$ 2,825,600

RECAPITULATION OF MARINE LOSSES FOR JUNE, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
2 Steamers,	\$ 425,000 ..	\$ 100,000 ..	\$ 525,000
5 Ships,	31,000 ..	14,000 ..	45,000
10 Barks,	115,000 ..	83,700 ..	198,700
8 Brigs,	43,400 ..	40,000 ..	83,400
10 Schooners,	43,700 ..	27,700 ..	71,400
35	\$ 658,100	\$ 265,400	\$ 923,500

RECAPITULATION OF MARINE LOSSES FOR JULY, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
4 Steamers,	\$ 39,400 ..	\$ 10,000 ..	\$ 49,400
15 Ships,	301,000 ..	212,500 ..	513,500
8 Barks,	67,000 ..	55,000 ..	122,000
16 Brigs,	94,400 ..	55,000 ..	149,400
28 Schooners,	71,150 ..	27,050 ..	98,200
69	\$ 572,950	\$ 359,550	\$ 932,500

RECAPITULATION OF MARINE LOSSES FOR AUGUST, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
4 Steamers,	\$ 100,500 ..	\$ 12,000 ..	\$ 112,500
13 Ships,	167,900 ..	68,000 ..	235,900
9 Barks,	92,500 ..	71,800 ..	164,300
11 Brigs,	50,300 ..	54,700 ..	105,000
19 Schooners,	48,100 ..	23,600 ..	71,700
56	\$ 459,300	\$ 230,100	\$ 689,400

RECAPITULATION OF MARINE LOSSES FOR SEPTEMBER, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
2 Steamers,	\$ 90,000 ..	\$ 35,000 ..	\$ 125,000
10 Ships,	219,800 ..	193,800 ..	413,600
9 Barks,	102,100 ..	164,200 ..	266,300
6 Brigs,	40,300 ..	19,000 ..	59,300
12 Schooners,	37,300 ..	54,950 ..	92,250
39	\$ 489,500	\$ 466,950	\$ 956,450

RECAPITULATION OF MARINE LOSSES FOR OCTOBER, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
2 Steamers,	\$ 24,000 ..	\$ 21,000 ..	\$ 45,000
10 Ships,	110,600 ..	60,000 ..	170,600
12 Barks,	115,600 ..	138,000 ..	243,600
10 Brigs,	63,600 ..	61,500 ..	125,100
17 Schooners,	39,500 ..	77,050 ..	116,550
51	\$ 352,300	\$ 347,550	\$ 700,850

RECAPITULATION OF MARINE LOSSES FOR NOVEMBER, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
5 Steamers,	\$ 632,000 ..	\$ 234,000 ..	\$ 866,000
16 Ships,	286,000 ..	224,000 ..	510,000
6 Barks,	100,000 ..	99,000 ..	199,000
10 Brigs,	73,700 ..	97,000 ..	170,700
23 Schooners,	40,600 ..	27,050 ..	67,650
60	\$ 1,132,300	\$ 681,050	\$ 1,813,350

RECAPITULATION OF MARINE LOSSES FOR DECEMBER, 1861.

	<i>Vessel and Freight.</i>	<i>Cargo.</i>	<i>Total.</i>
20 Ships,	\$ 428,500 ..	\$ 165,500 ..	\$ 594,000
15 Barks,	145,000 ..	140,000 ..	285,000
9 Brigs,	60,300 ..	48,200 ..	108,500
29 Schooners,	102,400 ..	50,000 ..	152,400
73	\$ 736,200	\$ 403,700	\$ 1,139,900

STATEMENT SHOWING THE COMPARATIVE LOSSES ON SHIPS AND FREIGHTS, AND ON CARGOES, DURING THE YEAR 1861, COMPARED WITH THE YEAR 1860.

Months.	LOSSES ON VESSELS AND FREIGHT.										TOTAL LOSSES ON VESSELS, FREIGHTS AND CARGOES.		
	Steamers.		Ships.		Barks.		Brigs.		Schooners.		Total on Cargoes, 1861.	Year 1861.	Year 1860.
	Value.	No.	Value.	No.	Value.	No.	Value.	No.	Value.	No.			
January,	\$ 164,000	..	\$ 975,500	..	\$ 244,000	..	\$ 57,000	..	\$ 87,000	..	\$ 1,580,100	..	\$ 1,978,850
February,	159,500	..	480,000	..	292,500	..	67,800	..	118,000	..	1,443,700	..	2,404,000
March,	106,500	..	577,000	..	245,500	..	114,700	..	197,800	..	1,410,900	..	2,643,500
April,	28,300	..	483,800	..	168,800	..	66,700	..	57,800	..	889,450	..	1,617,850
May,	307,000	..	582,000	..	181,800	..	180,800	..	67,800	..	1,684,800	..	2,935,000
June,	485,000	..	81,000	..	115,000	..	43,400	..	43,700	..	968,100	..	1,473,800
July,	38,400	..	801,000	..	67,000	..	94,400	..	71,150	..	809,550	..	941,900
August,	100,500	..	167,800	..	92,500	..	50,800	..	43,800	..	280,100	..	954,900
September,	90,000	..	919,800	..	109,100	..	40,800	..	37,800	..	484,950	..	1,984,900
October,	94,000	..	110,600	..	115,600	..	63,600	..	39,500	..	368,800	..	2,773,000
November,	683,000	..	326,000	..	100,000	..	73,700	..	40,600	..	1,182,800	..	2,317,000
December, .....	.....	..	438,500	..	145,000	..	60,800	..	103,400	..	784,800	..	2,498,350
	\$ 2,062,400	..	\$ 4,512,600	..	\$ 1,737,000	..	\$ 564,500	..	\$ 984,650	..	\$ 10,092,150	..	\$ 19,563,900
													\$ 23,883,000

Months.	LOSSES ON CARGOES.										TOTAL LOSSES ON VESSELS AND CARGOES, 1861.		
	Steamers.		Ships.		Barks.		Brigs.		Schooners.		Total on Vessels and Freight, 1861.	Totals 1861.	Total loss on Cargoes, 1860.
	Value.	No.	Value.	No.	Value.	No.	Value.	No.	Value.	No.			
January,	\$ 145,000	..	\$ 780,000	..	\$ 175,500	..	\$ 99,000	..	\$ 85,000	..	\$ 1,080,100	..	\$ 740,950
February,	975,000	..	717,500	..	370,000	..	81,500	..	104,700	..	1,443,700	..	1,114,000
March,	66,000	..	665,800	..	805,000	..	222,600	..	250,400	..	1,410,800	..	1,984,500
April,	94,000	..	854,500	..	179,600	..	180,100	..	151,900	..	889,450	..	1,460,700
May,	159,000	..	1,094,500	..	187,100	..	137,700	..	66,000	..	1,684,800	..	2,935,000
June,	100,000	..	14,000	..	88,700	..	40,000	..	27,700	..	985,400	..	859,000
July,	10,000	..	313,500	..	55,000	..	55,000	..	37,000	..	809,550	..	1,663,000
August,	13,000	..	63,000	..	71,800	..	54,700	..	28,000	..	456,900	..	468,400
September,	35,000	..	198,800	..	164,300	..	19,000	..	54,950	..	484,950	..	959,500
October,	31,000	..	60,000	..	193,000	..	61,500	..	77,000	..	368,800	..	1,015,000
November,	224,000	..	324,000	..	99,000	..	97,000	..	37,000	..	1,182,800	..	1,818,850
December, .....	.....	..	165,500	..	140,000	..	43,900	..	50,000	..	468,700	..	1,900,500
	\$ 1,070,000	..	\$ 4,603,100	..	\$ 1,858,900	..	\$ 1,037,800	..	\$ 922,750	..	\$ 10,092,150	..	\$ 15,056,700

THE INDIANA BOND FRAUD.

(From the Indiana State Journal, May, 1862.)

SOME months ago our present State agent, Colonel R. N. HUDSON, discovered that a large amount of our State bonds had been fraudulently issued in New-York, where the agency is located, by his predecessor, DANIEL C. STOVER, who was appointed by Governor WILLARD to fill the vacancy created by the resignation of Hon. J. A. CRAVENS. The amount of the illegal issue could not then be certainly ascertained; and as two or three wealthy Wall-street brokers were implicated, and a prospect of recovering all or the greater portion of the fraudulent bonds appeared in this fact, it was deemed best by the New-York authorities to make no exposure of the affair till the effort to recover the bonds had failed. They thought that if the fraud were exposed, the depreciation of the securities would be greater than the whole amount of the over-issue, and would, moreover, affect the whole stock market, government securities and all, injuriously, at a very critical period of our financial history, and thus do a great deal of mischief, without adding a particle to the chances of saving any thing to the State.

Governor MORTON, whose frequent visits to the East have been made chiefly to prosecute the work of recovering these illegal securities, at first strongly insisted on an immediate exposure of the whole fraud, but yielded to the suggestions of the District Attorney, A. OAKLEY HALL, and the Attorney-General of New-York, DANIEL S. DICKINSON, as we have attempted to state them, and consented to a suppression of the affair. The work of recovering the bonds has been going on ever since, and, up to last Friday, when the fraud first got wind in New-York, about \$700,000 had been recovered. The amount yet outstanding is not certainly known, but, from the statements of some of the parties implicated, it is believed that it will not exceed \$500,000, of which the whole will probably be recovered from the parties or the securities of the State agent. Private advices on Saturday notified the State authorities here that the affair had been made public enough in New-York to affect our securities seriously; and, as further concealment can now no longer avail the State, and a full statement may destroy the injurious effect on our credit of exaggerated rumors, we deem it best to tell the whole story at once.

It is difficult to give a history of the progress of the fraud, because nothing beyond the fact that the fraudulent bonds were issued, and that D. C. STOVER did it, is known. He has confessed his own guilt, but has given no particulars beyond the names of his confederates, two well-known Wall-street brokers, whose names, we are advised, it is best to suppress for a few days. Colonel HUDSON first discovered that fraudulent bonds had been issued, by the presentation at the agency of some \$50,000 of them, by a banker with whom they had been hypothecated by one of STOVER's accomplices. The banker, knowing that the person in question

could hardly be in honest possession of so large an amount, came to Colonel HUDSON with the bonds to see if all was right on the State's books. They were found to be fraudulent. Colonel HUDSON at once set to work to investigate the matter, and notified Governor MORTON of it. The accomplice, who had hypothecated the bonds, was laid hold of, and he, to save himself, replaced them. The bad ones were immediately cancelled. Others of the fraudulent issue came in. They were traced to a certain wealthy banker and broker. He was notified of the fraud, and made it good, thus confessing his guilty participation in the business. As often as the fraudulent bonds were encountered, these two sharpers were made to redeem them. Thus the work of getting in the fraudulent issue has been going on till now, resulting, as we have stated, in the redemption and cancelling of \$700,000, saving the State that amount in any event.

The fraudulent bonds were detected by the fact that they were not registered according to law. On March 5, 1859, an act was approved, to take effect on its publication in the papers of this city, which was made on March 11, providing, that on the surrender of any certificate of stock the agent should send it to the State Auditor here, who should issue a new one, and register it, and on its reception at the agency, the agent should also register it, and deliver it to the holder. The fraudulent certificates, of course, would not be registered at the agency, as no corresponding registry would exist at the Auditor's office, and the fraud would be detected at once. By leaving them unregistered STOVER was able to keep his fraud concealed during his term of office, and, of course, it was inevitably discovered the moment one of the fraudulent certificates was presented to the new agent, Colonel HUDSON. As section 4 of the act of the 11th of March made void all bonds not issued as it required, STOVER had to effect his gigantic fraud of \$1,200,000 in the few days between his arrival in New-York as CRAVENS' deputy, which was about February 20, 1859—CRAVENS only qualifying for the office on the 17th of that month—and the taking effect of the act on the 11th of the month following; or, he had to ante-date the bonds, so as to take them out of the operation of the new law.

The probability is, that he executed them, and put them into the hands of his accomplices, as he had opportunities during the whole term of his office, and ante-dated them beyond March 11th, 1859. They are all dated, as far as they have been discovered, prior to that time. By this operation he accomplished two things: he has made them valid in form, and thrown the fraud into the two months that CRAVENS nominally held the office, thus making CRAVENS' securities responsible if the fraud were discovered, and saving his own. The bonds, on their face, are in due form of law, and the State will undoubtedly be responsible for them, unless it can be proved that they were actually executed after March 11, 1859, when they would be void by express provision of the act.

JAMES A. CRAVENS, the nominal incumbent of the office during the time this gigantic fraud was perpetrated, as the face of the bonds show it, is, of course, entirely unconnected with it in any manner. The office was in STOVER's hands all this time, either as deputy or agent. He confessed his guilt to CRAVENS, but denied that he had ever profited one dollar by his monstrous fraud. His accomplices, on the other hand,

insisted that he pocketed at least \$100,000 by it. It is hard to believe that a man of his intelligence should have lent himself to a swindle of such magnitude without any remuneration. He is too shrewd to have been made the blind dupe of the Wall-street sharpers, and the fact that he has started a bank at Beverly, New-Jersey, is pretty good proof that he was not a dupe. He has undoubtedly filled his pockets handsomely, but not very permanently, we think. Why he should, even for the chance of a large share of the profits, have sacrificed his previous good name, upon which no blot had ever appeared, and risked the certainty of detection, for his fraud could not last through the term of his successor without discovery, is a matter of profound astonishment. From an honorable position and an enviable name, he sinks to the bad eminence of one of the greatest swindlers of the age. Henceforth the name of STOVER will rank with those of SWARTWOUT, FLOYD, REDPATH and SCHUTLER.

Previous to March 11, 1859, the State bonds were left in the agent's hands, signed by the State officers, ready for issuing, and needing nothing but the agent's signature to make them valid. This criminally loose mode of doing business put in STOVER's hands the blank bonds with which to commit the fraud. Why all the blanks were not at once recalled, after the act of March 11th, 1859, as the law meant they should be, leaving nothing in the agent's hands with which to commit a fraud, must be set down to the account of the loose way all the State business was transacted during Governor WILLARD's administration.

CURRENCY TROUBLES IN NEW-ORLEANS.

(From a New-Orleans paper.)

THE proclamation of General BUTLER, inhibiting to the banks of this city, from the 16th inst., the exchange of their notes, bonds or obligations for Confederate notes, bills or bonds, and the issue of any bill, note or obligation payable in Confederate notes, has elicited a call upon their depositors from some of the banks, wherein is demanded the withdrawal of the deposits in their vaults.

This call, unaccompanied by any qualification or explanation, challenges attention, as it has produced a very natural consternation. The readers of this journal, and the public generally, scarcely require a recapitulation now in these columns of the arguments we employed when, on the commission of an act of unparalleled and indefensible bankruptcy on the part of the banking institutions of this city, with one notable exception, in September last, we animadverted upon the injustice, the senseless stupidity and the turpitude of the proceeding.

They will recollect that we characterized the proceeding as equally stupid and dishonest; stupid, because the banks must be ignorant beyond exaggeration if they supposed their act would not bring ruinous consequences upon themselves; and dishonest in the extreme for breaking faith unnecessarily—indeed, in very wantonness—with their creditors. We were then assailed as enemies of the Confederate States provisional

government, which had been procured, without benefit to itself, to suggest the measure, for our conduct, as now we shall probably be denounced as an enemy of both the Richmond and Washington governments, because, solitary and alone, we dare to raise the voice of condemnation against the second spoliation meditated by these corrupt and unprincipled corporations.

On the memorable day of bank dishonesty, the 16th of September, 1861, when the banking concerns of this place, with the exception alluded to, declared their doors closed against the just claims of billholders, and, with an effrontery without precedent, undertook to paste in the pass-books of their depositors a notice to the effect that the deposits then due would be paid to each and all on the resumption of specie payments, provided that the same had not been previously drawn for, we implored them to pause in their flagitious work, and not ruin this community by their insane infidelity to every honorable duty. We pointed out the heinousness of the pass-book notice, which claimed the use of depositors' money at the pleasure of the banks, without interest, and we protested against an act which only the plea of national necessity and national relief could possibly or reasonably justify. Had the money of which this people were thus defrauded been taken for the support of the revolution, the conduct of the banks would not, as we maintained at the time, have been justifiable, although the people would doubtless have approved it; but they precipitated bankruptcy for no object conceivable to educated or upright minds, and now they avail themselves of the order of General BUTLER to consummate their wickedness.

The banks were even in advance of the popular disposition in the revolutionary cause; but we have yet to hear of any unusual sacrifices their directors have made out of their own pockets for the support of the cause. It is a remarkable fact, too, that on the morning of their suspension they all seemed to possess an unlimited supply of that Confederate paper they then forced the public to receive, and of which they now set the first example of repudiation. We neither approved their first operation nor this of repudiation, their last; nor their intermediate endeavors to put their property, by every species of contrivance, beyond the reach of its legitimate owners.

There are principles of right and justice so incontrovertibly obvious and supreme that no law or code, civil or military, can ignore or deny them; and such principles are now involved in the monetary affairs of this people. If one military power can absolve banking institutions from the redemption of their obligations, solemnly guaranteed, and another enables them to complete the iniquitous work in the way most conducive to their own interests, any country under heaven would be a paradise of justice compared to such a place.

But we have no apprehension of any such result; and we would advise the banks not to presume too far upon the patience, good nature and forbearance of the public. If the position they assume be sustained, revolution will be the chronic condition of every American commonwealth. If banks and bankites are to be the only parties in social conflicts who are sure to make a profitable business of such work, the key to their boisterous patriotism is furnished.

And that this view of their prospects is the one entertained by the public, the following published statement of a sale of some of their stocks, lately made, will indisputably confirm. The sale is published as that of PALFREY & Co. :

Bank of New-Orleans,.....	\$ 107
Mechanics' Bank,.....	121
Louisiana Bank,.....	221
Merchants' Bank,.....	102
Crescent City Bank,.....	90
Union Bank,.....	110
Citizens' Bank,.....	200
Bank of America,.....	192

This result will surprise no one who has watched the course of these institutions. They first procure the suspension of specie payment, under a patriotic pretext wholly beyond any human being's perceptions of its necessity ; then, availing themselves of the public necessities, they cause the price of foreign exchange, of which they have a monopoly, to advance two or three hundred per cent. ; sell bonds, bought under extreme depression, or below par in every instance, for two or three times their nominal value ; place their specie in hiding-places unknown and inaccessible except to themselves and their agents, and now undertake to close in a grand *finale* of cheaterly, by paying off, in a currency they themselves compelled the people to accept, both the old cash deposits of the latter and all their accretions since the memorable epoch of suspension.

They first force Confederate paper into circulation, and profit enormously by the operation, and then depreciate it by repudiation after it has been made to serve their sordid and dishonest purposes. In these proceedings the people will see the clue to the motive of these bank men in pushing this State into the issuance of war bonds in such inordinate amounts. They wanted to make of the State credit a sponge for the absorption of the surplus Confederate paper in their hands ; and so nicely have they made their calculations, that at this moment every device is in requisition to obtain even the Confederate bills necessary to meet the demand of recent depositors.

We have no concealment to make in presence of Federal or Confederate authority ; our record has no stains upon it ; it challenges examination. We never hesitated, during the period to which we are referring, in proclaiming our opinion, that if the Richmond government deemed the specie in the banks of this city absolutely indispensable to the revolutionary cause to which the country had committed itself, it was competent to it to take it. This we admitted, qualifying it, however, with the opinion, that to take unduly from one portion of the people, or to burden one class of citizens disproportionately in this or any similar or dissimilar manner, was an act of oppression for which extreme necessity only, which overrules all law, could be a justification.

DEMAND TREASURY NOTES.

Letter from the Secretary of the Treasury, in relation to the issue of an additional amount of United States Treasury Notes.

TREASURY DEPARTMENT, June 7, 1862.

SIR,—The act of July 17, 1861, authorized the issue of \$50,000,000 in United States notes, payable on demand and receivable for customs. This authority was enlarged, under the act of February 12, 1862, by the addition of \$10,000,000; making \$60,000,000 in all.

The acts of February 25, and March 17, 1862, authorized temporary deposits in the Treasury, at rates of interest not exceeding five per cent., nor for a greater aggregate sum than \$50,000,000.

The act of February 25, 1862, authorized the issue of \$150,000,000 in United States notes, provided, however, that the demand notes issued under former acts should be retired and cancelled as rapidly as practicable, and that the aggregate of such notes and of the United States notes to be issued under this act should at no time exceed \$150,000,000. All the notes to be issued were made a legal tender, but none except the demand notes were made receivable for customs.

Under these laws, \$60,000,000 in demand notes receivable for customs have been issued, and \$90,000,000 in notes not so receivable.

The aggregate now outstanding is, therefore, \$150,000,000, being the whole amount authorized by law.

Of this aggregate, about \$56,500,000 in demand notes are held by banks and capitalists, and not used as circulation; being at a premium, in consequence of their receivability for customs, of from $\frac{3}{4}$ to $1\frac{1}{2}$ per cent., and about \$3,500,000 are held in the Treasury for cancellation. The whole issue of \$60,000,000 in demand notes may therefore be regarded as practically withdrawn from circulation.

The withdrawal leaves only the issue of \$90,000,000 of United States notes not receivable for customs, increased gradually by the substitution of these notes for demand notes cancelled, from which conversions into bonds, redeemable after five years and payable in twenty years, (called, for convenience, *five-twenties*,) can be expected to be made.

The limit of temporary deposits is now reached, and nothing further can be expected from that source; for, so long as the limit shall be maintained, the current receipts of such deposits can only equal the payments.

It is, therefore, upon the conversion of United States notes into "five-twenties"—now practically limited to the \$90,000,000 of legal tender notes—and upon receipts for customs, that the Treasury must depend, under existing legislation, for means to meet current expenditures.

No safe reliance can be placed on conversions, so far as experience has

afforded any grounds of estimate, for more than \$150,000 daily; and the daily average revenue from customs, during the past month, has been about \$230,000.

The aggregate daily receipts from both these sources, therefore, cannot be estimated at more than \$380,000, and may very possibly fall short of that sum; while the average daily expenditure cannot be estimated at less than \$1,000,000, and will, probably, unless very considerable retrenchments are made, exceed that sum.

I propose, therefore, the removal of the restriction upon temporary deposits. The plan of receiving them has worked well, and is likely to continue to work well in practice. The rate of interest, limited to five per cent. by law, has been reduced to four by my direction, and it is not proposed to increase it unless some exigency shall make the increase necessary. The amount of deposits at four per cent. now exceeds \$9,000,000, and it will become steadily larger if the restriction be removed. Payments will, of course, be frequently required, but the pressure must be very great which will reduce receipts below them; while, in ordinary times, the latter will constantly exceed the former. It may, indeed, become practicable to reduce the rate of interest even below four per cent. with advantage. Whatever the rate allowed, the average excess of deposits above reimbursements will constitute a loan to the government at that rate. In order to retain this average excess at its maximum, it may be well to provide by law that, of the United States notes hereafter authorized to be issued, there shall be always reserved in the Treasury, or from issue, an amount not less than one-third the amount deposited. Such a provision would make the Treasury the best savings bank, and, by its guarantee of prompt payment under all circumstances, inspire the highest confidence, and augment to its maximum the flow of deposits. I estimate the amount of loan likely to be made to the government at five per cent. or less, in this form, at not less than \$50,000,000, in addition to the \$50,000,000 already deposited.

I propose, also, that authority be given to the Secretary of the Treasury to issue \$150,000,000 in United States notes, in addition to the issue already authorized, and that these notes be made a legal tender for debts, except interest on loans, and receivable in payment of all loans to the United States, and for all government dues except duties on imports and interest.

If this authority be given, the proposed reserve of an amount (say \$34,000,000) not less than one-third the temporary deposits, and the replacement of that portion of the \$60,000,000 of demand notes (say \$56,500,000) now practically withdrawn from circulation and held for payment of customs, will require, for the present, at least, say \$90,500,000 of the proposed additional issue; leaving, as an actual present addition to the resources of the government, only \$59,500,000. This amount, however, gradually increased, as it will be by the retirement of the demand notes paid in for public dues, and the replacement of them by other United States notes, will probably suffice for all demands which cannot be met from conversions and from customs.

If Congress shall see fit to authorize the additional emission proposed,

it seems highly expedient that such part as the public convenience shall require be issued in denominations less than five dollars.

I am aware of the general objections to the issue of notes under five dollars, and concede their cogency. Indeed, under ordinary circumstances, they are unanswerable; but in the existing circumstances of the country they lose most, if not all, their force.

The country is involved in the expenditures of a contest for national existence, and it is highly desirable that the burdens of the people be made as tolerable as possible. If the restriction on the issue of small denominations be removed, the wants of the country will absorb a circulation of \$25,000,000, and perhaps more. The interest on this circulation, say \$1,500,000 a year, will be saved to the tax-payers.

Payments to public creditors, and especially to soldiers, now require large amounts of coin to satisfy fractional demands less than five dollars. Great inconveniences in payment of the troops are thus occasioned. With every effort on the part of the Treasury to provide the necessary amount of coin, it is found impracticable always to satisfy the demand. When the amount required is furnished, the temptation to disbursing officers to exchange it for any small bank notes that the soldiers or the public creditors will receive, is too great to be always resisted. And even when the coin reaches the creditors it is seldom held, but passes, in general, immediately into the hands of sutlers and others, and disappears at once from circulation. The inconveniences, therefore, to the government and creditors, from the absence of United States notes of small denominations, are not compensated by benefits to anybody.

It may properly be further observed, that since the United States notes are made a legal tender, and maintained nearly at the par of gold by the provision for their conversion into bonds, bearing six per cent. interest, payable in coin, it is not easy to see why small notes may not be issued as wisely as large ones. The notes made a legal tender circulate as money, and the government may authenticate, by device and imprint, small notes as well as small coins. The limit is to be found only in public convenience, which indicates denominations in notes similar to denominations in gold, leaving the smaller circulation of silver (less valuable than gold) as now.

Another consideration which deserves to be taken into the account is this: that resumption of payment in specie can be more certainly and easily effected, and with far less of inconvenience and loss to the community, if the currency, small as well as large, is of United States notes, than if the channels of circulation are left to be filled up by the emissions of non-specie-paying corporations, solvent and insolvent.

These considerations of economy, of public advantage and of private convenience, seem to me to justify fully the removal of the restriction upon the issue of small notes.

I propose, further, to make arrangements for the necessary engraving and other work for the printing and preparation for issue of these notes in the Treasury Department at Washington. I am led to believe that a very considerable reduction of expense can be thus effected. The prospect, in my judgment, certainly warrants the trial.

With these objects I have prepared a bill, which I herewith submit to

the consideration of the committee. The condition of the Treasury renders prompt action highly desirable; and I trust it is not necessary to assure the committee or Congress that, should the powers asked for be granted, they will be exercised only with the most careful reference to the requirements of the public interests. Whatever the authority granted may be, no issue of notes will be made, except to replace notes withdrawn and cancelled, and to meet the current expenditures authorized by Congress, which cannot be met from the receipts of revenue, from the increase of deposits, and from the proceeds of the conversion into five-twenties.

With great respect,

S. P. CHASE, *Secretary of the Treasury.*

HON. WM. PITT FESSENDEN,

Chairman Committee of Finance, Senate U. S.

A GOVERNMENT CURRENCY.

ONE of the true functions of the government is to provide a currency for the people, or, if it does not directly furnish such a currency, that it shall place such safeguards around the circulation as shall secure the community against loss.

The United States notes created by the government possess, under proper restrictions and regulations, the true requisites of a paper circulation; requisites which do not pertain, and never can pertain, to the circulation of a bank chartered by a State, let its capital be ever so large. These requisites we may name as—
I. Perfect safety. II. Uniform value throughout the country.

The new proposition of the Secretary of the Treasury, under date April 7th, 1862, suggests the authority by Congress to the department, to issue \$150,000,000 in United States notes, to be made a legal tender for debts, except interest on loans, and receivable in payment of all loans to the United States and for all government dues, except duties on imports and interest.

These notes would, of course, be issued only as required by the Treasury, in order to meet the demands of the public creditors. The advantages of the scheme, if carried into effect, would be these :

I. It would obviate the necessity, which otherwise will exist, of a fresh loan to the government to the extent named.

II. It would create a currency of perfect reliability, in which every man would feel that he will be secure from loss.

III. The notes would be uniform in value throughout the country.

It is true that capital at present is very abundant in the eastern cities, and no great difficulty need be apprehended in the negotiation of a further loan, if required for government uses; but the further wants of the Treasury, we may well believe, will be temporary only, or until the conclusion of the war. It is, then, better that the new indebtedness, suggested by the Treasury, be in the shape of a temporary loan by the people at large, to be repaid, if deemed advisable, in one, two or three years; or, if deemed sound policy, let the loan be a permanent one, or as long as the government shall need it.

II. The increased commercial and personal intercourse between the various portions of the Union, which will unquestionably follow the restoration of peace, will render it desirable for the people to have, to a certain extent, a national currency. By this we mean an issue of United States notes of convenient denominations, which can be taken from Bangor to Galveston, or from St. Paul to St. Augustine; from the extreme northeast to the extreme points of the Union, and which notes shall be at all places available for travelling and business purposes; so that each and every holder may feel confident, wherever he goes in this wide country, and his stay ever so long from home, that these notes will be good and available, and not exposed to

the constantly varying values, uncertainties and occasional losses which now pertain to ordinary bank notes. There have been well-founded objections hitherto to the issue of bank notes of denominations under five dollars. The leading objection was, that as these bills got into the hands generally of the poorer classes of the people, they were, whenever a panic arose, most urgently pressed for redemption, and thus added to the confusion and alarm existing among the community.

This objection was well founded; and the history of the various crises of the past twenty-five years confirms it. But the objection does not prevail against government notes of similar denominations. These latter will remain for all time to come, or as long as they exist, a legal tender, and thus available not only for government purposes, but in liquidation of individual contracts. The time, we hope, is not far distant when the currency of the government will be replaced on a specie basis, free thenceforth, as long as the government exists, from any recurrence of a suspension of specie payments.

As soon as the government shall resume specie payment for its liabilities the same course must be adopted by the banks of the country; and the liability to further suspension in future years may be materially lessened by removing the proximate cause of financial revulsions. Conceding that the revulsions of 1837 and 1857 were mainly owing to an excess of bank paper and an excessive desire of gain by the banks, who unwisely enlarged their volume of loans, it seems now the true course to place greater guards against a similar excess in the future. State legislation having failed to provide a remedy for, or prevention of, such excess, even down to the years 1861-1862, it seems desirable that Congress, having, constitutionally, a control over this subject, should frame a wise system whereby the currency shall be established upon a reliable basis, and that private cupidity shall no longer interfere with the harmonious workings of a perfectly sound financial system.—Ed. B. M.

BANK ITEMS.

Mutilated Treasury Notes.—The following rules, for the redemption of United States Treasury notes, have been established by the Treasury Department at Washington, to guard against fraud upon the government, and to secure the just rights of holders. To save trouble, our readers should refuse all mutilated Treasury notes:

1st. Mutilated notes, which have been torn, no matter how much, but of which it is evident that all the fragments are returned, or defaced, no matter how badly, but certainly satisfactorily genuine, will be redeemed at their full face value on presentation.

2d. Fragments of notes will be redeemed in full only when accompanied by an affidavit stating the cause and manner of the mutilation, and that the missing part of the note is totally destroyed. The good character of the affiant must also be fully vouched by the officer before whom the affidavit is taken.

3d. In the absence of such affidavit, fragments of notes will not be paid in full, but the parts presented will be redeemed in their proportion to the whole note, reckoning as a general rule by twentieths.

4th. Less than half of a note will not be redeemed except by payment of the full value of the note under the second rule, or by the payment of the proportional value of the missing part, when presented under the fifth rule.

5th. Fragments of notes for which less than the full face value has been paid, will be retained for a year, to the end that the owners, who have received less than the value of a full note, may have opportunity to return the missing part and receive the amount previously withheld.

6th. Until further order, mutilated notes and fragments will be redeemed only at the Treasury of the United States, at Washington, whether they can be sent, addressed to the "Treasurer of the United States," by mail, free of postage. A draft on the Assistant Treasurer at New-York, for the amount allowed, will be returned, in the same way, to the address of the person remitting the same.

Bank Statement.—A review of the Boston, New-York and Philadelphia banks for the weeks ending June 7 and May 31, 1862, showing the per cent. of circulation, deposits, circulation and deposits, specie, circulation and deposits, less specie, and loans, to their capital; the same of the Massachusetts banks out of Boston, June 7 and May 5, 1862:

BANKS.	Capital.	Per cent. of cir- cula- tion to capital.	Deposits to capital.	Circu- lation and de- posits to capital.	Specie to capital.	Circu- lation and depos- its, less capital.	Loans to capital.
43 Boston banks, June 7,.....	\$38,331,760	14.90	68.74	88.64	30.88	62.76	162.33
54 New-York banks, June 7,...	69,496,577	12.63	180.63	198.36	44.96	148.40	304.79
19 Philadelphia banks, June 7, .	11,970,190	83.87	213.18	262.05	48.08	308.97	372.80
141 Mass. country banks, June 7,	39,412,500	50.14	83.08	82.17	6.45	75.73	158.47

MASSACHUSETTS.—Mr. C. R. WASHBURN has entered upon his duties as cashier of the Peoples' Bank, Roxbury.

Tax upon Savings Banks.—We understand that a question has arisen as to the legality of the tax imposed upon depositors in savings banks, by the late act of the legislature, which, by an arrangement between many of the savings banks throughout the State and the Commonwealth's officer, is to be submitted to the Supreme Court by some proper process, and that one decision will govern the action of all the banks.

CONNECTICUT.—ALFRED SMITH retires from the Presidency of the Connecticut River Banking Company at Hartford. J. A. BUTLER, Cashier, has been elected to fill the vacancy, and M. W. GRAVES has been appointed Cashier.

NEW-YORK.—The assignees of the Brockport Exchange Bank, Brockport, report that a dividend will be made to its creditors about the 1st of August next, of about fifty cents on a dollar of their claims.

Buffalo.—JAMES M. SMITH, Receiver, &c., of the property of OLIVER LEE & Co.'s Bank at Buffalo, in June declared a dividend of twenty-five per cent. to the general creditors of said bank, upon the unpaid indebtedness of said bank, exclusive of interest.

Country Banks.—The reports against the standing of the Northumberland County Bank, Tioga County Bank, Crawford County Bank, Lawrence County Bank, and the Pittston Bank, all of Pennsylvania, seem to be entirely without foundation.

DELAWARE.—Mr. ISAAC TUNNELL, over ninety-three years of age, and for fifty-four years cashier of the Farmer's Bank of the State of Delaware, at Georgetown, has resigned his position as Cashier. Mr. T. is said to have been the oldest bank Cashier in the country.

DISTRICT OF COLUMBIA.—The President has vetoed the act of Congress passed in June, repealing the act restricting the issue of bills by the banks of the District of Columbia under five dollars. The President considers that Congress or the Treasury should alone furnish such a circulation.

Wheeling.—The case of E. BARRABETT vs. THE NORTHWESTERN BANK OF VIRGINIA was decided in the Ohio County Court of Wheeling last week. The case is one of a number of the same kind arising out of a refusal of the Northwestern Bank to redeem the notes of the Branch Bank at Jeffersonville. This Jeffersonville branch is in the hands of the rebels, and it is claimed that its notes are used only in the furtherance of the rebellion. The law requires that the notes of the branch banks shall first be presented to the branch from which they are issued, and in case the branch bank fails or refuses to redeem the notes, then the mother bank is made responsible. The mother bank in Wheeling refuses to redeem \$20 in the hands of BARRABETT, because the notes have never been refused by the branch bank, and BARRABETT claims that he cannot present the notes at Jeffersonville, because, in view of the rebellion, there is no way of getting them there. The case was some time ago decided against the mother bank by Ald. ROBERTSON, but the bank took an appeal. The County Court affirmed the alderman's decision, and the bank again took an appeal to the Circuit Court.

NORTH CAROLINA.—The Petersburg (Va.) *Express* of the 27th May complains that Gen. BURNSIDE occupies "the palatial residence of the President of the Bank of Commerce;" that Gen. FOSTER "has taken possession of another handsome dwelling," while Gen. RENO "occupies the Bank of Newbern."

SOUTH CAROLINA.—A sale of stocks and bonds took place yesterday, with the following result: Confederate stocks and bonds, par \$100, sold for \$94½ @ \$95; Memphis City 6 per cent. bonds, par \$100, sold for \$71; Planters and Mechanics' Bank stock, par \$25, sold for \$25 50; South Carolina Bank stock, par \$45, sold for \$41; Union Bank stock, par \$50, sold for \$50 50; State Bank stock, par \$25, sold for \$22½; Elmore Insurance Company stock, par \$25, sold for \$21; People's Bank stock, par \$25, sold for par. The other stocks were withdrawn.—*Charleston Mercury, May 21.*

MISSOURI.—The establishment of a branch mint in St. Louis is urged by the Chamber of Commerce of that city in a strong memorial, which is to be laid before Congress.

OHIO.—The transfer books of Ohio State stocks will be closed, at the agency in New-York city, from 15th inst. until the 15th of July, and the interest on the State debt, some \$420,000, will be paid by the commissioners of the sinking fund, at No. 25 William-street, in coin, from the 1st until the 15th of July.

WISCONSIN.—A new institution, named the Batavian Bank, organized under the general banking law of Wisconsin, went into operation at La Crosse, Wis., on the 10th inst., has a capital of \$40,000. Its circular states that it will do a general banking and collecting business. G. VAN STEENWYCK, late State Comptroller, is President, and J. P. D. VOSWINKEL, Cashier.

NEW-YORK.—The Manhattan Company, as agent of the State of New-York, are now paying off \$900,000 of the principal of the public debt, due June 1, in gold. The quarterly and half yearly interest on the whole public debt, due July 1, will also be paid in gold.

IOWA.—The interest upon Iowa State stocks, due July 1, 1862, will be paid on and after that date at the banking house of Messrs. GILMAN, SON & Co., New-York.

MASSACHUSETTS.—The commonwealth of Massachusetts invite proposals, until the 5th of July, at two o'clock, P. M., for its stock, to the amount of \$350,000, to bear interest at the rate of five per cent. per annum, payable semi-annually, as follows: \$200,000 in certificates of \$500 each; \$100,000 in certificates of \$1,000 each—\$300,000; all redeemable in 1877. And \$50,000 in certificates of \$1,000 each, redeemable in 1878.

MARYLAND.—On the 7th June the bids for the Maryland defence loan were opened at Annapolis. The amount to be awarded was two hundred and fifty thousand dollars; the amount for which bids were made was nearly two and a half millions of dollars. No bid was made under par, and they ran up to nearly two and a half per cent. premium. To obtain the amount asked for it was necessary to accept any bid under two per cent. premium. What a contrast does this present to the Maryland of one year ago.

INDIANA.—The State of Indiana will pay the 1st of July interest in New-York on the public debt in gold. The official notice of the Treasurer of Illinois does not specify gold, but, as the taxes for the support of the public debt are collected in gold, the impression is that the payments on the 1st of July will be made by the American Exchange Bank in kind. Ohio has already provided gold for her interest. Massachusetts and New-York pay in gold, and we hear nothing to the contrary in reference to Connecticut and Kentucky.

ILLINOIS.—An agreed case had been taken into the Supreme Court of Illinois, for the purpose of authoritatively settling the supposed obligation of the State Treasurer to receive the Treasury notes of the federal government for State taxes. The court decided, by a unanimous vote, that the taxes must be paid in gold and silver, being so directed by the State constitution.

LOWEST AND HIGHEST SALES FOR CASII, AT NEW-YORK, YEARS 1801 AND 1862.

NEW-YORK STOCK BOARD.	YEAR 1860.		DEC. 1861.		YEAR 1861.		JAN. 1862.		FEB. 1862.		MARCH, 1862.		APRIL, 1862.		MAY, 1862.		FIVE MO., '62.	
	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.
United States six per cent. 1863.....	95	109½	97	..	98½	97	..	99	90	99	92½	95	94	97	108	108	108	109
United States six per cent. 1861.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, six per cent.,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. five per cent. 1874, coupon,...	85	104½	79	68	75	77	75	68	76	76½	75	..	78½	79	77	79	70	84½
Indiana State five per cent.,.....	88	98	75	77	75	77	75	68	76	76½	75	..	78½	79	77	79	70	84½
U. S. five per cent. 1874, coupon,...	78	95	46	48½	46	48	46	48½	46	48½	51½	60	59½	68½	60	60½	49	65½
Virginia six per cent. bonds,.....	64	98	40½	45	44	45	44	45	43	45	43	65	56½	53½	58½	61	43	61
Tennessee six per cent. bonds,.....	102	105	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Georgia six per cent. bonds,.....	76	100	68	60	44	82½	60	68	62	78	68½	70	68	67½	65½	78½	60	78½
North Carolina six per cent. bonds,	82	95	71½	88	71½	88	76½	88	80	87	86	87½	85	89	86½	89	86½	96½
California seven per cent. bonds,...	61	84½	86	42½	85	72½	40	42½	40½	56½	51	54½	48½	58	50½	54	40	56½
Missouri six per cent. bonds,.....	14	28½	9½	10	8	10	8	10	10½	13	14	14½	..	..	18½	16	10	16
Canton Company shares,.....	8	17½	4½	..	4	9½	5½	..	5	9	7½	8½	8	8½	8½	9½	5	9½
Cumberland Coal Co., preferred,....	70	107½	78½	91,	50	100	92	99½	91	99½	98	98	98	97½	111	109	110	119
Pacific Mail Steamship Company,...	70	92½	75½	75½	68	89½	79½	88½	79½	84½	82½	84½	82½	85½	85½	81½	89½	89½
New-York Central Rail-Road,.....	8½	43	29½	83	17	40½	81½	86½	88	85½	84½	85	86½	87½	85½	40½	81½	40½
Erle Rail-Road shares,.....	86	66	85½	88½	81½	40½	87½	40	85½	89½	85½	87½	85½	86½	86	45	85½	45
Hudson River Rail-Road,.....	27	55	25	20½	43	20½	43	29½	38	29½	30½	30½	32	30	32½	37	26½	37
Harlem Rail-Road, preferred,.....	80	49½	80½	88½	43½	29½	43½	35	42½	40	44½	41	41½	43	48½	45½	49½	49½
Reading Rail-Road shares,.....	84½	78½	41½	50½	89½	61½	47	55½	49½	54½	59½	58½	59½	56½	56½	68½	47	68½
Michigan Central Rail-Road,.....	5	25	16	18½	10½	20½	19	23	20½	24½	23	23	23	23	28	26½	19	26½
Michigan S. & N. Indiana R.R.,...	12½	50½	36	89½	22½	41½	39½	39½	40½	49½	46	49½	44½	47	48½	47	39½	58½
Michigan S. & N. Indiana, Genl.,...	106	146½	106	115	97½	131	110	118½	111½	131½	117	129	119½	126½	138	110	138	138
Panama Rail-Road shares,.....	51½	59½	56	68	55½	58½	61	64	55½	65½	61½	66½	67	68	60	64	56½	66½
Illinois Central Rail-Road shares,...	55	82½	68	71½	55	74½	65½	69½	65½	68	67½	70	69½	65½	68½	78	65½	78
Gaheua and Chicago Rail-Road,...	18½	49½	23	34	20½	38½	28½	38½	43½	40½	46	44½	47	40½	46	41½	47	39½
Cleveland and Toledo Rail-Road,...	42½	54½	45½	54½	30½	62	50	55½	52½	57	55	59½	53½	56½	56	66	50	66
Chicago & Rock Island Rail-Road,...	81	100½	84½	88	84½	102½	87½	98½	93	95	98	94½	86½	90½	88½	94½	86½	95
Illinois Central Construction bonds,	79½	87	78	78½	73	81	80	86	85	89	88	88	79½	89	85	80½	79½	90½
Pennsylvania Coal Company,.....	80	101½	81	82½	79	99	84½	92½	93	97	87½	91	89	92½	93	100	84½	100
Delaware and Hudson Canal Co.,...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Notes on the Money Market.

NEW-YORK, JUNE 24, 1862.

Exchange on London, at sixty days' sight, 113½ @ 114.

The market for the month of June shows an increased supply of capital unemployed, and, consequently, lower rates on loans. We hear of transactions "on call" at as low a rate as three per cent. this week, and prime business paper being taken at 5 @ 6 per cent. There is a movement of specie towards Europe, to pay for the balances against this country in its trade with Europe, China, &c. The Custom-House returns indicate that the foreign importations are becoming larger, without a commensurate export trade in domestic produce. The current rates on "call loans" are 5 @ 7 per cent., with good collaterals, and occasional transactions, where government securities are used, at 3 @ 4 per cent. First class paper has been taken readily at 5 @ 6 per cent. The banks are willing to take all the good paper that offers, at rates varying from 5 @ 7 per cent.

We annex the current rates on loans in this market at the close of the past four months:

	March 22.	April 22.	May 22.	June 22.
	Per cent.	Per cent.	Per cent.	Per cent.
Loans on call, State Stock securities,.....	6 @ 7 ..	- @ 6 ..	4 @ 5 ..	3 @ 5
" other good securities,.....	7 @ 7 ..	6 @ 7 ..	5 @ 6 ..	5 @ 7
Prime endorsed bills, 60 days,.....	5½ @ 6 ..	5½ @ 6 ..	4 @ 5 ..	4 @ 5
First class single signatures, 4 to 6 months,....	6 @ 7 ..	6 @ 7 ..	5 @ 7 ..	5 @ 7
Other good bills,.....	7 @ 9 ..	7 @ 10 ..	6 @ 7 ..	6 @ 7
Names less known,.....	9 @ 12 ..	10 @ 12 ..	9 @ 12 ..	9 @ 12

The price of specie having suddenly risen from the price last quoted by us (3 @ 3½) to actual transactions this month at 6 @ 7 per cent. premium, there is consequently a rise in the rates of foreign exchange. For the steamer of the 20th, sales of bankers' bills on London were made at 117½ @ 118, sixty days; Paris, 4.81½ @ 4.76½; Antwerp, 4.80 @ 4.77½. These are severe terms to those who a few months ago made contracts predicated on sterling bills at 112 @ 118.

The annexed summary will show the changes in this market, at the close of the last four months, for bankers' bills, on the several points named, at sixty days' sight:

	March 24.	April 22.	May 22.	June 22.
London, bankers' bills,.....	111½ @ 112 ..	112 @ 112½ ..	118½ @ 114 ..	117½ @ 118
" mercantile bills,....	109½ @ 110 ..	111½ @ 112½ ..	118½ @ 118½ ..	117 @ 117½
" with bills of lading, 109½ @ 110 ..	110 @ 111 ..	112½ @ 113 ..	115½ @ 116½	115½ @ 116½
Paris, bankers' bills,.....	5.10 @ 5.00 ..	5.10 @ 5.05 ..	4.97½ @ 4.98½ ..	4.81½ @ 4.76½
Amsterdam, per guilder,....	42½ @ 43 ..	42½ @ 43 ..	42½ @ 43 ..	43½ @ 44½
Bremen, per rix dollar,.....	80½ @ 81 ..	81 @ 81½ ..	82 @ 82½ ..	84 @ 84½
Hamburg, per mare banco,...	87 @ 87½ ..	87½ @ 87½ ..	87½ @ 88 ..	89 @ 89½
Frankfort, per florin,.....	42½ @ 42½ ..	42½ @ 42½ ..	42½ @ 43 ..	44½ @ 44½

On Paris, at short sight, this week sales have been made at 4.77½ @ 4.75.

The foreign export of gold from this port this season is in slight excess of that of the year 1857, and larger than in any one year since 1851, except that of 1859, viz.:

Export of Coin and Bullion to middle of June each year, 1852-1862.

1862,.....	\$ 20,749,368	1858,.....	\$ 11,870,151	1854,.....	\$ 14,864,988
1861,.....	8,024,822	1857,.....	30,064,996	1853,.....	7,918,886
1860,.....	18,429,776	1856,.....	12,286,930	1852,.....	10,518,262
1859,.....	31,481,107	1855,.....	15,006,479		

The demand for government securities has increased, with greater ease in money affairs. The United States loan of 1881, coupons, has reached 106 @ 106½; Treasury Notes, 7-8-10 per cent., are wanted at 105½ @ 106½. The coupon bonds of 1868 have sold this week at 104 @ 104½. There is an improved demand for State loans, at better prices than quoted in May. Sales are reported of Michigan six per cents, 99½ @ 99½; Tennessee, 58½ @ 60½; Virginia, 56½ @ 57; North Carolina, 72.

We annex the highest cash prices, for eight weeks past, at the dates named, of the government and leading State securities in this market:

	April 10th.	21st.	May 1st.	10th.	20th.	June 2d.	11th.	21st.
U. S. 6's, 1881, coupons,....	93½	93½	98	104	104½	106	106½	106½
U. S. 5 per cents, 1874,....	87	87	89½	94½	94	96	96½	96½
Ohio 6 per cents, 1838,....	100	99½	101	103	103	108½	105	105
Kentucky 6 per cents,....	86	84	86	92½	92	92	94	96
Indiana 5 per cents,....	75	77	80	84	84	..	..	..
Pennsylvania 5 per cents,....	88	88½	87	87	89½	89½	89½	89½
Virginia 6 per cents,....	57	56½	56	59	59	53	57½	56½
Georgia 6 per cents,....	79½	72	65	65	65	57	57	57
California 7 per cents, 1877,....	86½	86	89	91½	95½	96½	97½	97
North Carolina 6 per cents,....	66	68½	65½	72½	72½	78	74	78
Missouri 6 per cents,....	50	49	50½	52½	52½	51½	58½	51½
Louisiana 6 per cents,....	63	63	63	63	63	65	65	65
Tennessee 6 per cents,....	56½	55½	57½	59½	59½	59	60½	53½

The New-York State loan of \$800,000, bearing six per cent., was taken on the 18th June, at 110.05 @ 112. There were other bids at 101 @ 110, which were not accepted. As the loan is payable in specie, the market rate for the latter, 6 @ 6½, must be added to the actual cost. The award was as follows:

John Cook, Havana, N. Y.,.....	\$ 50,000	at 118.00	or \$ 57,500 00
Silas Bronson, New-York,.....	10,000	" 111.50	" 11,150 00
Read, Drexel & Co., New-York,.....	800,000	" 111.88	" 888,999 00
Silas Bronson, New-York,.....	15,000	" 110.50	" 16,575 00
T. W. Olcott, Albany, N. Y.,.....	10,000	" 110.60	" 11,060 00
A. G. Story, Little Falls, N. Y.,.....	5,000	" 110.25	" 5,512 50
Trevor & Colgate, New-York,.....	800,000	" 110.17	" 880,510 00
G. W. Cuyler, New-York,.....	15,000	" 110.17	" 16,525 50
J. E. Southworth, New-York,.....	5,000	" 110.16	" 5,508 00
T. W. Cuyler, New-York,.....	90,000	" 110.05	" 99,045 00
	\$ 800,000		\$ 886,376 00

Showing an average of about 110.79½.

The actual cost in gold will range from 116 @ 119½.

The Indiana bond fraud is now in course of legal investigation at New-York. We have never known a case of more flagrant neglect, on the part of State officials, than is exhibited in the present instance. The most gross carelessness was permitted, thus affording ample opportunities for the commission of fraud on the State by their own officials and agents.

The statements of the banks of the three principal cities of the Union, for the last week, compare with the previous one and the corresponding time of 1861 as follows:

	Loans.	Deposits.	Specie.	Circulation.
New-York, June 14,.....	\$ 144,014,850	\$ 125,648,375	\$ 81,162,048	\$ 8,814,823
Boston, June 14,.....	62,591,841	25,602,048	7,594,599	5,875,612
Philadelphia, June 16,.....	32,132,654	24,807,057	5,630,508	4,298,028
Total,.....	\$ 238,738,345	\$ 176,057,480	\$ 44,687,155	\$ 18,987,457
Last week,.....	236,329,924	176,806,996	44,864,614	18,940,105
Last year,.....	200,518,164	121,665,410	50,051,416	17,857,892

The transactions in rail-road shares, during the month, have been unusually heavy. New-York Central shares have this week sold at 92½ @ 95½; Erie, 87½ @ 89; preferred shares, 41½ @ 45; Hudson River, 47½ @ 49½; Reading, 56½ @ 59; Michigan Central, 65½ @ 68½; Michigan Southern, 36½ @ 38½; guaranteed stock, 59 @ 64; Panama, 136 @ 140; Pacific Mail, 115 @

116½; Cleveland and Toledo, 46½ @ 46; Cleveland, Columbus and Cincinnati, 128 @ 124½; Cleveland and Pittsburg, 21½ @ 23; Chicago and Rock Island, 66 @ 68½; Galena and Chicago, 70½ @ 72½; Chicago, Burlington and Quincy, 79 @ 80. In coal company shares the sales were, Delaware and Hudson, 96½ @ 98; Pennsylvania Coal Company, 97 @ 98; Cumberland Coal, 8½ @ 9½.

The following are the changes in the market values of leading rail-road shares for the past three months. Those with a star paid no dividend last year:

	April 10th.	21st.	May 1st.	10th.	20th.	June 2d.	11th.	21st.
N. Y. Central R. R. shares,.....	88	83½	80½	86½	89½	88½	92½	94
*N. Y. and Erie R. R. shares,....	87	86½	87½	89½	89½	87½	88½	87½
*Harlem R. R. shares,.....	12	12½	18	14½	14½	14	16	17½
*Reading R. R. shares,.....	48	48	45½	47½	49½	50	57½	57½
*Hudson River R. R. shares,....	86½	85½	86½	45	48½	44½	47	47½
Michigan Central R. R. shares..	56½	54½	56½	60½	68½	62½	64½	64½
*Michigan Southern R. R. shares,	23½	22½	23½	24½	26½	28½	27	27½
Panama E. R. shares,.....	121½	124½	126½	129½	188	181	184½	186½
Baltimore and Ohio R. R. shares,	65	68½	66	67½	66	66	66	66
*Illinois Central R. R. shares,....	62	60½	60½	63	61½	62½	64½	62½
*Cleveland and Toledo R. R.....	45½	42½	48½	45½	46½	44½	45½	48
*Chicago and Rock Island R. R.,	55½	54½	56½	68	64½	63	64	67½
Galena & Chicago R. R. shares,	68	67½	68	71½	71	69½	70	71½
Chicago, Burlington & Quincy,	62	62	64½	69	72	72½	78	77

In domestic exchange the rates are becoming more equalized. Checks are payable "in current funds," which are local bank notes and government Treasury notes. The following are the present rates on checks and collections:

Albany,.....	¾ @ ¾	Chicago,.....	¾ @ ¾	Milwaukee,.....	1 @ -
Baltimore,.....	par @ ¾	St. Louis,.....	¾ @ ¾	Philadelphia,.....	par
Boston,.....	par	Detroit,.....	¾ @ 1	Pittsburg,.....	¾ @ ¾
Buffalo,.....	¾	Louisville,.....	¾ @ 1	Cincinnati,.....	¾ @ ¾

The bill authorizing 150 millions of United States Treasury notes passed the House of Representatives on 24th June. This measure is more to provide a reserve fund, than a permanent circulation. The Treasury may not need the money, and of course the notes will be paid out only to meet the exigencies of the government. In the mean time, gold has gone up to 8, 8½, 8¾ per cent., and heavy shipments have been made to Europe.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII. NEW SERIES.

AUGUST, 1862.

No. 2.

RESTORATION OF BANK CREDIT IN NEW-ORLEANS.

THE banks at New-Orleans felt compelled, in 1861, to suspend specie payment, and to deal thereafter in the notes of the Confederate States. Upon the arrival of Major-General BUTLER in New-Orleans, as commander of the United States forces, he issued an order to the several banks to discontinue the use of Confederate notes, and to pay their creditors in "bills of the bank, United States Treasury notes, or gold and silver."

The order was a salutary one, and has had the effect to restore the bank credit of that important city, and to extinguish the spurious paper circulating there by authority of the Confederate government.

The Bank of Louisiana took exception to the order, and addressed a letter to Major-General BUTLER, as follows:

No. 148 Canal-street, May 21, 1862.

Sir,—The board of directors of the Bank of Louisiana held a special meeting this morning, in order to take into consideration your order No. 30. The meeting was full, with the exception of a single member; for all were impressed with the gravity of the question about to be submitted.

The result of their deliberations was the adoption of certain resolutions, which I have now the honor to submit to you.

At the same time I was instructed to make a few observations in explanation of their course, and especially to disclaim and disavow the justice of any imputation affecting their rectitude, integrity or honor. As a proof of their confidence in their disinterestedness, they invite the most searching examination of all their books, including the minutes of their proceedings, and of every act of their administration, even their private accounts with the bank, by any competent person whom you may select for that purpose; and they are willing to abide the result, either as officers or as individuals.

In discharge of their difficult and delicate duties, knowing and feeling that their intentions were pure and upright, they have an abiding confidence of their exculpation from the influence of all sordid or selfish motives.

If required, I will wait on you, and afford every explanation in my power.

I have the honor, &c., &c.,

W. NEWTON MERCER, *President pro tem.*

Major-General BUTLER, U. S. A., &c., &c.

Note.—Of the capital stock of the bank, 28,000 shares, the directors own about one-tenth. To the bank they owe nothing.

RESOLUTIONS OF THE DIRECTORS.

Bank of Louisiana, May 21, 1862.

As this bank is unable to comply with the conditions and act under the restrictions imposed upon it by order No. 30, issued by General BUTLER, and as imputations have been cast upon the conduct and characters of its directors—

Therefore, *resolved*, unanimously, That General BUTLER be invited to appoint some competent person, in whom he has confidence, to examine thoroughly the condition of this bank since its suspension of specie payments, as well as the action of its directors since the first day of September last.

That the cashier be instructed to give to General BUTLER's agent, if one be appointed, every facility for such an examination of all its books, papers, vaults, desks and drawers, and to afford him every information touching the administration of this bank during the period already mentioned, together with an inspection of the private accounts of the directors.

That, in the mean time, till General BUTLER's final determination be ascertained, the operations of the bank must necessarily be suspended, as it has in its possession none of its own issue, and only a very small amount of coin.

I certify that the action above mentioned was held this morning by the Bank of Louisiana.

W. NEWTON MERCER, *President pro tem.*

New-Orleans, May 21, 1862.

To this letter and the resolution General BUTLER answered as follows:

HEADQUARTERS, DEPARTMENT OF THE GULF,
New-Orleans, May 22, 1862.

W. NEWTON MERCER, Esq., *President of the Bank of Louisiana:*

Sir,—I received your communication covering the unanimous action of the directors of the Bank of Louisiana. To their request that I would appoint a commission to examine the affairs of the bank I cannot accede. With the mismanagement or the contrary of the bank I have nothing to do, except so far as either affects the interest of the United States.

The assigned reason for the call for this examination, that "the in-

tegrity and good faith of the directors have been impugned," will not move me, if you refer to general order No. 30, which speaks of acts and facts, not motives.

Your note says that the directors own but one-tenth of the capital stock of the bank. Without consulting the owners of the other nine-tenths—nearly three millions of dollars—this one-tenth took this immense wealth from its legal place of deposit, flying over the country in company with fugitive property burners, among the masses of a disorganized, retreating and starving army, whence it is more than likely never to return. Again, the time it would take to make an investigation, which would show the good management, to say nothing of the purity of motive of such a transaction, cannot be spared by any officer of my command. *Ex uno disce omnes.*

The directors of the Bank of Louisiana have all seen general order No. 30, and have acted upon it as a corporation. So your note shows.

They will now advise themselves whether they will act in accordance with its requirements, upon their corporate or individual peril, and inform me within six hours after the receipt of this of their determination.

I have the honor to be, respectfully, your obedient servant,

B. F. BUTLER.

The firmness and decision of the above epistle settled the matter before you could say "Jack Robinson," and drew out the following answer from the president *pro tem.* :

BANK OF LOUISIANA, *New-Orleans, May 22, 1862.*

To Major-General B. F. BUTLER, Commanding Department of the Gulf:

Sir,—I have received your communication of this day, in answer to my letter accompanying the proceedings of the directors of this bank.

The board of directors were immediately summoned to a special meeting; and as you leave no alternative but compliance with your mandate, they will conform to order No. 30.

Respectfully, your obedient servant,

W. NEWTON MERCER, *President pro tem.*

In order to show the state of feeling at New-Orleans, following the order from General BUTLER, we republish the remarks of the *New-Orleans Commercial Bulletin*, made ten days after the order was promulgated, viz. :

"*Finance and Commerce in New-Orleans.*—The week and month close upon a languid and unsettled money market. Capital is again becoming abundant, but there is no demand whatever for it, and no indication of any improvement in business that is likely to lead to heavy financial movements till after our political troubles are definitely settled. Monday being the last day prescribed by General BUTLER for negotiation in Confederate currency, some exceedingly large amounts of it changed hands, principally in settlement for stocks and insurance scrip, which had been purchased at the public sales on the previous Saturday, after which the demand for these securities entirely ceased. Both buyers and sellers have since appeared to be unwilling to enter into new engagements.

The present currency consists of city and bank bills, gold and silver coin and United States Treasury notes, and the circulation of all shipplasters or change bills that have been amply secured is permitted by the military commandant till such time as the city treasurer shall be able to redeem those now outstanding in current funds. All further movements in private bills, whose ultimate payment has not been provided for according to the requirements of the finance committee of the city council, are strictly prohibited; but we are pleased to learn that most, if not all, of the issuers of the latter class are themselves redeeming them in current notes as fast as presented. There have been no offerings, and consequently no sales of commercial or mortgage paper during the week, and transactions in specie have been of too restricted a character throughout to establish quotations, while receipts of uncurrent bank notes from other Southern States were at no time much better than nominal, and the movement in exchange continued wholly suspended. There are no foreign bills of any kind now upon the market, and we hear of but one party who is ready to sell domestic in sums to suit purchasers.

A considerable diversity of opinion still exists as to the amount of reduction which should be made on the inflated prices heretofore demanded in Confederate notes for all of the various articles of trade; but the matter will doubtless soon adjust itself, and rates will be graduated to correspond with the improved condition of the currency of the city. To-day Messrs. PALFREY & Co. tested the affair by offering for sale at public outcry some small lots of stocks, bonds and insurance scrip, with the following result: Ten shares of Bank of America stock were knocked off at 103; 35 do. Bank of Louisiana at 120; 10 do. City Rail-Road Company at 55; six \$1,000 6 per cent. Louisiana State bonds at \$810, flat; \$500 Crescent Insurance Company's scrip, do. 1859 at 85; 500 do. at 9; \$190 Citizens' do. of 1856 at 61; \$630 do. of 1858 at 61; \$130 Louisiana do. of 1861 at 55; \$90 New-Orleans do. of 1860 at 55, and \$300 Crescent do. of 1861 at 70, all payable in the present ruling currency. On the 24th inst. the same classes of securities were disposed of for Confederate notes at the following figures: Bank of America stock at 190; Bank of Louisiana do. at 221; City Rail-Road Company at 290; Crescent Insurance Company's scrip of 1859 at 141, and of 1861 at 125; Citizens' do. of 1857 and 1858 at 95; Louisiana do. of 1861 at 110, and New-Orleans do. of 1860 at 105. There have been no further proclamations issued from the military headquarters touching financial questions since our last, but General BUTLER has ordered the officers of the Southern Bank to pay all their depositors henceforward in current funds, United States Treasury notes or gold and silver; and the Provost Judge has decreed that the Louisiana State Bank shall pay a depositor in current funds who had an amount of gold to his credit at the date of the suspension of the bank, and subsequently withdrew from it, in Confederate notes, the balance due to him, having been refused the same in specie or specie paying funds. The sales of sugar on Saturday included 58 hhds. at auction, by B. TURPIN, as follows: 9 hhds. good common at 3 c.; 30 good fair at $4\frac{1}{2}$ @ $4\frac{1}{2}$, and 19 hhds. white at $7\frac{1}{2}$ @ $7\frac{1}{2}$. We remarked in our weekly review that, with an increased supply of tonnage, freights must decline; and with a decline in freights sugar must improve.

HISTORY OF THE BANK OF ENGLAND.

By JOHN FRANCIS.

[Continued from page 48, July No.]

CHAPTER XV.

By the regulations of the mint, the price of standard gold was £3 17s. 10½d. per ounce. In 1809, however, it rose to £4 9s. and £4 12s. in the market. The bank paper was correspondingly depreciated. The enemies of the corporation proclaimed that this arose from the over-issue of its notes. Some attributed it to the war, which occasioned a large exportation of gold. Others, again, thought these opinions wrong, and that it arose from something else, which would correct itself; only, as Mr. HENRY THORNTON remarked, "it had not yet done so." All agreed that it would be advisable to inquire into its origin, and Mr. HORNER moved for accounts relative to the circulation. From this arose the famous bullion committee. The following is a portion of the report:

"The directors of the Bank of England have exercised the new and extraordinary discretion reposed in them since 1797, with an integrity and regard to the public interest, according to their conceptions of it, and, indeed, a degree of forbearance, in turning it less to the profit of the bank, than it would easily have admitted of, that merit the continuance of that confidence, which the public has so long and so justly felt, in the integrity with which its affairs are directed, as well as in the unshaken stability and ample funds of that great establishment."

The result of the deliberations was made known in the following words:

"That there is at present an excess on the paper circulation, of which the most unequivocal symptom is the high price of bullion, and next to that, the low state of the continental exchanges; that this excess is to be ascribed to the want of a sufficient control in the issues* of the Bank of England, and originally to the suspension of cash payments, which re-

* It is certainly true that a paper circulation, issued by a government, and increased according to its wants, has often been found in other countries, and undoubtedly would be found in this, a very powerful temporary resource. Such a mode of retaining resources has, however, always been reprobated, not only as adapted exclusively to a tyrannical or a revolutionary government, from the unlimited extent to which it may be pushed, but as extremely oppressive and unequal in the manner of its operation, and as giving a most unfair advantage to the profuse debtor over the thrifty creditor. Whatever objections, however, may be made to it on these grounds, it is, beyond all doubt, a system of taxation (for this is its true character) calculated to afford, for a short time, very powerful and effective resources. Let them read



moved the natural and true control." "Your committee, therefore, report it as their opinion, that the circulating medium of this country ought to be brought back, with as much speed as is compatible with a wise caution, to the original principle of cash payments, at the option of the holder of bank paper. Your committee have understood that remedies or palliatives of a different nature have been prescribed, such as a compulsory limitation of bank advances and discounts, during the suspension, or a compulsory limitation of the bank dividends, by carrying the surplus to the public account. But such schemes, in addition to other reasons, would be objectionable, as a most improper interference with the rights of commercial property. According to the judgment of your committee, no sufficient remedy for the present, or security for the future, can be pointed out, except the repeal of the law which suspends the cash payments of the Bank of England."

"In effecting so important a change, some difficulties must be encountered; and there are some contingent dangers to the bank, against which it ought most strongly to be guarded. But they may be provided for by restoring to the bank the charge of conducting and completing the operation, and by allowing the bank an ample period for conducting it. To the discretion, experience and integrity of the directors of the bank, Parliament may safely intrust the charge of effecting that which it may determine upon as necessary. The directors of that great institution, far from making themselves a party with those who have a temporary interest in spreading alarm, will take a much larger view of the permanent interests of the bank, as indisputably blended with those of the public."

The committee concluded by recommending the lapse of two years previous to removing the restriction, and an issue of notes for less than £5, for a short time after the return to cash payments.

The state of commerce in Great Britain demanded serious attention in 1811.* Considerable distress existed. The markets in South America, the Brazils, and other parts, had been opened to English adventure. Great hopes were entertained, and great ventures made. Extensive ex-

the whole essay, and then say whether it is not clearly Hume's opinion that the most certain way of producing that poverty, beggary and sloth which he describes, is a profuse issue of bank paper, an intemperate use of an excessive stimulus, which, from its very nature, cannot admit of being continued.—*Edinburgh Review, August, 1811.*

* The House of Commons had, on the 13th of May, 1811, declared, in a resolution, that the promissory notes of the Bank of England had hitherto been, and were, at that time, held in public estimation, to be equivalent to the legal coin of the realm, and generally accepted as such in all pecuniary transactions to which such coin was legally applicable; yet, in so short a time as six or seven weeks, the ministers found it necessary to interfere in support of this equivalency, not only by the most indecent clamor, but by the most formidable legal obstacles; while, at the same time, the measures which they proposed and carried, avowedly in consequence of the decision of the judges in the case of *Dr YONGE*, clearly and unequivocally evinced that the fact stated in the resolution alluded to had been occasioned entirely by the laudable unwillingness of British subjects to violate what they conceived to be the law; and that those who had voted for it were conscious that as soon as this fear was removed, the public estimation would be as different as possible from that which had been asserted.—*Edinburgh Review, March, 1811.*

ports took place to those countries and to the West India Islands, which, not meeting with a ready sale, ruined the shippers, and prevented them from paying the manufacturers, who had the bills returned upon them.

No sooner is a new sphere of operation opened, than the manufacturing interest appears to lose its usual keen discrimination. The thoughtful energy which ordinarily characterizes it degenerates into an unwholesome excitement, and a spirit, not of trade, but of speculation, ensues. It was thus with these exportations. In a few weeks more goods were sent out to Buenos Ayres and the Brazils than had been consumed there in the previous twenty years. The warehouses were filled with the most valuable produce. On the arrival of fresh cargoes, there was no space to contain them; and while the brain of the exporter was filled with visions of eager purchasers, and of cent. per cent. profits, his merchandise lay exposed to the winds and the waves on the beach, with every chance of deprecation and of damage. Exquisite services of china and of cut glass were forwarded to those who had been accustomed to the primitive horn, or to the yet more natural cocoanut shell; and as golden mines formed the invariable accompaniments of the Brazils in the fancy of the English trader, tools, with a hammer on one side and a hatchet on the other, were sent out, under the idea, says Mr. McCulloch, from whom this information is collected, "that the inhabitants had nothing more to do than to break the first stone that they met with, and then cut the gold and diamonds from it."

If the old jest of sending out warming-pans to Jamaica be untrue, it is at least certain that, at this time, the people of that warm climate were presumed to be proficient in the use of skates, as some of the speculators sent out this article with an eagerness that could only be surpassed by their ignorance. The effect on the merchant and the artisan is obvious. Some manufactories were closed. Half the operatives were dismissed from others. In many the workmen found their wages reduced; and the mischief thus fell upon the class which were least able to support it. The merchants who had exported beyond their capital were gasseted. In many instances it was known that they would pay in full; but in the mean time master and man were alike depressed. The prices of goods fell 40, 50 and 60 per cent. Want of confidence was also keenly felt. Some of the Scotch banks* contracted their business, contented with retaining their capital, in preference to running any risk in the pursuit of profit. This, although only a few acted so, added to the misery in that country.

* That great and sudden, and therefore perilous fluctuations have taken place in the currency of Scotland, is placed beyond all question by the returns made by the three principal Scotch banks to the committee of the House of Commons in 1819. For example, the British Linen Company state that, assuming the number 1,000 to represent the amount of their notes in circulation on the 5th of January, 1810, they had increased to 1,410 on the 7th of January, 1814, and had again fallen to 927 on the 2d of January, 1818; being an increase of upwards of forty per cent. in the course of the first four years of that period, and a decline of thirty-five per cent. in the course of the next four years. This, however, is not the greatest fluctuation: for, while the issues on the 2d of January, 1818, are represented by the number 927, they had increased to 1,334 on the 1st of January, 1819; being a rise of no less than forty-two per cent. in the course of a single year.—*Edinburgh Review*, Feb., 1826.

A meeting of the merchants of London was convened, which, after entering into a specification of the causes of the distress, concluded by recommending a loan of exchequer bills.

The attention of Parliament was drawn to the subject. An advance of six millions was authorized by them on the principles which had guided the loan of 1793, in sums of not less than four thousand pounds. Few houses, however, could give the requisite security, owing to the decreased value of merchandise; and bankruptcies were numerous.

On the 6th of May, 1811, Mr. HORNER brought forward his resolutions founded on the report of the bullion committee, with a view to produce a resumption of payments in specie. The speech has been happily eulogized by Lord BROUGHAM as a finished model of eloquence applied to such a subject. Anxious that his speech should not appear to blame the bank, Mr. HORNER gave it a testimony which, from a mind so well versed in monetary subjects, is worth recording. "No man who has ever attended to the distresses which, in various parts of our history, war has produced, can doubt for a moment that from the Bank of England, not only the government, but the commercial credit of the country, has received the most important assistance. It is to that assistance alone, so beneficially rendered on so many trying occasions, that in the prospect of similar exertions and efforts on the continent we can look for support. The interests of the Bank of England, therefore, form a great and integral part of the public credit of the State." The debate occupied several sittings. The opinions which were propounded were as various as opinions upon the currency have ever been; and the resolutions were lost by a vast majority.

The publication of the bullion report* was stated to have produced mischievous consequences. NAPOLEON'S decrees, which had been leveled at our commerce, and had forbidden the importation of any English manufactures, had not effected the anticipated result. The enterprise of Great Britain sought other ports; her gold still subsidized her opponents; her energy remained uncrushed; her enduring courage proved, on many well-fought fields, that she was as fearless now as when, centuries before, she met her ancient enemy on his own soil; or, at a later period,

* On the whole, therefore, it appears to us that the restoration of cash or bullion payments affords the only effectual security against depreciation, and against sudden and pernicious fluctuations in the value of our paper money; and the way in which it would produce these effects is sufficiently obvious. For the run that would then be made on the bank for specie for exportation, whenever the currency, as compared with that of other countries, had become redundant, would very quickly compel the directors to limit their issues, and consequently to raise the value of their paper. An extremely small profit is sufficient to set the bullion merchants, and a still smaller one to set the melters of the coin to work; and, therefore, the value of a paper currency, convertible at pleasure into a given quantity of the precious metals, can never differ considerably from their value in the country where it is issued; and all the difference that can take place, in the value of gold and silver currencies among nations trading together, will generally be limited to the expense of the transfer of bullion from the one to the other. If it exceeds this sum, an inducement to importation is held out; if it is less, it will be profitable to export; and in either case, the equilibrium of value will be very soon attained.—*Edinburgh Review*, vol. 81, p. 66.

battled with him beneath the shadow of the pyramids. Despairing of success, and finding himself more injured than injuring, the ruler of France was on the point of abandoning his anti-commercial policy. Subsequently, when he read the declaration of the depreciation of our currency, the necessity of returning to specie payments, and the mischiefs inflicted on this country by its paper not being convertible into cash, he persevered with increased energy.

On the 13th of May, 1811, Mr. VANSITTART* brought forward and carried his celebrated resolutions, to the effect, that the price of gold had advanced, but that the value of bank notes was not depreciated. The debate is worthy perusal, from its occasionally indecorous scenes and strange language; nor will the reader's patience be much tired by the following specimen of a speech, made upon the currency, in the great deliberative assembly of the national council. The speaker was a Mr. FULLER, who said, "I don't like this business at all. I think it is a humbug. There is no depreciation, or I know nothing about the matter. I can't understand how they would make out that there is any depreciation of the currency. No, sir, this is all the attempt—this is all the system of the base faction, the cowardly faction, who are undermining the credit of the country. Yes, sir, the faction that originates every thing malevolent to —; but, sir, I go to other things. Some gentlemen say, sir, the guinea was once worth 20s. It is now worth 21s.; and some say it is worth 24s. Why, then, if this be the case, why not say so? Why not speak out? Why not raise the guinea at once to 24s.? I don't pretend to puzzle myself with these things; but I say, let the country be firm; let the country keep up the credit of its currency, and all will go well. There are various reports as to what goes with the gold; some say it has disappeared; and some say it has been hoarded on the sea-coast, in order to send it off by the first boats that come, to take it to the continent. No matter for that. What should hinder us from having a circulation of our own, that nobody can take from us? The people would make no objection; they would take any thing for money; they would take tallow candles for change, if they would not melt in their pockets. If we once adopt this plan, we may defy the enemy as long as we like. We can make coin of leather or oyster-shells; and, if we can only keep up its credit for a year, we shall have BONAPARTE on his knees at the end of it. He, that tyrant, the Emperor of France himself, will be in despair of ruining us. I wish I could see a gentleman here. I mean, Mr. Speaker, I wish I could see a gentleman in his place that was here the other night, when we were talking about playhouses. A great man, a noble person, sir; I would have given him a hundred playhouses. Sir, he always came forward; he always spoke when there was a mutiny—when there was a

* The plan of finance proposed in the year 1813 by Mr. VANSITTART, and adopted by Parliament, is a modification of Mr. PITT's sinking funds; and, among other objects, is intended to rescind the alterations which have been made in these funds, as originally established in 1786 and 1792, by subsequent acts of Parliament, and restore them, as far as practicable, to the state in which they would have stood if no such alterations had taken place. It will be proper, therefore, to recapitulate the original enactments and alterations, in order to render the new system more clearly intelligible.

riot; wherever, in short, the country was in danger, he forsook his party and spoke his mind.* He would have put down this mean, conspiring set, sir. I wish to set my face against the whole scheme. It grieves me to see the time of the house taken up night after night. It grieves me to see so much labor and sweating about this bullion report. Why, sir, it won't make a bit better appearance in the papers than that nonsensical dispute between you and me."†

Mr. FULLER was probably what is termed a "thick and thin" man. Sir JOHN SINCLAIR followed in a speech, which tended to prove the advantages of a paper issue, from the great prosperity at home and success abroad; intimating, at the same time, an idea that the metallic frenzies of the bullion committee might be cooled to advantage in the Thames, the Tweed, or the Shannon.

This year was remarkable for a letter of Lord KING,‡ addressed to his tenantry. So open an attack upon the issues of the bank could not be passed over in silence. It excited great censure from one party and praise from another, and occupied the attention of the legislature no less than that of the people. It ran as follows :

"By lease, dated 1802, you have agreed to pay the annual rent of ———, in good and lawful money of Great Britain. In consequence of the late depreciation of paper money, I can no longer accept of any bank notes at their nominal value, in payment for satisfaction of an old contract. I must, therefore, desire you to provide for the payment of your rent in the legal coin of the realm; at the same time, having no other object than to receive payment of the real intrinsic value of the sum stipulated by agreement, and being desirous to avoid giving you unnecessary trouble, I shall be willing to receive payment in either of the manners following, according to your option.

"1st.—By payment in guineas.

"2d.—By a payment in Portugal gold coin, equal in weight to the number of guineas requisite to discharge the debt.

"3d.—By a payment in bank notes of a sum sufficient to purchase, at the present market price, the weight of standard gold requisite to discharge the rent. The alteration of the value of paper money is esti-

* Mr. SHERIDAN was the individual alluded to.

† Mr. FULLER here referred to a recent scene of indecorous altercation, in which he, being heated with wine, had attempted to throw a chair at the Speaker, on which account he was committed to the custody of the serjeant-at-arms.

‡ The *Edinburgh Review*, of August, 1811, (p. 463,) says upon this letter, viz. : "We confess, that when we first heard of the notice which Lord KING's requisition to his tenants had excited, we were disposed to regret that the event had happened, not because we did not think that the proceeding was perfectly equitable and honorable, but because we thought that, in the actual state of the knowledge and temper of the administration, it would lead immediately to the making of bank-notes a legal tender." The reviewer further says : "And yet it is because an individual has resorted to a remedy thus left open by the legislature for the most just and obvious purpose, and because it has been determined by the judges that the laws of England, as hitherto constituted, will not sanction the degradation of the legal coin of the realm, to whatever value in exchange a banking company may choose to give to their notes, that the late act to make bank notes equivalent to guineas has been passed, and that the further measure is threatened of making bank notes a legal tender."



mated in this manner. The price of gold in 1802, the year of your agreement, was £4 per ounce; the present market price is £4 14s., arising from the diminished value of paper. In that proportion, an addition of £17 10s. per cent. in paper money will be required, as the equivalent for the payment of rent in paper.

“KING.

“N. B.—A power of re-entry and ejection is reserved by deed, in case of non-payment of rent due. No draft will be received.”

This notice was too important and significant to escape animadversion. It struck at the very root of the declaration that bank notes retained their original value, and was, therefore, warmly debated in the upper house. But the descendant of the illustrious LOCKE was not a man to be daunted from the path he had chosen. He boldly defended his circular, asserted the depreciation of the bank note, and maintained the superior value of the metal. It appears by the following extract from the “*Morning Chronicle*” of 1802, however, that the idea of his lordship had previously occurred to others:

“Thursday being the general licensing day for victuallers, in the parish of St. Martin's-in-the-fields, the publicans received previous notice that they must pay the usual licenses in hard cash, as no Bank of England notes would be taken.”

If this paragraph may be relied on, the claim of novelty is lost to Lord KING. The difficulty was, however, met by Lord STANHOPE proposing a resolution, declaring it illegal to receive or give more than 21s. for a guinea, or less than 20s. for a one pound note.

“The bank,” said the earl, “is one of the bottom planks of the ship of England, and woe be to us if we permit it to be bored through.” Lord HOLLAND defended Lord KING, and said that it was a most judicious act, as he was only doing that which the claims of himself and his family demanded, and that he acted according to the law of the country. Lord GRENVILLE eulogized the character of Lord KING, his public spirit, his great information, the remarkable extent of his acquaintance with the subject discussed, and spoke of his private virtues and his general benevolence of disposition. Among other remarks, Lord KING said: “I saw no course left but to give up my property, or hold it at such value as the bank, in its good pleasure, might put upon it, or to avail myself of the means which the law yet affords me for its preservation.”

When produced before the lower house, a warm discussion was created. Opinions, varying as much as the views of the speakers, were enunciated. It was said by some that the bank note had not depreciated at all; it was asserted by others that it had decreased immensely. Some honorable members avowed their belief that if the bill should pass, the glory of England would pass with it; while others expressed their conviction that it was the only chance the country possessed of maintaining its greatness. Many took the opportunity of prophesying that which time has proved to be false; while others contented themselves with contradicting their opponents, and uttering oracular sayings, more distinguished for vagueness than for wisdom.

The resolution was materially altered by the ministers, and only about five lines left unchanged of his lordship's bill, which, however, retained its purport and original intention.

LORD KING, on the third reading, asserted that the law would create additional mischief, and great inconvenience; that landlords would now refuse to grant leases; that the bill could not effect its object, or retard the depreciation of bank notes. LORD ELDON gave his powerful sanction to the act, and declared that the claim of LORD KING, in the letter of the latter to his tenantry, was oppressive and unjust, and that the bill was necessary to prevent such grievous wrong. The following forms part of his speech: "The restriction act of 1797 interfered so far with individual contracts, as to say that a debtor should not be arrested if he tendered his debt in bank notes;* the justice of that enactment has never been disputed, and is it now to be said, that a tenant shall have his goods or stock seized because he cannot pay in gold, which is not to be procured? Let us suppose a young professional man, struggling with the world, who has a rent to pay of £90 per annum, and who has £3,000 in the bank, in the three per cents. His lordship demands his rent in gold, but the bank refuses to pay the tenant his dividend in gold. Would not the tenant have a right to say, 'as a public creditor I am refused any other payment than in bank notes; but here is a legislator—one of those by whose act of Parliament I am thus refused to be paid except in bank notes—insisting upon my paying him his rent in gold, which I cannot procure; and because I cannot procure it, my goods are to be distrained?' Would not this be a grievous oppression? Surely so long as it should be expedient to continue the cash suspension act of 1797, this present bill must become a part of it; for otherwise there would be no equality in the situation of different contracting parties, nor would equal justice be dealt out to those who had an equal claim to it; as there could be no justice in leaving the tenant, who had tendered bank notes, exposed to be distrained upon by his landlord, whilst the debtor in other cases, who had tendered bank notes, was exempt from arrest. I am peculiarly situated with respect to this question, having the official care of twenty-five millions of the property of his majesty's subjects, and without the means

* The Edinburgh reviewer says of this questionable policy:

"All the other processes for recovering a debt in the legal coin of the realm were left open; which was, in our opinion, clearly and distinctly to point out the precise remedies which the legislature intended should be taken, if at any time the currency really became depreciated, and the debtor proposed to pay his creditor in a medium decidedly of less value *than that in which he had contracted to pay him.*"

This depreciation of the Bank of England issues was attributed to the suddenly increased circulation. The reviewer says: (p. 452, May, 1811:)

"And lastly, the paper issues of the Bank of England have, during the short space of the last three years, received an addition of more than *ONE-THIRD* of this amount in 1808; while for the whole course of six years before, that is, from 1802 till the latter end of 1808, the average amount had been nearly stationary."

This increase was accompanied by an increase of dividend from seven per cent. per annum (1788 to 1806) to ten per cent. from 1807 to 1821.

The bank stock which, in 1797, 1798, was quoted at 115 to 145, suddenly increased in 1806 to 228; in 1807, to 235; and in 1809, (pending the enlarged volume of the circulation,) to 288 per cent., or 188 per cent. advance on the par value.

of enforcing the payment of any part of that sum except in bank notes."

The bill, which was limited to the 25th of March, 1814, passed, and enacts "that the taking of gold coin at more than its value, or bank notes at less, shall be deemed a misdemeanor."

A protest was entered, "as manifestly tending to the compulsory circulation of a paper currency; a measure necessarily productive of the most fatal calamities." Lord HOLLAND added, that "he made it also, because, in his judgment, the repeal of the cash suspension act was the only means which could cure the yet greater calamities which were impending, from the present state of the circulation of the country."

At one period in 1811* the market price of gold touched £5 11s., and the bank note sunk to 14s. A regular traffic was maintained; guineas were bought at a premium, and bank notes sold at a discount. In spite of Lord STANHOPE'S act, the traffic continued. While the mint coined, there were always exporters ready to take advantage of the exchanges; it was, indeed, according to one of the members, only a contest which would tire first. "The havoc which the depreciation had made with all the dealings of men," says Lord BROUGHAM, "was incalculable. Those who had lent money when the currency was at par, received the depreciated payment, and lost thirty or forty per cent. Those who had granted leases received only two-thirds of their interest, and were liable to be paid off with two-thirds of their capital." The following will give some idea of the necessity of the restrictions which had been so often placed on specie payment. "BONAPARTE," says "KNIGHT'S History of England," "never took the field without carrying an immense military chest with him, and this chest, from obvious motives of convenience, was always filled and replenished with gold. On starting on a campaign, the French officers, and even those of the soldiers who had money, were all eager to convert it into gold, some of which was carried with them, and some secreted at home. In France, all cautious persons accumulated all the gold specie they could, to conceal and keep it for the evil hour. Nearly all over the continent the insecurity of property, and the dread of forced contributions, and of less regular plunder, had induced the habit of hoarding and hiding; and gold was bought up and sought for at a constantly increasing price, to be buried in the earth or concealed in secret recesses.

* With the exception of the misery occasioned by the destruction of the assignats in France, we do not think that the misery and subversion of private fortunes, occasioned by the late sudden reduction of bank paper in this country, has ever been paralleled. Nor was this misery of a temporary or evanescent character. Its pernicious effects will long continue to be felt, not only by individuals, but by the nation at large. During the period in which the depreciation was greatest, the State borrowed several hundred millions. And it will now have this money, which was borrowed when a bank note was not worth more than 14s. or 15s., to pay, when its value is at par. All those taxes, too, which were imposed when the currency was thus reduced, must now, though not nominally, be really increased. And it may be questioned, whether, making allowance for the difference in the value of money, the country was not less heavily burdened in 1812 and 1813, than it is at this moment, notwithstanding we have now got rid of the income tax and war malt duty.—*Edinburgh Review*, 1818.

In this matter, as in others, Europe was returning to her ancient barbarism, or to the condition of the despotic nations of the earth, where so large a proportion of the precious metals is constantly withdrawn from circulation and kept hidden. In 1812 and 1813,* as much as six Spanish dollars could be obtained in any part of the Mediterranean for an English guinea. With such a temptation to send gold abroad, it was not likely that English traders and speculators should be prevented from sending gold to the best market. Even in England, Scotland and Ireland, the practice of hoarding specie, during the whole of this revolutionary war, was far from being uncommon. Again, every English officer, traveler, or merchant, that went abroad, endeavored to carry with him some gold, as a *corps de reserve*, in case of capture by the enemy, or of other accident. Through all these causes united, a guinea, half a guinea, or seven shilling piece had become a rare sight in Great Britain."

A rise of ten per cent. in the current value of the stamped dollar took place in the same year. In consequence of the advance in the price of gold, the dollars circulated by the bank sold for more, as bullion, than their rate as coin. To remedy this evil, a notice was published by the directors that they would receive all bank dollar tokens at the rate of 5s. 6d. each, instead of 5s. The same notice advertised that, for the future, they would be issued from the bank at the increased price. Some of the members of the House of Commons animadverted strongly upon this announcement; but they were silenced by the reply of Mr. MANNING, one of the directors, "that the arrangement would cost the bank fifty thousand pounds, and put as much into the pockets of the public." In the latter part of the year, in consequence of great inconvenience experienced from the absence of small change, the bank issued large quantities of silver tokens at 5s. 6d., 3s. and 1s. 6d.

The extensive circulation of these tokens rendered some protection from counterfeits necessary. A bill was, therefore, passed to this effect, and Lord STANHOPE's act of the previous year was continued until three months after the opening of the next session. A clause was proposed by Lord ARCHIBALD HAMILTON for confining the dividend of profits to proprietors of the bank to £10 per cent., in order to give them an interest in the recommencement of specie payment. This was negatived; and Mr. SPENCER PERCIVAL carried an amendment in its place, by which the landlord was deprived of the right of ejectment after a tender of bank

* But it would be worse than idle to set about proving by argument a fact so notorious as the prodigious diminution of bank paper in 1814 and 1815. In this period above two hundred and forty country banks became altogether bankrupt, or at least stopped payment. The Board of Agriculture estimated, that in the county of Lincoln alone, above *three millions* of bank paper had been withdrawn from circulation; and the total diminution of the currency during 1814, 1815 and 1816, has never been estimated at less than *twenty millions*, though it probably amounted to much more. Mr. HORNER, the accuracy and extent of whose information cannot be called into question, made this statement on the subject, in his plan in Parliament:

The diminution of the issues of paper is the grand point to be accomplished; and from whatever quarter it may come, or from whatever point it may be prompted, we shall hail it with joy and gladness, as the only specific for the present disordered state of the currency.—*Ed. Rev., Dec., 1818.*

notes from the tenant, and, in 1814, the bill of Lord STANHOPE was protracted during the bank restriction act.

The frequent motions made by Mr. PASCOE GREENFELL relative to the Bank of England, some to limit the profits, and others to procure accounts and documents from the corporation, must be familiar to the readers of parliamentary history. Though the motions were almost invariably negatived, and the good or evil tendency of a regular publication of the affairs of the establishment is a disputed question, there can be little doubt, from the decided ability with which they were conducted, that they tended greatly to prepare the public mind for the system which prevails at present. Among other things, he contended that the bank did not pay sufficient stamp duty, and, in 1815, the chancellor of the exchequer announced that he had negotiated with the bank on the subject of a composition for stamps on their notes, the result of which would be communicated. The arrangement formed was on the average of the circulation during the preceding year—the principle being that the bank should pay £3,500 for every million sterling issued of their paper.

On the 21st of February, 1814, the Bank of England and its neighborhood wore an appearance of great excitement. The military operations of BONAPARTE, by which he checked the great allied powers, had depressed the funds. Deep anxiety for the result was felt throughout England. On that day, however, although what is termed “a private day,” the clerks in all the stock offices of the establishment were busily employed in preparing transfers, which, contrary to the custom on such a day, poured in from the members of the stock exchange. Reports and rumors spread rapidly. Many of the transfers remained unfinished, as a plot, intended to deceive all London, was discovered in time to prevent their execution. The following is a brief narration of this important conspiracy.

On the 21st of February, 1814, about one o'clock in the morning, a violent knocking was heard at the door of the Ship Inn, at Dover. On being opened, the intruder announced himself as Lieutenant-Colonel DU BOURG, aide-de-camp of Lord CATHCART. His dress supported the assertion. The richly-embroidered scarlet uniform, the star on the breast, the silver medal suspended from his neck, the dark fur cap, with its broad band of gold lace, gave the wearer a military appearance. His clothes appeared wet with the sea spray, and he stated that he had been brought over by a French vessel, the seamen of which were afraid of landing at Dover, and had placed him in a boat about two miles from the shore. His news was important. BONAPARTE had been slain in battle. The allied armies were in Paris. A great victory had been gained, and peace was certain. He immediately ordered a post-chaise and four horses to be prepared, inquired the residence of Admiral FOLEY, and, with the appearance of great haste and excitement, wrote the following letter:

“To the Right Hon. T. FOLEY, Port Admiral, Deal:

“Sir,—I have the honor to acquaint you that *L'Aigle*, from Calais, PIERRE DUQUIN, master, has this moment landed me near Dover, to pro-

ceed to the capital with dispatches of the happiest nature. I have pledged my honor that no harm shall come to the crew of *L'Aigle*. Even with a flag of truce, they immediately stood for sea. Should they be taken, I entreat you immediately to liberate them. My anxiety will not allow me to say more for your gratification than that the allies obtained a final victory; that BONAPARTE was overtaken by a party of SACHEN'S Cossacks, who immediately slaid him, and divided his body between them. General PLATOFF saved Paris from being reduced to ashes. The allied sovereigns are there, and the white cockade is universal. An immediate peace is certain. In the utmost haste I entreat your consideration, &c. Signed,

"M. DU BOURG,

"*Lieutenant-Colonel, and Aide-de-Camp to Lord CATHCART.*"

A special messenger was dispatched to Deal; and the letter reached the admiral between three and four o'clock. The morning proved foggy, the telegraph could not work, and Admiral FOLEY was saved from an involuntary deception. Directly the letter was forwarded, DU BOURG entered the post-chaise, and, with every appearance of haste, departed for London. Wherever he changed horses the news was spread, and the post-boys rewarded with napoleons. On his arrival at Bexley-heath, the intelligence was acquired that the telegraph could not have acted; on which he told them not to drive so fast. He then added that the war was over; that BONAPARTE was cut into a thousand pieces; and that the Cossacks fought for a share of his body. At the Marsh-gate, Lambeth, he entered a hackney-coach, after informing the post-boys that they might spread the news as they returned. In the mean time information reached the stock exchange; and by a little after ten it was filled with rumors of general officers, dispatches for government, victories and post-chaises and four. Expresses from the various places where DU BOURG had changed horses poured into the principal speculators. The funds rose on the news. Application was made to the lord mayor, but, as his lordship had received no intelligence, they declined.

On the morning of the same day, about an hour before daylight, two men, in the habiliments of foreigners, landed in a six-oared galley, called on a Mr. SANDON, at Northfleet, and handed him a letter, purporting to be written by one whom he formerly knew, begging him to take the bearers to London, as they had great public news to communicate. The request was complied with. Between twelve and one o'clock in the afternoon of that day, three persons, two of whom were dressed as French officers, proceeded in a post-chaise and four, the horses of which were bedecked with laurel, over the then narrow and crowded thoroughfare of London bridge. While the carriage proceeded with an almost ostentatious slowness, small billets were scattered among the anxious gazers, announcing that BONAPARTE was dead, and the allies in Paris. Through busy Cheapside and crowded Fleet-street, the occupants of the carriage paraded their intelligence. They passed over the fine bridge of Blackfriars, drove rapidly to the Marsh-gate, got out, took off their military, put on round hats, and speedily disappeared. The news again spread

far and wide. The neighborhood of the stock exchange was once more full of exaggerated reports. The funds rose. What could resist such accumulated evidence? The aide-de-camp of Lord CATHERART, at Dover; two foreigners at Northfleet with dispatches; private expresses from various places, all tended to convince the members that there must be some foundation for the reports. Application was made to the ministry, but they knew nothing. Large bargains were made. The scene at the stock exchange is described by those who witnessed it as baffling all description. Yet still there was some doubt, so long as government remained ignorant of the important intelligence. And as hour after hour of anxious doubt passed by, it would be difficult to imagine the feelings of many who had suffered from the delusion. "To this scene of joy," says one, "and of greedy expectation of gain, succeeded, in a few hours, that of disappointment, shame at having been gulled, the clenching of fists, the grinding of teeth, the tearing of hair, all the outward and visible signs of those inward commotions, of disappointed avarice in some, consciousness of ruin in others, and, in all, boiling revenge." A committee was appointed by the stock exchange, and various circumstances tending to prove a conspiracy were discovered. On the Saturday preceding the Monday on which the deception was attempted, consols and omnium, to the extent of £826,000, were purchased for various individuals, many of whom were seriously implicated. A name known and loved in England was said to be included. Lord COCHRANE, endeared to the English people by the most gallant naval successes ever achieved, was, on the 21st of June, 1814, tried with some others at the Court of Queen's Bench, and sentenced to twelve months imprisonment. His lordship and another were fined £1,000 each. They were also, in addition, to stand one hour in the pillory; but this was remitted. The decision, with regard to Lord COCHRANE, (now Earl of Dundonald,*) excited great animadversion. A conviction was very generally expressed that there was some doubt, and the public feeling was disposed to accord him the benefit. This might, perhaps, have been a national sympathy towards one of the most gallant sailors in the royal navy. The actions of Lord COCHRANE have been rarely surpassed; and if, as he always steadily affirmed, and as many circumstances tend to prove, he was more sinned against than sinning, it is one of the most melancholy instances in modern record of great achievements being followed by great misfortunes. The name of COCHRANE, for the last thirty years, has been associated with fraud, because mankind are too prone to take on trust the traditions of their fathers. It is pleasant to be able to add, that the present sovereign has rewarded his lordship for his past sufferings, and evinced her belief in his innocence by restoring to him those honors of which he should never have been deprived.

* Public opinion subsequently acquitted Lord Dundonald of participation in the stock-jobbing movement. He died in December, 1860.

CHAPTER XVI.

PEACE OF 1815—CONTINUATION OF BANK RESTRICTION—COMMERCIAL DIFFICULTIES—
BONUS ON THE BANK CAPITAL—PARTIAL RESUMPTION OF CASH PAYMENTS—BULLION
COMMITTEE—LEGAL DECISIONS—MR. PEEL'S CURRENCY BILL—RETURN TO CASH PAY-
MENTS—THE DEAD WEIGHT—PENSION LIST—DIMINUTION OF DIVIDEND—PARLIAMEN-
TARY DISCUSSION—FORGERY OF FAUNTLEROY.

IN 1815 a universal song of triumph arose, from the prospect of that peace which had been denied to Europe for nearly a quarter of a century.* The terrible excitement of "the hundred days" had passed. The earth ceased to be nourished with human blood. The field of Waterloo, that field which was described by the great man there as a "battle of giants," had darkened every gleam of hope for him who in three years had destroyed the compact strength of Austria, crushed the military power of Prussia, and, by forcing the czar to sign the treaty of Tilsit, had placed the sceptre of the continent in his own hands. Throughout the world there was a general yearning after repose. The sight of an empty treasury was attended to when the voice of humanity was scoffed at. The tranquillity, which gave independence to Holland and freedom to the Swiss, which rewarded the guerilla of the Spanish hills and the patriot of Portugal for their unyielding defence of their country, was of no less importance to England. The relations of commerce, "the golden chain of nations," which tend to bind the whole earth in one tie of brotherhood, were once more resumed. Since then, civilization has asserted its proper influence. The development of science, for social benefit, its true end and aim, has rapidly progressed. The poor man is no more regarded as a serf. The horrors of war, and the ancient antipathies of nations, are passing into traditions. "Poverty preserved the peace of Europe," says an eloquent writer. The gold† which had kept

* The treaty of peace with the United States had been signed at Ghent, Dec. 24, 1814.

† Gold at one time (1812) reached £5 8s., a difference of 30 per cent. The annexed table shows the changes from 1809 to 1821. (DOUBLEDAY'S *Financial History of England*, p. 277.)

YEARS.	Price of Gold.		Dif'ce from Mint Prices.	Nominal Taxes.	Amount in Gold Curr'y.
	£	s. d.			
1809,.....	4	9 10	.. 16½ per ct.	.. 71,887,000	.. 60,145,000
1810,.....	4	5 0	.. 9 1-10 "	.. 74,815,000	.. 68,106,000
1811,.....	4	17 1	.. 24½ "	.. 73,621,000	.. 55,583,000
1812,.....	5	1 4	.. 30 "	.. 73,707,000	.. 51,595,000
Sept. to Dec., 1812,	5	8 0	.. 38½ "	.. ..	.. ..
1813,.....	5	6 2	.. 36 1-10 "	.. 81,745,000	.. 52,236,000
Nov., 1812, to Mch., 1813,	5	10 0	.. 41 "	.. ..	.. ..
1814,.....	5	1 8	.. 30½ "	.. 83,726,000	.. 58,333,000
1815,.....	4	12 9	.. 18 8-9 "	.. 88,394,000	.. 66,698,000
1816,.....	4	0 0	.. 2½ "	.. 78,909,000	.. 72,062,000
Oct. to Dec., 1816,.....	3	18 6	.. under 1 "	.. ..	.. ..
1817,.....	4	0 0	.. 2½ "	.. 58,757,000	.. 57,259,000
1818,.....	4	1 5	.. 5 "	.. 59,391,000	.. 56,025,000
1819, 4th Feb.,.....	4	3 0	.. 6½ "	.. 58,288,000	.. 54,597,000
1820,.....	3	17 10½	.. par.	.. 59,812,000	.. 59,812,000
1821,.....	3	17 10½	.. par.	.. 61,000,000	.. 61,000,000

the despot at bay, had been gained in greater proportions from the artisan and the sons of the soil, than from the master manufacturer or the country gentleman. The war, indeed, had affected all classes; and the Bank of England, in its different departments, had experienced its effect. The funds, which had drooped or risen from hour to hour, as good or bad fortune prevailed, had created business to an extent varying with the excitement of the period. The large advances to the State, the cessation of cash payments, the general prosperity of trade, made a period of hostilities a period of profit. The prospect, therefore, of recommencing payments in specie, to accomplish which it would be necessary to collect a large amount of bullion, was an important consideration. On the restoration of peace, however, the restriction was continued by a new act, until the 5th July, 1816, and was again renewed until July, 1818.

In 1814 the State repaid the three millions advanced in 1800 without interest, and continued in 1806 at three per cent., until six months from the ratification of peace.* The three millions also, lent without interest in 1808, became due in December, 1815. This money had been advanced principally in consideration of the large public balances in the bank. In consequence of these deposits remaining undiminished, the chancellor of the exchequer addressed a letter to the governor, claiming the continuance of the loan until April, 1816. This proposal was produced before a general court of proprietors, and agreed to.

A long list of declarations was entered on the books of the House of Commons, by Mr. MELLISH, affirmatory of the services rendered by the corporation to the State. It was chiefly enumerative of those which have been already alluded to, and were the result of some resolutions proposed

* In the fourteen years, from 1801 to 1814, the British army, navy and ordnance, had cost £650,000,000. To show the enormous burdens upon the English people at the close of the continental war, (1815,) when the population of the United Kingdom did not exceed twenty millions, it is only necessary to say, that the annual expenditure exceeded one hundred and twenty millions sterling, or about £6 per head. Their income was derived from the following sources. (See *British Annual Register* for 1816, pp. 429, 430. ALLISON'S *Europe*, vol. 4, p. 589, N. Y. edition.)

Customs,	£14,648,700
Excise,	80,107,000
Stamps,	6,492,800
Property tax, land and assessor's taxes,	23,189,000
Post-office,	2,350,000
Miscellaneous,	9,934,500
<hr/>	
Total taxes levied,	£ 86,722,000
From loans, year 1815,	89,422,000
<hr/>	
Total, year 1815,	£ 126,144,000

Mr. PITT contemplated the extinction of the whole public debt before the year 1846, by the operation of the sinking fund, and had provided means, which, if steadily adhered to, would unquestionably have produced that result even at an earlier period; the disastrous effects which have actually occurred from this mode of contracting so large a portion of the debt are not to be charged so strongly as an error in his financial system. In the contracting of loans, present relief was, in his estimation, the great object to be considered, because the means of certainly redeeming them within a moderate period, on the return of peace, were simultaneously provided.

by Mr. GRENFELL. Among others was one which stated that, during the existence of the income tax, the bank had made the calculations on the dividend warrants, deducted the money from the interest of the fund holders, and paid it in, without charge, to the account of the government, and that, in one year, the number of warrants from which this reduction had been made amounted to 565,600. The cost of this was very great; but it bore no comparison whatever to the enormous saving effected by the government, through the interference of the corporation.

The distress of 1811 had been relieved. The expulsion of the French from Portugal, and the noble achievements of our army in Spain, had once more unclosed the trade with the Peninsula. These, with other causes, again produced the temptation to over-trade. "The departure of the French from Portugal," says an authority of the day, "has once more opened commerce with that country; and vast quantities of goods of the manufacture of Great Britain are now shipping for Lisbon and Oporto." "Large orders for all kinds of woollen, linen and cotton goods, have arrived here for Portugal and South America." The warehouses were soon filled, though not with so much rapidity as in the first trade to South America. "It was not yet marked," says Mr. TOOKER, "by such eagerness of speculative shipment as had distinguished 1808 and 1809.*" A sufficient quantity was, however, exported to glut the markets; prices were ruinously

* In order to attain to some definite idea of these things, it will be necessary to look at the documents which go to prove them. Let us look at the extreme range of prices of wheat and other grain in 1809—1810, when the bank issues were increased, in A. D. 1815.—DOUBLEDAY'S *Financial Hist. England*, p. 157.

An account of the average prices of all sorts of grain from 1792 to 1815, inclusive, laid before Parliament.

YEARS.	Wheat.		Rye.		Barley.		Oats.		Beans.		Peas.						
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.					
1792.....	42	11	..	30	8	..	26	9	..	17	7	..	31	6	..	32	8
1798.....	48	11	..	35	11	..	31	9	..	21	3	..	37	8	..	38	4
1794.....	51	8	..	37	9	..	32	10	..	22	0	..	42	6	..	46	8
1795.....	74	2	..	48	5	..	37	8	..	24	9	..	46	8	..	53	4
1796.....	77	1	..	47	0	..	35	7	..	21	9	..	38	10	..	43	6
1797.....	53	1	..	31	11	..	27	9	..	16	9	..	27	6	..	33	5
1798.....	50	3	..	30	11	..	29	1	..	19	10	..	30	1	..	35	11
1799.....	67	6	..	43	9	..	36	0	..	27	7	..	44	7	..	45	2
1800.....	113	7	..	76	11	..	60	0	..	39	10	..	63	3	..	67	5
1801.....	118	3	..	79	9	..	67	9	..	36	6	..	62	8	..	67	8
1802.....	67	5	..	43	3	..	33	1	..	20	7	..	36	4	..	39	6
1803.....	56	6	..	36	11	..	24	10	..	21	3	..	34	8	..	38	6
1804.....	60	1	..	37	1	..	30	4	..	23	9	..	38	7	..	40	10
1805.....	87	10	..	54	4	..	44	8	..	28	0	..	47	5	..	48	4
1806.....	79	0	..	47	4	..	38	6	..	25	8	..	43	9	..	43	6
1807.....	73	3	..	47	6	..	38	4	..	28	1	..	47	3	..	55	11
1808.....	79	0	..	52	4	..	42	1	..	33	8	..	60	8	..	66	7
1809.....	95	7	..	60	9	..	47	3	..	32	8	..	60	9	..	60	2
1810.....	106	2	..	59	0	..	47	11	..	29	4	..	53	7	..	55	9
1811.....	94	6	..	49	11	..	41	10	..	27	11	..	47	10	..	51	6
1812.....	125	5	..	75	11	..	66	6	..	44	0	..	72	8	..	73	7
1813.....	108	9	..	70	7	..	58	4	..	39	5	..	76	5	..	78	6
1814.....	73	11	..	44	6	..	37	4	..	26	6	..	46	7	..	50	0
1815.....	64	4	..	37	10	..	30	3	..	23	10	..	36	1	..	38	10

low, and goods were sold on terms which scarcely paid the charges of insurance and shipment.

Circumstances connected with the South American speculations have, perhaps, been too lightly passed over. They form an episode in history which approaches nearly to romance, and, therefore, call for a brief record. Tempted by the reports, which were plentiful, of the wealth and weakness of the Spanish colonies, Sir HOME POPHAM set sail from the Cape of Good Hope, which he had just taken, for South America, and, on his arrival, attacked and carried Buenos Ayres. The adventure had been undertaken on the sole authority of Sir HOME; and knowing that success is often the great justifier, he sent a circular manifesto to the merchants and manufacturers of Great Britain, which occasioned much excitement. A land, abounding with gold, had been conquered; a whole continent was open to British enterprise. A million of dollars was sent to London, and a sufficient amount was retained for contingent expenses.

When information of the wild expedition first arrived in London, orders were sent to recall Sir HOME; but when the news of the conquest arrived, when the dollars came home, and the commercial prospects were known, an order of council was gazetted, stating that a lawful trade might be carried on in Buenos Ayres and its dependencies. The trading interest was filled with exultation, and Sir HOME POPHAM's adventure was sanctified by success. "Ministers sanctioned the whole scheme," says an historian; "but before people at home had finished rejoicing for the conquest, the conquest was no more, and the capturers captive." A popular insurrection was organized, and Sir HOME narrowly escaped being made prisoner in the place which he had carried with a mere handful of men; while those who had sent their merchandise keenly lamented their thoughtless confidence.

Mr. TOOME says, in his "History of Prices," "that from 1814 to 1817* there was a considerable depression in nearly all productions, and in the value of all fixed property." In Holland our goods were bought cheaper than in England, and many merchants purchased them for home consumption. In 1815 and in 1816 there were 5,014 bankruptcies, 63 of which were bankers; the number of stoppages and compositions being probably in proportion.

The various periods of excitement and depression from 1797 to 1816, during the whole of which the company had been restrained from paying its notes in gold, appear to have worked altogether beneficially for the interests of the proprietors of bank stock. The years 1799, 1801, 1802, 1804 and 1806, had each produced a money bonus. In the following year the regular dividend was raised from seven to ten per cent. These modes of enlarging the profits of the proprietary were legitimate and just. In 1816 a bonus of a more extraordinary kind took place. It can indeed be only accounted for by the constant success which had attended the company, by the large gains which accrued to them as the great circulating medium of the country, and above all by there being no necessity to keep a large amount of bullion to meet the payment of their notes. The interest saved by the latter circumstance alone must have

* The extraordinary fluctuations in the value of goods during the inflation of

amounted to an enormous sum, and these facts, united, must be accepted as some cause for the policy which dictated the announcement that an addition of twenty-five per cent. would be made upon the capital stock of each proprietor, in proportion to his share. An act of Parliament was necessary to carry this into effect, and the bank directors were authorized to increase the capital from £11,642,400 to £14,553,000, at which amount it now remains.

It was not possible for the ministry to witness such an evidence of wealth without endeavoring to partake of it. They compelled the bank, therefore, in return for this permission, to give a bonus to their proprietors, to lend three millions at three per cent. for two years, thus making them pay about eighty thousand pounds for the privilege of dividing their own capital, although the chancellor acknowledged, "This is, in other words, only granting permission to the proprietors to divide among themselves three millions of their own money, in consideration of their advancing a similar sum for the public service."

The policy of this bonus is not even questionable. It has entailed a heavy charge upon the management of the bank since that period. The interest of three millions at ten, eight and seven per cent. respectively, has necessarily pressed on its resources. The prosperity, however, which had marked the progress of the corporation from 1797, the continuance

paper money, in 1808—1812, compared with the specie quotations of 1792, are indicated in the annexed table: [The term *fodder* or *fother* is a local weight, equivalent to about 2,400 lbs.—WEBSTER.]

YEARS.	Tyn.		Lead.		Leonesa Wool.		Tallow.			
	Cwt.	s. d.	£ s.	Fodder.	per lb.	per lb.	Cwt.	Cwt.		
1792.....	92	6	..	20	5	..	4	6 to 4 10	..	42 to 43
".....	103	6	..	18	0	..	3	7 " 4 10	..	46 " 47
1794.....	103	6	..	20	5	..	3	8 " 4 10	..	38 " 39
".....	100	6	..	18	0	..	3	6 " 3 10	..	50 " 51
1796.....	101	6	..	21	10	..	3	8 " 4 3	..	68 " 70
".....	102	6	..	20	10	..	3	8 " 4 0	..	58 " 60
1798.....	102	6	..	19	10	..	3	10 " 4 4	..	49 " 50
".....	100	6	..	..	..	..	..	..	..	56 " 57
1800.....	104	0	..	22	10	..	4	0 " 4 9	..	58 " 59
".....	110	0	..	24	10	..	4	7 " 5 4	..	66 " 68
1802.....	114	6	..	28	0	..	5	9 " 6 0	..	63 " 64
".....	115	6	..	33	10	..	5	10 " 6 3	..	64 " 66
1804.....	115	6	..	38	0	..	6	6 " 6 9	..	68 " 69
".....	..	..	..	33	10	..	..	..	..	70 " 71
1806.....	128	6	..	41	0	..	6	7 " 6 9	..	66 " 67
".....	..	..	..	38	0	..	..	..	..	54 " 55
1808.....	118	6	..	38	0	..	6	7 " 6 9	..	70 " 71
".....	120	6	..	43	0	..	10	0 " 10 6	..	110 " 112
1810.....	128	6	..	38	0	..	13	0 " 14 0	..	83 " 84
".....	174	0	..	33	0	..	7	0 " 8 0	..	64 " 65
1812.....	189	6	..	30	0	..	8	6 " 10 0	..	72 " 84
".....	131	6	..	29	0	..	8	6 " 9 6	..	64 " 65
1814.....	174	6	..	30	0	..	8	0 " 9 0	..	107 " 110
".....	..	..	..	32	0	..	..	..	..	..
".....	168	6	..	34	0	..	7	0 " 8 0	..	87 " 88
1815.....	148	6	..	28	0	..	7	6 " 8 0	..	81 " 82
".....	152	6	..	25	0	..	6	0 " 7 0	..	59 " 60

of the war, the demand for discounts, the large circulation of its issues, must be received as an apology. The time named for the return of cash payments had two years to run. The war, which had tended to enrich the company for so many years, might again break out. Their charter embraced a considerable period before its expiration. All these circumstances, combined with the great success that had hitherto distinguished the career of the institution, tended, doubtless, to produce a mental intoxication, resulting in an act which, though favorable to the proprietary in many respects, caused a fall in the price of their stock. The period was equally beneficial to other corporations. The private bankers* benefited. The merchant made larger gains. The employee was paid a higher salary. The master made more profits. The servant received increased pay. And amid all this scene of public welfare the bank alone was censured for advantaging with the rest, and was accused in the House of Commons of being favored too much by government, because prosperity followed in the wake of skill. A reference to the dates when many of the existing companies were founded will show that they owe their existence to this period. The principle of life assurance, that principle which cannot be urged too strongly, received a further impulse; and the origin of many of those companies now holding a high position, may be traced to the general enterprise excited by war prices and war profits.

In 1817 the directors, desirous, perhaps, of testing the feeling of the public with regard to metallic payments, announced, that after the 2d of May of that year, they would pay cash for all their notes of one and two pounds, dated prior to the 1st of January, 1816, or exchange them for new notes of the same value. The confidence, however, of the public was great, and scarcely any demand was made on their coffers. In October of the same year a further notice was issued, that on and after the 1st day of October, they would be ready to pay gold for all their notes dated prior to 1st of January, 1817.† Every exertion, since the commencement of peace, had been made to resume specie payment with safety. The collection of bullion had been rapid, and to a large amount; and it was soon found that these precautionary measures had not been thrown away. The difference between a legitimate demand for gold by the public, and a demand for the same material by speculators, was rapidly witnessed.

* At the period of the crisis of 1797 the number of country banks has been stated at about *two hundred*. There were no licenses required for banking at this time, nor until the year 1808. In 1809 *seven hundred and two* licenses were granted to country bankers; and from that time they increased, year by year, to *nine hundred and fifty*, in the year 1814; since which period they have decreased. Thus, then, in the period between 1797 and 1815 the country banks have been nearly *quintupled*; an enormous increase, and startling even to a rash calculator. We must not, however, fall into the grievous error of imagining that this increase implied a quintuple issue of country notes.—DOUBLEDAY'S *Financial History of England*, p. 234.

† There cannot, we conceive, be a grosser error than to suppose that the government will have a greater command of bullion for its foreign expenditure, if the domestic circulation be confined almost exclusively to paper. The actual store of the precious metals which a country may possess, though of the greatest use and ad-

When the one and two pound notes, that description of paper held principally by the poor man, were called in, the amount of cash claimed was not more than one million. When, however, it was announced that all notes prior to a particular date would be paid in specie, the bullion speculator stepped in, took advantage of the exchanges, and sent more than five millions to the continent. On the report of Mr. PEEL, the house passed a bill in two nights, restraining the bank from paying the notes alluded to.

That a great increase in bullion tended to justify this measure is indisputable. In 1816 and 1817, some of the country bankers found it difficult to dispose of their coin. Preference was shown to their notes; and it cost one firm £100 to transmit its surplus specie to London. At another period, in bringing one thousand guineas to a London banker, the latter begged as a favor that the gold might not be left, as he had sent so much to the bank, and did not like to trouble the establishment with any more.

During the imperial career of BONAPARTE,* it had been his favorite idea that England would be eventually rendered powerless, by draining her of gold. In this he was strengthened by the language held by the opponents of government, and especially by the report of the Bullion Committee. In KNIGHT'S "History" we read: "The members of the parliamentary opposition and the opposition newspapers had assured the world that Great Britain was altogether incapable of continuing a struggle which was draining up her resources; that she was exhausted and impoverished; and that every effort she made against the power and will of France, only hurried on her final ruin. But here was a voice of another kind; here a committee of the House of Commons, composed of men of name and reputation, some of whom had recently belonged to the ministry, declared in a report to the whole country, that the paper currency was depreciated, was becoming every day more and more like the *assignats* of the French revolutionists, and that the only remedy that could be proposed was the impracticable and impossible resumption of cash payments; here a noble lord, who was lately prime minister, supports the principles laid down in the report; here another noble lord tells his tenantry he will not take depreciated bank notes for his rent,

vantage in any sudden demand, occasioned by an unfavorable balance of payments, can never be sufficient to supply a continued foreign expenditure of any magnitude. The means of expenditure, if we suppose that bullion must form a part of it, can only be abundant, when, as fast as the precious metals are sent out in one quarter, a steady supply of them flows in from other quarters. But this, of course, can only happen when *bank notes and guineas are precisely of the same value*, and when, instead of the scanty influx, occasioned by the precarious and uncertain wants of government, a large and steady demand for bullion, to maintain the accustomed circulation, produces its invariable concomitant—a *large and steady supply*.—*Edinburgh Review*, 1819, p 461.

* England had borrowed five hundred millions sterling during the BONAPARTE war, ending in 1815, and the revenue had reached the enormous sum of seventy-two millions sterling, when the population and wealth of the nation were scarcely two-thirds what they are now.

Table showing the reduction of the national debt in every year, from 1786 to 1816; the stock redeemed by them each year; the loans contracted, with the public

and finds other peers ready to back him, and support the argument that a national bankruptcy is imminent and inevitable. These men must know better than we the real state and prospects of the country. *Allons* then! let us persevere a little longer; let us burn all English merchandise, wherever found; let us punish all who attempt to bring English goods into the continent, and for the triumph of this great system let us brave and despise the remonstrances and the enmity of the czar." "Yet, after all, the bullionists may be said, without perhaps intending it, to have done a fatal injury to the emperor of the French, for through them he was encouraged to persevere, and even to attempt to coerce the czar, and hence followed the Russian campaign, and the disastrous retreat from Moscow."

Another attempt was made, in 1818, to procure a dividend of the entire gains* of the corporation. NATHANIEL GRUNDY, having been negatived in his endeavor in the bank parlor, had recourse to the Queen's Bench, where he met with that success which the nature of his application merited. It is difficult seriously to entertain the idea of dividing all the profits of an establishment like the bank, liable to pecuniary calls of great magnitude; and the affair may be dismissed as an evidence of the shortsightedness of those who would act either without evidence by which to judge, or capacity to comprehend the consequences.

revenue of the State for the same time.—MOREAU'S Tables; PERIER'S Tables, 153, 154, 246; *Parl. Pap.*, 1822, &c., 145; PORTER'S *Parl. Tables*, i., 1; COLQUHOUN, 292, 294.

YEARS.	<i>Sinking fund.</i>	<i>Stock redeemed by sinking fund.</i>	<i>Loans contracted.</i>	<i>Expenditure, including interest of debt, funded and unfunded, and sinking fund.</i>	<i>Revenue.</i>
1792..	£ 1,456,504 ..	£ 1,507,100 ..	.....	£ 16,179,347 ..	£ 16,382,435
1793..	1,634,970 ..	1,962,650 ..	£ 4,500,000 ..	17,434,767 ..	17,674,395
1794..	1,630,615 ..	2,174,405 ..	12,907,451 ..	22,754,866 ..	17,440,809
1795..	1,672,000 ..	2,804,945 ..	42,090,646 ..	29,305,477 ..	17,374,890
1796..	2,143,596 ..	3,083,455 ..	42,736,196 ..	39,751,091 ..	18,243,876
1797..	2,639,724 ..	4,390,670 ..	14,620,000 ..	40,791,533 ..	18,668,925
1798..	3,869,218 ..	6,716,153 ..	18,000,000 ..	50,739,857 ..	20,518,780
1799..	4,294,325 ..	7,858,109 ..	12,500,000 ..	51,241,798 ..	23,607,945
1800..	4,649,871 ..	7,221,338 ..	18,500,000 ..	59,296,081 ..	29,604,008
1801..	4,767,992 ..	7,315,002 ..	84,410,000 ..	61,617,988 ..	28,085,829
1802..	5,310,511 ..	8,091,454 ..	23,000,000 ..	73,072,468 ..	28,221,183
1803..	5,922,979 ..	7,733,421 ..	10,000,000 ..	62,373,480 ..	38,401,738
1804..	6,287,940 ..	10,527,243 ..	10,000,000 ..	54,912,890 ..	49,335,978
1805..	6,851,200 ..	11,395,692 ..	21,526,699 ..	67,619,475 ..	49,652,471
1806..	7,615,167 ..	12,234,064 ..	18,000,000 ..	76,056,796 ..	53,698,124
1807..	8,323,329 ..	12,807,070 ..	12,500,000 ..	75,154,548 ..	58,902,291
1808..	9,479,165 ..	14,171,407 ..	12,000,000 ..	78,369,689 ..	61,524,113
1809..	10,188,607 ..	13,965,824 ..	19,532,000 ..	84,797,080 ..	63,042,746
1810..	10,904,451 ..	14,352,771 ..	16,311,000 ..	88,792,551 ..	66,029,349
1811..	11,660,601 ..	15,659,194 ..	24,000,000 ..	94,360,728 ..	64,427,371
1812..	12,502,860 ..	18,147,245 ..	27,871,325 ..	99,004,241 ..	63,327,432
1813..	13,483,160 ..	21,108,442 ..	58,763,100 ..	107,644,085 ..	63,211,422
1814..	15,379,262 ..	24,120,867 ..	18,500,000 ..	122,235,660 ..	70,926,215
1815..	14,120,963 ..	19,149,684 ..	45,135,589 ..	129,742,390 ..	72,131,214
1816..	13,452,696 ..	20,280,098 ..	3,000,000 ..	130,305,958 ..	66,834,494

* In the year 1797, when the bank suspended, the price of bank stock was from 115 to 146. From that time to the end of 1800 the extremes were 118 to 176.

A curious scene took place in May at the bank. On the 26th of that month a notice had been posted, stating that books would be opened on the 31st of May, and two following days, for receiving subscriptions to the amount of seven millions, from persons desirous of funding exchequer bills. It was generally thought that the whole of the sum would be immediately filled, and great anxiety was shown to obtain an early admission to the office of the chief cashier. Ten o'clock is the usual time for public business; but at two in the morning many persons were assembled outside the building, where they remained for several hours, their numbers gradually augmenting. The opening of the outer door was the signal for a general rush, and the crowd, for it now deserved that name, next established themselves in the passage leading to the chief cashier's office, where they had to wait another hour or two to cool their collective impatience. When the time arrived a further contest arose, and they strove lustily for an entrance. The struggle for preference was tremendous; and the door, separating them from the chief cashier's room, and which is of a most substantial size, was forced off its hinges. By far the greater part of those who made this effort failed, the whole £7,000,000 being subscribed by the first ten persons who gained admission.

In 1819 a trial, well worthy recording, took place. Mr. RANSOM, an engraver, having paid a one pound note to a Mr. MITCHENER, the latter found it was detained by the bank, upon the ground of its being a forgery. Upon this, Mr. MITCHENER claimed a repayment of the amount from RANSOM, which was refused until the return of the note. Mr. MITCHENER immediately summoned him, and procured the attendance of Mr. FISH, an inspector of the bank, with the note in question. RANSOM requested to look at it, and permission having been granted, he deliberately placed it in his pocket, and avowed his intention of keeping it. An appeal to the magistrate was of no avail, as he declined to interfere; on which RANSOM went to MITCHENER's house, and paid the twenty shillings.

This style of treatment was rather too decided for the corporation quietly to permit; and FISH, it is to be presumed, at the instigation of the directors, made a charge in writing against RANSOM for knowingly having a forged note in his possession. On this the magistrate committed him to Cold Bath Fields, to remain there till duly discharged by law. After a few days' incarceration, he was liberated on bail. Mr. RANSOM, however, was not to be so quietly dismissed. He brought an action for false and malicious imprisonment against FISH; and, after producing several witnesses, the evidence of whom went to show the note was

From 1801 to 1810 the extremes were 136 (1803) to 288 (1809.) The extremes from 1807 to 1822 were as follows:

1807,.....	208 @ 235	1815,.....	219 @ 260
1808,.....	224 @ 240	1816,.....	215 @ 262
1809,.....	265 @ 288	1817,.....	220 @ 294
1810,.....	273 @ 276	1818,.....	207 @ 292
1811,.....	229 @ 261	1819,.....	210 @ 267
1812,.....	212 @ 232	1820,.....	215 @ 226
1813,.....	211 @ 242	1821,.....	221 @ 240
1814,.....	234 @ 266	1822,.....	235 @ 252

genuine, and no person being present from the bank to prove the contrary, as the directors were quite unprepared for this statement, the jury brought in a verdict for the plaintiff of £100. Previous to this period, it had always been the practice of the bank to detain the forged notes which were offered to them for payment, with the view of saving the public from being again imposed upon. Since the circumstances enumerated, however, the notes have been returned to the parties presenting them; the same beneficial result being obtained by stamping the word "forged" upon them in several places.

The value* of the bank paper, which, in 1815 and 1816, was about 16½ per cent. below that of gold, rose, in 1817 and 1818, to within 2½ per cent. of bullion; and, in 1819, the depreciation amounted to about 4½ per cent. On 20th January, 1819, the directors submitted a resolution to government to the effect, that there was little probability of a return to cash payments by March, 1820, and that it would be preferable to submit to a parliamentary inquiry rather than to delude the public with an expectation not likely to be realized. A committee of secrecy was appointed; and after an examination of merchants, bankers and bank directors, from all of whom opposite opinions were elicited, the committee concluded by recommending a certain mode of action, embodied in a report which Mr. PEEL presented to the house. Lord BROUGHAM says, the attention of Parliament, chiefly through the press, was awakened to the state of our affairs. The government saw that something must be done to stop the depreciation of bank paper, and to restore the standard. At length the government of Lord LIVERPOOL, under the influence of Mr. PEEL, who was one of its most powerful supporters, though not then in office, undertook the settlement of the question; and a committee was appointed, which, after a full investigation of the subject, re-

* It would be the obvious dictate of common sense and good policy to insist rigidly that the bank should so regulate its issues, as to produce the same equality between bank notes and guineas, as it would be compelled to do, if the restriction bill had not passed. But though the most obvious views of policy would dictate precisely the same remedy for the separation between guineas and bank notes, whether it arose from excessive issues of paper, or from a deficient supply of gold, yet it cannot but be a matter of considerable interest and utility to ascertain which of these two causes has actually produced the effect in question. And here we feel no doubt in pronouncing, that all the circumstances attending the peculiar state of our currency conspire to point clearly and unequivocally to an excessive issue of paper as its main, and, indeed, almost sole cause.—*Edinburgh Review*, 1819, p. 451.

† After the general peace was concluded at Paris, in 1814, the notes of the Bank of England, judging by the usual tests—the price of bullion and the state of the exchange—began to rise rapidly in their value. Towards the end of that year the price of gold had fallen to £4 5s. per ounce, though it afterwards rose to £4 10s., and the exchange with Hamburgh had improved in proportion. During this period, however, the circulation of the Bank of England had rather been increased than diminished, so that the increase of value of bank notes could not have been the consequence of a diminished supply. No other cause can, therefore, be assigned for it, but an increased demand. The commerce of this country, contracted for several years before by violence and war, within the narrow circle of its own territory, was suddenly released from its restraints. The intercourse with the continent of Europe was now opened. British produce was exported in great quantities.—*Edinburgh Review*, Feb., 1816, p.

ported in favor of an unqualified resumption of cash payments. By this report the bank were liable to pay, on

30th of January, 1819,.....	£ 33,894,580
While their assets were.....	39,096,900
	£ 5,202,320

Exclusive of the permanent debt due from government to the bank of £14,686,800, re-payable on the expiration of the charter.

The act, known so well as Mr. PEELE's currency bill, passed in 1819, and was, perhaps, one of the most important of the kind which ever met the sanction of both houses of legislature.

A remarkable feature in its history is to be found in a petition from the merchants of the city of London, presented by the late Sir ROBERT PEELE, against the measure proposed by his son. After stating that his petitioners were the best calculated to judge on so important a point, and that a meeting, which he had attended for this purpose, was composed of the very men who had so nobly supported the government in 1797, he proceeded to say, in language as feeling as the subject was interesting, that "he well remembered when that near and dear relation was only a child, he observed to some friends who were standing near him, that the man who discharged his duty to his country in the manner which Mr. PITT did, did most to be admired, and was most to be imitated; and he thought, at that moment, if his own life and that of his dear relation should be spared, he would one day present him to his country to follow in the same path. He was well satisfied that the head and heart of that relation were in their right places; and that though he had deviated a little from the path of propriety in this instance, he would soon be restored to it."

When Mr. PEELE introduced this currency* act to the house, it was with one of those elaborate speeches for which his name is distinguished. After an elegant and powerful tribute to Mr. HORNER, he proceeded to state that the house must now resolve whether the old metallic standard should be restored or not, and he thought it impossible that any considerate man could hesitate on that question. One witness only had been an advocate for the indefinite suspension of cash payments, and had stated that the pound should be the standard of value. When required to define what he meant by the pound, his answer was, "I find it difficult to explain it; but every gentleman in England knows it; it is something that has existed, without variation, in this country for eight hundred years." Mr. LOCKE could not define what he meant by an abstract pound. Sir ISAAC NEWTON came to the doctrine that the true standard of value consisted in a certain quantity of gold bullion. Every sound writer arrived at the same conclusion. After an able historical exposition of the three distinct periods of difficulties which had stood in the way of the restoration of the standard of value, and a graceful allusion to the great public duty imposed upon them, from which he would not shrink,

* Table showing the amount of bank notes in circulation from 1792 to 1815, with the commercial paper under discount at the bank during the same period, and the

not less than sixty ounces, in exchange for bank notes, at £4 1s. per oz. From the 1st of October, 1820, to the 1st of October, 1821, the same plan to be adopted; but the gold to be at the rate of £3 19s. 6d. per ounce. From the 1st of May, 1821, to the 1st of May, 1823, the mint price of gold of £3 17s. 10½d. per ounce to be the rate, with the adoption of the same plan; and from the 1st of May, 1823, the notes to be paid in the gold coin of the empire, if required. Between the 1st of February and the 1st of October, 1820, the bank were empowered to deliver gold at any rate between £4 1s. and £3 19s. 6d. per ounce; and from the 1st of October, 1820, to May the 1st, 1821, they were also allowed to do the same at any rate between £3 19s. 6d. and £3 17s. 10½d., in ingots or bars of gold weighing sixty ounces. They were permitted, also, the option of paying in specie on or after the 1st of May, 1822. By the same act the laws which restrained the exportation of gold and silver coin, or prohibited it from being melted, were repealed.

This bill was the first commencement of that great principle enunciated by Mr. PEEL, that the national bank should always be prepared to pay specie* for its notes on demand, a principle he has since worked out in the last bank charter. Mr. PEEL'S act, says one writer, was passed amid general acclamations. Mr. CANNING pronounced the question to be settled forever. Among the public, various opinions, comprised in pamphlets and octavo volumes, were disseminated. Mr. TOOKE, however, has, perhaps, paid the highest compliment to the bill in the observation, that had it not been for the derangement of our currency, occasioned by the large financial operations of the continental States, in 1817 and 1818,

* Guineas, it is well known, were sold at 24, 25 and 26s. in paper, and the discount would have been still greater if the sale had not been prohibited under severe penalties. Although Parliament had just voted that the paper had lost none of its original value, it was, nevertheless, found necessary to pass a law to prevent its being sold under this value. On the continent there was, of course, no law to restrain the sale of Bank of England notes at their market price; and in Rotterdam, Hamburg and other places they were accordingly sold, after the conclusion of the peace, in 1814, at 13, 14 and 15s.—*Edinb. Review, Feb., 1816*, pp. 149–150.

The social condition of England and its general prosperity were much improved in the year 1818. The change had begun in the middle of the preceding year, and arose chiefly from prices of agricultural produce having so much risen, and the home market for our manufactures having in consequence so much improved, from the increased ability of the rural population to purchase them. The funds, that sure test of public prosperity, rose 30 per cent.; in 1817, the three per cents ascended from 62 in January, 1817, to 83 in December of the same year. The bankruptcies in England, which, in February, 1816, were 209, were reduced in September to 61. The total was 1,575 in the year; being a decrease of 454 from the preceding year, when they had been 2,029. These unmistakable symptoms of general amelioration continued throughout 1818. The funds maintained the level they had reached on the close of the preceding year; and the bankruptcies were 519 less; they sank to 1,066, being only half of what they had been in the year 1816.

YEAR	Bank of England Notes.	Country Banks.	Total.
1814.....	£ 24,801,080 ..	£ 22,700,000 ..	£ 47,501,080
1815.....	27,261,650 ..	19,011,000 ..	46,272,650
1816.....	27,013,620 ..	15,096,000 ..	42,109,620
1817.....	27,397,900 ..	15,894,000 ..	43,291,900
1818.....	27,771,070 ..	20,507,000 ..	48,278,070

—ALISON'S *Europe*, vol. 5, p. 109.

in which loans were raised to the amount of £38,600,000, the renewal of cash payments in this country would have taken place, as a matter of course, in 1818. These words prove that Mr. PEEL, with that remarkable power which distinguishes him, of comprehending and replying to the demands of the time, had chosen the proper period for the resumption; while, by the gradual tone of the bill, he prevented any sudden, and, perhaps, mischievous* return to specie payments.

On the 22d of January, 1819, a committee, appointed to inquire into the mode of preventing the forgery of bank notes, made their report, in which they stated that the directors had furnished them with a detailed account of one hundred and eight projects, regularly classed and arranged, together with the correspondence concerning them, a statement of the trials to which they had been subjected, and specimens of the proposed originals, and of the imitations executed by order of the bank. They had also received and answered communications from seventy individuals, and in some cases held a personal interview with them. They had examined forged notes of various kinds, and the tools and instruments of one forger which were taken upon him; and that from the capital and skill employed in carrying out the crime, there must always be a liability of imitation. "One plan," they concluded by saying, "has been, with

* In every country the aggregate value of the currency must evidently depend on the business which it has to perform; and as an increase of business, without any increase of currency, will proportionally raise its value, an increase of currency, without any increase in the business which it has to perform, must have an effect precisely the reverse. If any individual, for example, purchase a house, or any other article, for £1,000, it is impossible that, in paying the money, he can employ more or less than this exact sum; and, as the great mass of the national business is made up of individual transactions, it is clear that, if neither less nor more than a certain sum can be employed in settling each particular transaction, a certain sum, and neither more nor less, must also be employed in settling the whole. In these circumstances, if we suppose the currency to be suddenly doubled in its amount, the effect of this sudden increase must evidently be to lower the value of each particular piece or note precisely one-half; for, by what other process can the additional quantity be possibly introduced into circulation? It is very immaterial whether the transactions of a country be carried on with ten, twenty, or thirty millions of notes or guineas; as the aggregate value of each of these different nominal sums will depend on the business which they have to perform.—*Edinb. Rev.*, Feb., 1816, p. 147.

"As paper may with ease be issued to any extent, either by government or private establishments authorized to circulate it, it becomes an engine of as great danger, and attended with as destructive effects, *when it is unduly multiplied, as when it is unduly contracted*. It is like the blood in the human body, whose circulation sustains, and is essential to, animal life; drained away, or not adequately fed, it leads to death by atrophy; unduly increased, it proves fatal by inducing apoplexy. To preserve a proper medium, and promote the circulation equally and healthfully through all parts of the system, is the great object of regimen, alike in the natural frame and the body politic. Issued in overwhelming quantities, as it was in France during the revolution, it induces such a rise in prices as destroys all realized capital, by permitting it to be discharged by a mere fraction of its real amount; contracted to an excessive degree, either by the mutations of commerce or the policy of government, it proves equally fatal to industry, by lowering the money price of its produce, and augmenting the weight of the debts and taxes with which it is oppressed."—ALISON'S *Europe*, vol. 5, p. 327.

Mr. ALISON does not uniformly commend the principle of a substantial currency, but condemns the stringent measures which were essential to restore the currency and to discourage wild speculation.

the liberal assistance of the bank directors, for some time past in a course of trial, for its greater perfection. The result, if our expectations be not disappointed, will afford a specimen of great ingenuity in the fabric of the paper, of great excellence in the workmanship, and of a very peculiar invention and difficult machinery in the art of printing." The following is a description, from a contemporary authority, of the improved note. A number of squares will appear in chequer-work upon the note, filled with hair lines in elliptic curves of various degrees of eccentricity, the squares to be alternately of red and black lines; the perfect mathematical coincidence of the extremities of the lines of different colors on the sides of the squares will be effected by the arrangement of machinery of singular fidelity. But even with the use of this machinery, a person who has not the key to the proper disposition would make millions of experiments to no purpose. Other obstacles to imitation will be also-presented in the structure of the note; but this is the one principally relied upon. It is plain that any failure in the imitation will be manifest to the observation of the most careless; and the most skilful merchants who have seen the operation declare that the note cannot be imitated. The machine works with three cylinders, and the impression is made by small convex cylindrical plates.

In 1821,* after a quarter of a century, the bank re-commenced specie

* The prominent commercial and financial events of the previous ten years, (1811—1820,) were the following:

1811. Charter of the first Bank United States expired. Three new banks chartered for New-York city. English guineas publicly sold for a pound note and seven shillings. Mr. HORNER's proposition for resumption of cash payments in England rejected. First steamboat built at Pittsburgh. 1812. Serious riots in the manufacturing districts of Lancashire and Yorkshire. Declaration of war by the United States against England, 18th June. First successful experiment in steam navigation on the Clyde. 1813. Charter of the East India Company renewed for twenty years. British government expenditures for the year, £120,000,000. 1814. London *Times* first printed by steam, 20th November. The first savings bank established in Edinburgh. Peace of Ghent, signed December 24. British tax on notes and bills increased. The union of Sweden and Norway effected. Treaty between Holland and England. Cape of Good Hope finally ceded to England. 1815. Veto of the United States Bank bill by President MADISON; bank re-chartered for twenty years. Commercial embarrassments throughout England—1,285 bankrupts. English sovereigns and half-sovereigns coined. 1816. The new Russian tariff prohibited the importation of nearly all British goods. Bank of England advanced £3,000,000 further to government, making a total of £14,000,000. 1817. New gold coinage of England, issued February 3. Partial resumption of cash payments by the Bank of England, September 22. Paris first lighted by gas. First steamboat from New-Orleans to Louisville. 1818. First Polar expedition of Captain JOHN FRANKLIN left England. Steamboats built on Lake Erie. First regular steamboat communication between Glasgow and Belfast, established by Mr. NAPER. 1819. Commission of inquiry for checking the circulation of forged notes, February 15. Engraving on steel introduced by HEATH & PERKINS. First passage of the Atlantic by steam. Emigration to Cape of Good Hope encouraged by the British government. The steamship Savannah arrived at Liverpool from the United States, 15th July. Commencement of the suspension bridge over the Menai by TELFORD. The first bank in Illinois chartered. 1820. Florida ceded to the United States by Spain. Suspension bridge over the Tweed. First steamer ascended the Arkansas River. Forged notes extensively in circulation in England. Commercial panic in Ireland; twenty banks stop payment.

payments. The currency bill of Mr. PEARL allowed them the option of paying in gold coin on and after the 1st of May, 1822. Anxious, however, to meet the spirit of the act, which required a return to a metallic currency* whenever it should be safe to all interests, the directors commenced paying on the 1st of May, 1821. Of the beautiful coin, so well known as the sovereign, which was produced in 1817, 9,971,364 were issued during the ensuing year.

* On the occasion of a movement in 1818 for resumption of payments, Mr. HUSKISSON used these expressions, which subsequent events have rendered prophetic: "The facility enjoyed by Great Britain of extending her paper circulation, has had the like effect that had been found to arise from the discovery of the mines of America: for by increasing the circulating medium over the world to the extent of forty millions, it proportionally facilitated the means of barter, and gave a stimulus to industry. In proportion, however, as the bank found it necessary to purchase gold on the continent to meet its engagements with the public at home, the circulating medium of the continent was diminished, and as the continental States did not enjoy the credit possessed by this country, and were thereby debarred from increasing their paper circulation, the result was discernible in the great confusion and deterioration of property that had taken place on the continent during the last two years. Indeed, he had no hesitation in saying, that much of the distress that had prevailed upon the continent was fairly attributable to the purchase of bullion by the Bank of England. The increase of the circulating medium of this country has given a great stimulus to its arts and industry. It was only to be lamented that, while the general appearance of the country had so much improved, the comforts and rewards of the laborers had been much reduced."

The grand debate on the final measure came on May 21, 1819, and preparatory to it two petitions were presented to the House of Commons, one from the directors of the Bank of England, and another from the merchants and bankers of the city of London, in which the effects of the proposed measure are foretold with a clearness, and, as the event has proved, a truth, which render them among the most valuable and instructive documents recorded in history. That from the bank directors, with great propriety, disclaimed any interested view of the matter, but submitted to the legislature what must be the effect of a return to cash payments in the existing financial, commercial and monetary state of the country.

The petition of the merchants and bankers of London went a step further, and prophesied the consequences of the proposed measure in the following remarkable terms: "Your petitioners have reason to apprehend that measures are in contemplation with reference to the resumption of cash payments by the Bank of England, which, in the humble opinion of your petitioners, will tend to a forced, precipitate and highly injurious contraction of the currency of the country. That the consequences of such a contraction will be, as your petitioners humbly conceive, to add to the burden of the public debt, greatly to increase the pressure of the taxes, to lower the value of all landed and commercial property, seriously to affect and embarrass both public and private credit, to embarrass and reduce all the operations of agriculture, manufactures and commerce, and to throw out of employment (as in the calamitous year 1816) a great proportion of the industrious and laboring classes of the community. That your petitioners are fortified in the opinion thus expressed by the distresses experienced by the commercial, trading, manufacturing and agricultural interests of the kingdom, from the partial reduction of the bank issues which, it appears, has recently taken place. Neither the manner nor the time which your petitioners have reason to apprehend is intended to be proposed for the resumption of cash payments, is suited to avoid the evils they anticipate. The petitioners, therefore, humbly crave that the time, as at present fixed by law for the termination of the restrictions on cash payments by the Bank of England, may be extended to a period which shall not tend to a forced and precipitate contraction of the circulating medium of the country, or to embarrass trade, or to injure public credit, agriculture, manufactures and commerce."—ALISON'S *Europe*, vol. 5, pp. 112—119.

It is a curious fact that, a few weeks before, a writer who possessed considerable weight with the public, confidently affirmed, that the carrying out of the measure which prescribed the bank to pay the bullion at mint prices, on the 1st of May, 1822, would be attended with most unfortunate circumstances to the country. His assertion, for the fulfilment of which he offered to stake his life, had not long been made known, when the bank came forward, begging that they might be permitted to anticipate by a year the term fixed on for their payment in coin.

When this subject was mooted in the house, Mr. BARING proposed the establishment of a double standard, to consist of gold and silver. He also condemned the committee appointed to inquire into the question of forgery, who had failed because they had entertained an overweening solicitude to discover something absolutely perfect.

A singular and very intricate fraud was discovered this year. The perpetrator was WILLIAM SWINEY BARNARD TURNER, one of the clerks in the service of the corporation. It is painful to record internal treachery; but it has, at least, been some gratification to the writer, that such instances have not often presented themselves. It was the duty of TURNER to post, on a certain day, £4,795 15s. in the navy five per cents, to the account of Sir ROBERT PEEL. In place of this, he gave him credit to the extent of £14,795 15s., thus increasing the amount due to Sir ROBERT by £10,000. Having secured the foundation of the object which he had in view, the next movement was to dispose of the amount which he had thus created by a single stroke of his pen. The second step was effected with almost as much facility as the first, by opening an account in the fictitious name of J. PENN, of Highgate, whom he credited to the amount of £10,000. A purchaser was found, the stock appeared to the credit of the seller, and the transfer was effected.

The fraud was found out by the accidental discovery that a leaf had disappeared from the transfer book; and that it was not accidental was proved from the circumstance that the paging of the leaves was altered, in order that they might be consecutive. Various circumstances pointed to the probability that TURNER was the culprit; and he was taken before the directors, in the bank parlor, where he underwent an examination. The result was a confirmation of the suspicion; and FOX, the officer, was directed to detain him till the next day. From the respectability of TURNER, and from the confidence which had previously existed in his integrity, FOX was permitted to take his prisoner to any place which he thought might be most convenient, and where as little abridgment of his comforts might take place as possible. With this permission he was taken to an inn in the neighborhood, in a bed-room of which he was secured. About one o'clock in the morning, as the watchman proceeded on his rounds, he was suddenly startled by the sound of breaking glass, and looking up, saw a figure suspended from the third floor window, which the next moment fell heavily to the ground. The unfortunate adventurer proved to be TURNER, who had thus attempted to make his escape. In a most deplorable condition he was removed to the hospital; and, on the 18th of September following, supported on crutches, he appeared to take his trial.

Out of fifteen notes received for the forgery, twelve had been traced to

TURNER. Great difficulty in bringing the crime home was occasioned by the fact that he had destroyed many evidences of his guilt. On the trial, as the only witness who was disposed to swear decidedly to the writing of the prisoner was answering the questions put to him, **TURNER** whispered to his counsel, who immediately said, "Do you believe the New Testament to be a revelation from God?" The witness hesitated, and the question was repeated. "Yes, I do," was the reply, uttered in a faint tone. He was, however, again pressed; and evidence being produced to prove that he had frequently avowed his disbelief, he was at last compelled to acknowledge it. The prisoner's fate was greatly decided by this, and the jury returned a verdict of "not guilty." With the money thus disgracefully obtained **TURNER** went to Italy, and resided for some time on the banks of the beautiful lake of Como. He soon dissipated his property and returned to England; nor was it long before he was found, early in the morning, behind the tables of the Bank of England, examining some books which were exposed. His object was never known; but it is presumed it was to assist him in some further fraud. A retributive justice overtook him, as it overtakes all who depart from the path of rectitude, and he died in an obscure street in London, in great distress.

"The bank directors," says a periodical writer, "have adopted a resolution likely to be of essential service. They have fixed their interest at four per cent. The effect will be to produce an extensive alleviation upon all persons having charges upon their landed estates hitherto paying five per cent. Ten thousand pounds is the minimum of any application to be entertained, but the extent of accommodation is unlimited, provided the rental of the estate is double the amount of interest at four per cent." An extension of the time of such bills as were discounted was also allowed, from sixty-one to ninety-five days. The effect on public securities was very soon seen, as consols immediately rose.

The purchase of the dead weight has been variously commented upon, **Mr. LLOYD** believing that both for the bank and the state it was an injudicious arrangement, while **Mr. WARD** termed it "the best undertaking in which the bank could have been engaged." With regard to the negotiable character of the security, **Mr. NORMAN** considered it was equal to exchequer bills, with the simple difference of the one being a debt to be repaid, and the other an annuity for a given term. The following is copied from **Mr. McCULLOCH's** "Dictionary of Commerce," to enable the reader to form a clear and comprehensive view of the transaction:

"At the end of the war the naval and military pensions, superannuated allowances, &c., all included under the term dead weight, amounted to about £500,000 a year. They would of course have been gradually lessened, and ultimately extinguished, by the death of the parties. But it was resolved, in 1822, to attempt to spread the burden over the whole period of forty-five years, during which it was calculated the annuities would continue to decrease." "In 1823 the bank agreed,* on condition

* The bill of 1819, which re-established cash payments, and thereby rendered the national currency, with the exception of £14,000,000, which the bank was authorized to issue upon securities entirely dependent on the retention of the precious metals of the country, was brought about by a singular but not unnatural combina-

of receiving an annuity of £585,740 for forty-four years, commencing on the 5th April, 1823, to pay on account of the pensions, &c., at different specified periods, between the years 1823 and 1828, both inclusive, the sum of £13,089,419."

The discontinuance of notes under £5 lessened, to an important extent, the internal business of the corporation. When the £1 notes were first introduced the number of clerks had been considerably increased, and on their abolition it was found necessary to part with a considerable number. In 1822, therefore, many of them left the establishment. The liberality of the directors on this occasion, who gave pensions to all, in proportion to the number of years they had served, "was highly liberal, and met with universal approbation." This liberality is yet remembered with respectful gratitude. Tending, as such conduct unquestionably does, to create a beneficial union of interests between the employer and the employed, it is pleasant to be able to record the consideration of the one and the kindly remembrance of the other. The moral claim of a servant worn out with years or work, is indisputable. In all government stipulations in Austria, a plan is adopted by which the employé, when certain stipulations are performed, and after a certain period of service, is entitled to claim a pension. The plan adopted is simple, and might be advantageously introduced into England.

In 1822, the ministry proposed to the bank directors that they should concede their exclusive partnership privileges immediately, in all parts of the kingdom, sixty-five miles distant from London. The Earl of Liverpool and Mr. VANSITTART entered into correspondence with the governor; and the proposal was acceded to by the authorities of the corporation, upon the condition that the integrity of the remainder of the charter should be continued for ten years longer. The treaty was, however, abandoned. The country bankers remonstrated strongly; and it was re-

tion of causes. In the first place there was the natural reaction of the human mind against the enormous evils which had arisen in France from the abuse of the system of assignats, the quantities of which issued exceeded at one time £700,000,000 sterling, and caused such a rise of prices as swept away nearly the whole realized capital of the country. In the next place, there was the natural dread, on the part of all the holders of realized wealth of such a continued elevation of prices as might lessen the exchangeable value of their fortunes, and in some degree deprive them of their inheritance or the fruits of their toil. Thirdly, the whole persons engaged in manufactures—a large and increasing class—were impressed with the same ideas, from the experience which the opening of the harbors had afforded them, since the peace, of the great difference between the money wages of labor and prices of raw material on the continent, where money was scarce because its inhabitants were poor, and England, where it was plentiful, because they were rich, and the necessity of contracting the currency in order to lower prices, especially of raw material and labor, and enable them better to compete with their continental rivals.—ALISON'S *Europe*, vol. 5, p. 325.

The continental States, during 1817 and 1818, had no paper adequate to sustain their credit during the scarcity of money, owing to the immense pressure on the money market, whereas England enjoyed in the highest degree that advantage. The paper circulation of Great Britain had greatly increased during the drain on the precious metals, and compensated for their want, and in the last of these years had reached £48,000,000 in England alone, a higher amount than in any year of the war. Hence the prosperity in this country, which co-existed with the most serious pressure and distress on the continent.—*Ibid.*, vol. 5, p. 327.

probated in the house, where Mr. PASCOR GREENFELL presented a petition against it. To the extension of the monopoly beyond 1833, he stated that he had the greatest possible objection. To the proposal which tended to remove the restriction on the number of partners engaged in country banking, he entertained a yet greater; and after the conduct of the bank, after their immense profits, which amounted to twenty-five millions in twenty-five years, after seven per cent. was divided, it was amazing that government should be so unwise as to propose a renewal of the bank charter. Mr. MANNING denied that the gains of the bank were more than were made by others. The Royal Exchange Assurance had made immense additions to their capital in consequence of their profits. Mr. RICARDO announced that he would oppose it to the utmost of his power. If a paper currency were required, ministers could do it better without, than with the bank. Under these circumstances, the ministry deemed it advisable to withdraw the negotiation, as there appeared but little probability of the legislature sanctioning the measure.

In the same year, during a period of considerable agricultural distress, the country bankers were permitted to continue the issue of their notes below the value of £5, up to the year 1833. Only six votes were recorded against the bill.

On the 11th of June, 1822, Mr. WESTERN attempted to make an inroad on the provisions of Mr. PHEL's currency bill. He "assumed," says the Annual Register, "that the landholder had a right (we suppose a Divine right) to enjoy all the advantages, and be protected from all the inconveniences, that might at any time flow from fluctuations in the currency, and took for granted that the change which had occurred in prices had been occasioned solely by the resumption of cash payments; with the help of these two postulates, he easily arrived at whatever conclusion seemed good to him." Mr. HUSKISSON replied that, as the foundation of his plan, he asserted, "that the standard of value in every country should be that article which forms the constant and most general food* of its population." It followed that wheat could not be the standard in Ireland. Potatoes must be the measure of value. We had heard of fanciful standards; the ideal unit; the abstract pound sterling; but we had never heard before of a potato standard. What a beautiful simplicity of system; a wheat standard for one part of the empire, a potato standard for the other. The proposition was for a depreciation of the standard of the currency. A measure reprobated by all statesmen and all historians,

* The following were among the extraordinary fluctuations in the price of wheat, per quarter, payable in paper as compared with gold, during the years 1809-1814. —*Ed. Rev.*, 1816.

	<i>When Purchased with Paper.</i>			<i>When Purchased with Bullion.</i>	
	<i>s.</i>	<i>d.</i>		<i>s.</i>	<i>d.</i>
1809.....	95	7	1809.....	81	0
1810.....	106	0	1810.....	88	6
1811.....	94	0	1811.....	74	0
1812.....	115	0	1812.....	90	0
1813.....	111	0	1813.....	74	0
1814.....	74	0	1814.....	56	6

the wretched but antiquated resource of barbarous ignorance and arbitrary power, the last mark of a civilized nation's weakness and degradation. If such a proposition should be entertained, all pecuniary dealings would be at an end; all pending transactions would be thrown into disorder; all holders of paper would insist upon its being converted into coin. Neither the bank, nor the London bankers, nor the country banks, could survive the shock.

Mr. RICARDO maintained that the inconveniences of the return to a metallic standard had been infinitely increased by the bank directors in making premature purchases of gold to a large extent. They ought not to have paid in specie until 1823. Mr. PEEL's bill was in truth to try whether a bank could not be advantageously carried on upon the principle of paying the notes in bullion; and if the bank had gone on wisely in their preliminary arrangements, the bullion part of the plan would have worked for a number of years beyond the time originally stipulated.

Mr. PEEL trusted that the house would pause before they adopted a proposition which would reduce the value of one pound to fourteen shillings. The effect of the measure would be to disturb all mercantile transactions. If the house should proceed upon the principle of this bill, there would be an end for ever to the very idea of national faith; that faith which had supported us under every difficulty, and which constituted the pride, the glory and the support of the country. The measure of Mr. WESTERN was lost by a large majority.

A sudden and unexpected fall in bank stock of sixteen per cent., produced by an equally unexpected diminution of dividend, occurred in 1823.* The customary meeting was held to hear the rate of interest announced, attended by the usual small proportion of proprietors. For many years they had heard gratifying statements, sometimes concluding with an increased dividend, and sometimes with a considerable bonus. With this result the holders of stock willingly concurred, applauded the wisdom of the direction, passed a vote of thanks to them for their united capacity, and went home happy and contented. A change, however, occurred this year. It is probable that the return to a metallic currency was one cause of the proposition that the half-yearly dividend should be reduced from five to four per cent. For this, however, the meeting were no means prepared; and the prospect of the reduction produced some very energetic speeches. All were quite willing to allow great capacity to the directors while a high dividend was maintained; but no sooner was there a hint of lowering it, than they practically evinced their doubts of the wisdom of that body, which year after year had received a vote of thanks. A counter proposition was made for retaining the old dividend, but it was lost by a large majority. The suggestion was offered to reduce it only half per cent., but in vain. A ballot was then demanded, and granted on the demand being signed by nine proprietors. The monetary portion of the stockholders are generally aware of the importance of supporting the direction. At this period, also, the affairs of the corporation†

* The lowest price this year was 204, a lower point than had been reached since 1806, but in 1825, 1826, went to 193 @ 196.

† The effects of the contraction of four millions of the currency, made the subject

were private, and it was far from judicious to oppose those who were well acquainted with the accounts, and who were naturally far more pleased to declare an enlarged rather than a decreased dividend. But while it must be acknowledged that many of the bank stock proprietors represent the wealth, the rank and the intelligence of the country, it must also be remembered that a diminution of interest of two per cent. per annum might cause some distress to the small holder, by its occasioning him to reduce his expenditure; and he would, therefore, express warmly what he felt keenly. Of course, the directors gained their point.

Although most of the following occurrences are familiar to all, there are some portions of the relation sufficiently novel to claim the perusal of the reader.

The father of HENRY FAUNTLEROY was originally clerk in a city banking-house, and obtained a partnership in the firm of MARSH, SIBBALD & Co., in 1792, from his knowledge of banking. On his father's death, in 1807, HENRY FAUNTLEROY, from his superiority over his copartners in banking information, was chosen to occupy the same position. The business, from the first, was unfortunate. Two years after its establishment a loss was sustained of £20,000; and at the early age of twenty-two, the subject of this narrative found, to use his own words, "that the whole weight of an extensive, but needy, banking establishment at once devolved upon him." He had not occupied his post above three years, when another sudden demand of £170,000 was made upon the house.

Mr. FAUNTLEROY has said that he was not a gambler; nor was he in the ordinary acceptation of the term. But, in the funds, his speculations were considerable; and it is probable that his losses there made him first alter, as he was nightly in the habit of doing, the balances of the house after the total was made up. It is, indeed, hardly credible, that he should resort to forgery, until the exhaustion of all other means. Upwards of £100,000 were thus withdrawn; and the fraud was so artfully concealed,

of boast by the chancellor of the exchequer, were thus stated by Mr. BARING in the debate of 1821: "In looking at this question, it is very material to consider what is the state of the country in this, the sixth year of peace. Petitions are coming in from all quarters remonstrating against the state of suffering in which so many classes are unhappily involved, and none more than the agricultural classes. When such is the state of the country in the sixth year of peace, and when all the idle stories about over-production and under-consumption, and *such like trash*, have been swept away, it is natural to inquire into the state of a country placed in a situation without a parallel in any other nation or time. No country before ever presented the continuance of so extraordinary a spectacle as that of living under a progressive increase in the value of money, and decrease in the value of the productions of the people."—ALISON'S *Europe*, vol. 5, p. 354.

The budget was brought forward on the 1st July, 1822, and its leading feature was the reduction of the sinking fund from £18,000,000 to £7,500,000, by appropriating £5,500,000 to the current service of the year. This signal and calamitous departure from the form even of our former policy, in this vital particular, was sought to be justified by the chancellor of the exchequer on various grounds, but it was evident that it was imposed upon him by sheer necessity, and was a direct abandonment of the solemn resolution to maintain a real surplus of £5,000,000 over the expenditure, which Parliament had unanimously adopted only three years before; for, as the nominal sinking fund was reduced to half its former amount, it was plain that the real redemption, or debt was virtually abandoned.—*Ibid.*, vol. 5, p.

that it required the utmost keenness of the accountant, aware as he was of some such fact, to detect the imposition.

About 1816 other losses occurred; and the Bank of England, undoubtedly aware, from its extensive information, of the slight means of the house, refused to discount its bills. This was a further severe blow. In May, 1815, a power of attorney was presented at the bank, purporting to bear the signature of FRANCIS YOUNG, of Chichester, for the sale of £5,000 three per cent. consols. That power was forged; but it passed the ordeal of the bank examinations, and the money was procured. From this period many powers, bearing the names of MARSH & Co., as attorneys, were acted on by Mr. FAUNTLEROY. Most of these were attested by two of the clerks of the banking-house. Some of them were to replace stock previously sold, while others provided funds for different purposes. No doubt appears to have been excited at the bank, or it was at once allayed by the fact, that the power was given to a banker, and, therefore, genuine. From 1815 to 1823 large sums were thus obtained; but in the latter year the supply ceased. Mr. FAUNTLEROY was joint trustee in an account with some other gentlemen, in the imperial three per cents. In the management of the trust some difficulties arose; and the only plan which could save the executors from a heavy responsibility, was to throw the property into Chancery. Mr. FAUNTLEROY strenuously objected. In the course of the dispute, one of the co-trustees visited the bank, and learned the fearful intelligence which first led to the discovery of a series of forgeries, so gigantic in their extent, and so unparalleled in their nature, as to border on the regions of fiction.

The information was communicated to the bank authorities. Orders were issued for the examination of all powers granted to the house of MARSH, STRACEY and Co., and the result may be anticipated.

In September, 1824, PLANK, the Bow-street officer, might be seen proceeding in the direction of the banking-house of MARSH, STRACEY & Co. A person who accompanied him entered first, and, requesting an interview with Mr. FAUNTLEROY, was ushered into his private counting-house. Within a minute he was followed by PLANK. The interior of a bank is nearly sacred; but the officer pushed boldly by the clerk, who would have interrupted him, merely saying he wished to speak with Mr. FAUNTLEROY. On entering, he closed the door, announced his name, and produced a warrant for the apprehension of HENRY FAUNTLEROY on a charge of forgery. A deadly pallor passed over the face of the latter; he was fearfully agitated, and hurriedly exclaimed, "Good God! cannot this business be settled?" PLANK begged him to make no noise, but to walk out quietly for a few minutes, and they could talk about it. Mr. FAUNTLEROY then signed a few blank checks for the business of the house, with a hand so unsteady that it was difficult to recognise his signature; and said he should go out for a few minutes. He was then conducted to the private residence of Mr. CONANT, the magistrate; and, after an interview of the prisoner with one of his clerks, Mr. FRESHFIELD, solicitor to the bank, accompanied by PLANK, proceeded to the banking-house to search the papers.

The search was successful. Documents unparalleled in the history of crime were discovered. In a private room, a box, bearing no name, was

found. What must the surprise of the bank solicitor have been to find in it a list, in the prisoner's handwriting, of forgeries which he had committed, amounting to £112,000, with the following extraordinary acknowledgment: "In order to keep up the credit of our house, I have forged powers of attorney, and have, thereupon, sold out all these sums, without the knowledge of any of my partners. I have given credit in the accounts for the interest when it became due. HENRY FAUNTLEROY." These words followed: "The bank first began to refuse our acceptances, and thereby destroy the credit of our house. The bank shall smart for it." At the period of his apprehension he had a power of attorney by which he would have replaced the stock that produced the discovery.

In a conference the forger had with a partner, he expressed great anxiety to obtain possession of a "blue book." Mr. GRAHAM searched, and brought one with a blue sheet for a cover. "No, no," he said, "this is not the one I want. It is a bound book." Mr. GRAHAM informed him that it had reached the hands of Mr. FRESHFIELD. "Then," said FAUNTLEROY, "I'm a dead man. I could have set the bank at defiance." This book was said to contain an account of the forgeries in which he had been engaged.

The crime of Mr. FAUNTLEROY excited great interest. "Hardly any thing else," says one writer, "was talked about." The newspapers teemed with anecdotes. His past life was inquired into. His portrait was in the windows. His behavior was analyzed. His person was described. The very way in which he held his hat was repeated. The magistrate apologized for an intrusion; and, when the forger heaved a sigh, the scribe was ready to draw the attention of the public to so memorable a fact. The whole affair, from beginning to end, was a bitter satire upon those English people who rest the importance of a criminal on the magnitude of his crime, and interest themselves in exact proportion to the respectability of the offender.

The human mind is always disposed to sympathize with great criminals; and those who had heard, week by week, of executions of small people, for small sums, were filled with horror at the position in which a gentleman was involved, and evinced a most misplaced sympathy at the idea of hanging a banker. The loss which the company sustained from this wholesale forger* was stated by the governor to a committee of the House of Commons at £380,000; and the interest alone, which was regularly paid, must have been nine or ten thousand pounds a year. The care required by these accounts, and the constant anxiety weighing on the mind of FAUNTLEROY, from the knowledge of his perilous position, were, in themselves, a punishment. His exertions at the banking-house were extraordinary. So energetic was he that his services were noticed as being equal to those of three clerks; but such care and such energy should have produced better fruit. The last time he received from the bank the warrants due to the firm was the day on which THURTELL and HUNT were tried. During the payment, he entered into conversation on the crime with the clerk who paid him; imagining but little

* In 1821 a petition of a tradesman was presented to Parliament, who had in one week taken twenty-five forged notes.

that within a year the same judge who had tried them would try him; that the very list of warrants he was receiving would be brought in evidence; and that the clerk with whom he was so familiarly conversing would be a witness against him. Before the debtors' door at Newgate, and amidst a vast concourse of spectators, the unhappy man expiated his crime.*

* In England, the forgery of deeds, &c., or giving them in evidence, was made punishable by fine, by standing in the pillory, having both ears cut off, the nostrils slit up and seared, the forfeiture of land, and perpetual imprisonment.—5 ELIZABETH, 1562. Forgery was first punished by death in 1634. Since the establishment of paper credit, a multitude of statutes have been enacted. Forging letters of attorney, for the transfer of stock, was made a capital felony in 1722. Mr. WARD, M. P., a man of large wealth, was expelled the House of Commons, for forgery, May 16th, 1726, and was consigned to the pillory, March 17th, the following year. The value of forged notes which were presented at the bank during ten years from January 1st, 1801, was nominally £101,661. In one year (1817) the bank prosecuted 142 persons for forgery, or the uttering of forged notes, (*see Parliamentary Returns*.) Statutes reducing into one act all such forgeries as shall henceforth be punished with death, WILLIAM IV., 1830. The punishment of forgery with death ceased, by statute, August, 1832, except in cases of forging or altering wills or powers of attorney to transfer stock; but these cases also are no longer punishable by death, having been reduced to transportable offences by act of July 17th, 1837.

Among the remarkable executions for forgery were the unfortunate DAVID and ROBERT PERRÉAU, brothers, and wine-merchants, who were hung at Tyburn, January 17th, 1776. The Rev. Dr. DODD was found guilty of forging a bond, in the name of Lord CHESTERFIELD, for £4,200. The greatest interest was made, and the highest influence was exerted to save him; but, when the case came before the council, the minister of the day said to GEORGE III., "If your majesty pardon Dr. DODD, you will have murdered the PERRÉAUS;" and he was hung, accordingly, June 27th, 1777. JOHN HATFIELD, a heartless impostor, who had inveigled "MARY of Buttermere," the celebrated beauty, into a marriage with him, was hung for forgery at Carlisle, September 3, 1803. Mr. HENRY FAUTLEROG, a London banker, was hung November 30, 1824. JOSEPH HUNTON, a Quaker merchant, suffered death December 8th, 1828. The last criminal hung for forgery at the Old Bayley was THOMAS MAYNARD, December 31st, 1829.

"Mr. BASIL MONTAGU states justly that mankind are less deterred from crime by calculation of consequences than by involuntary sympathy with others, and by the natural sense of right and wrong. The first has little influence, except in conjunction with the last, and it may be well that it is so; since, if all sorts of arbitrary and capricious commands were of absolute force and validity in themselves, unseconded by opinion or conscience, there would be no end of 'the fantastic tricks which man, dressed in a little brief authority, might play before high Heaven to make the angels weep.' There has been too much of this work already; and a very little of the same spirit in future will be more than is wanted. There is enough of it lurking in the prejudices and vindictive passions of men; and it need not be fomented by panders and sophists. No punishment, we believe, will in the end be found to be wise or humane, or just or effectual, that is not the natural reaction of a man's own conduct on his own head, or the making him feel in his own person the consequences of the injury he has meditated against others. It is impossible to force this sentiment, in the individual or the community, up to the same degree of horror against the smallest as against the highest crimes by a positive law."—*Edinburgh Review*, 1826.

The subject of forgery and the punishment therefor was fully discussed in the *Edinburgh Review*, vols. 31 and 52; *Fraser's Magazine*, vol. 11; *Eclectic Magazine*, vol. 21, p. 860; *Monthly Review*, vol. 1; *Blackwood's Magazine*, vol. 69, pp. 461, 605, and in *Littell's Museum*, vol. 36.

REPORT OF THE NEW-YORK LOAN COMMITTEE.

Report of the Loan Committee of the Associated Banks of the City of New-York. (Clearing-House Association.) Presented June 12, 1862.

A MEETING of bank officers was held at the American Exchange Bank, on Thursday, June 12th, 1862, at one o'clock, P. M., JOHN A. STEVENS, Esq., in the chair. The following banks were represented, viz. :

BANK OF NEW-YORK.	PACIFIC BANK.
MANHATTAN COMPANY.	CHATHAM BANK.
MERCHANTS' BANK.	PEOPLE'S BANK.
UNION BANK.	BANK OF NORTH AMERICA.
PHENIX BANK.	HANOVER BANK.
CITY BANK.	IRVING BANK.
TRADESMEN'S BANK.	MARKET BANK.
FULTON BANK.	ST. NICHOLAS BANK.
NATIONAL BANK.	CONTINENTAL BANK.
BUTCHERS AND DROVERS' BANK.	ORIENTAL BANK.
LEATHER MANUFACTURERS' BANK.	MARINE BANK.
SEVENTH WARD BANK.	ATLANTIC BANK.
AMERICAN EXCHANGE BANK.	IMPORTERS AND TRADERS' BANK.
BANK OF COMMERCE.	GROGERS' BANK.
BROADWAY BANK.	NORTH RIVER BANK.
MERCANTILE BANK.	

Thirty-one banks of the fifty associated.*

The chairman stated that the meeting had been called at the request of the Loan Committee, who desired to make their report to the association, and that the Treasury Note Committee would avail themselves of the opportunity and present their final report.

MOSES TAYLOR, Esq., chairman of the Loan Committee, then presented the following report, which was read by the secretary of the committee.

* The banks not represented at this meeting (nineteen in number) were as follow:

BANK OF AMERICA.	MECHANICS' BANK.
BANK OF THE COMMONWEALTH.	MECHANICS' BANKING ASSOCIATION.
BANK OF THE REPUBLIC.	MECHANICS' AND TRADERS' BANK.
BANK OF THE STATE OF NEW-YORK.	MERCHANTS' EXCHANGE BANK.
CHEMICAL BANK.	METROPOLITAN BANK.
CITIZENS' BANK.	NASSAU BANK.
CORN EXCHANGE BANK.	OCEAN BANK.
EAST RIVER BANK.	PARK BANK.
GREENWICH BANK.	SHOE AND LEATHER BANK.
MANUFACTURERS AND MERCHANTS' BANK.	

The four banks not members of the association are as follow:

NEW-YORK COUNTY BANK.	NEW-YORK EXCHANGE BANK.
NEW-YORK DRY DOCK BANK.	BULL'S HEAD BANK.

REPORT.

The undersigned, who had served as your committee from the 20th of November, 1860, until the 15th of March, 1861, during which period they held seventy-three meetings, were again honored by the vote of a meeting of bank officers, held on the 24th April, 1861, inviting them to re-organize as a loan committee of the associated banks, for the purpose of carrying into effect the action of the meeting of that date, now beg leave respectfully to report :

That at a meeting of the associates, held on the 25th of April, 1861, they accepted the invitation tendered to them, and consented to assume the responsibilities and to discharge the duties imposed upon such loan committee, for a period of sixty days from the 26th day of April, 1861.

Your committee immediately procured the assent of the several banks associated, to a written agreement, herewith submitted, (Document No. 1,) embodying the resolutions adopted by the meetings held on the 24th and 25th of April, which was finally signed by all the banks, members of the New-York Clearing-House Association, on or before the 29th of April, upon which day your committee met and organized, by appointing MOSES TAYLOR chairman, C. P. LEVERICH custodian of the securities to be held, and the manager of the Clearing-House as secretary of the committee.

Their meetings were held weekly thereafter until the 15th day of July, during which period their services for the issue of loan certificates were not required by any of the associates.

At that date, your committee adjourned for seven weeks, and until September 2d, 1861.

The agreement which was entered into by the banks on the 26th of April terminated, by its own limitation, on the twenty-fifth day of June, 1861. On the thirteenth day of that month, your committee were again requested, by a communication herewith presented, (Document No. 2,) signed by all of the banks, who were bound by the original agreement to continue to act on their behalf; the Merchants', Chemical and Nassau banks consenting to the extension of the agreement for sixty days, or until the 24th of August, and the other banks until the 1st of November, 1861. On the 15th of August, the associated banks, jointly with the banks of Boston and Philadelphia, entered into a contract with the Secretary of the Treasury of the United States for the aid and relief of the government in a moment of its imminent peril and danger, for the purchase of government securities to the amount of one hundred and fifty millions of dollars. One of the conditions of this contract was, that so far as the New-York banks were concerned, their proportion of the one hundred and fifty millions of dollars of the government securities, which proportion ultimately amounted to the sum of one hundred and five millions of dollars, should be received by their loan committee at ninety per cent. as a basis for the issue of loan certificates.

By this condition, the agreement for the issue and use of loan certificates was indefinitely extended, until the contract with the government was fulfilled. The Merchants', Chemical and Nassau banks then united

with their associates in consenting to the extension of the issue of loan certificates until November 1st, 1861.

On the 31st of October, 1861, as the contract with the government was still pending, and as \$1,360,000 of loan certificates, based upon payments made on account of the government loan, had been issued and were then outstanding, your committee was, for the third time, requested to continue to act on behalf of the association until May 1st, 1862, the associates consenting, by an agreement herewith submitted, (Document No. 3,) to the issue and use of loan certificates until that time. This consent was signed by all of the banks who were parties to the original agreement, with the exception of the Greenwich Bank, which had, on the 7th of September, 1861, declined to pay the fourth installment called for on account of the government loan of August 19th, 1861, and who were, by the action of a meeting of bank officers, held on the 9th of September, 1861, released from the contract with the government, their proportion being finally assumed by the Bank of Commerce, who refunded to the Greenwich Bank the amount which had then been paid by it on account of the loan, amounting, together with interest, to a balance of \$27,627 11, and who afterwards paid the entire proportion of the loan awarded to the Greenwich Bank, amounting to \$102,000.

On the 1st of May, 1862, the arrangement for the issue of loan certificates by your committee ceased by its own limitation.

On the 2d of September, 1861, after an adjournment of seven weeks, your committee again met, and finding that the payments which had then been made on account of the government loan had reduced the specie of some of the banks below the proportion of twenty-five per cent. to net liability, which each of the associates had agreed to carry, they directed that thereafter interest upon such deficiency should be charged daily, in all cases where the amount of specie reported by any bank should be less than one-fourth of its net liability, (exclusive of its circulation and the amount to the credit of the Treasury of the United States,) and that the interest so received should be paid to the banks holding the largest per centage of specie, in excess of the twenty-five per cent. required. Your committee continued to apportion the specie held by the associates in this manner until the 21st of September, when the first issue of loan certificates having been made on the 19th inst., the account was closed, and thereafter the specie apportionment was made by requiring the banks to exchange loan certificates for specie whenever their specie was less than twenty-five per cent. of their net deposits, exclusive of the amount to the credit of the government. The interest, received from the 2d to the 21st of September, and paid by fifteen banks, amounted to \$310 69. From the 2d of September your committee found it necessary to meet more frequently, and for a considerable part of the time daily, holding in all one hundred and fifty meetings of the full committee, and finally closing their duties on the 28th of April last. Your committee beg leave here to refer to the preamble to the resolutions adopted by the meeting of bank officers, held on the 24th of April, 1861, when your committee were appointed, which was as follows, viz.: "Whereas, The agreement between the banks, entered into on the 21st of November last, was productive of very beneficial results, in enabling

them to extend needed facilities to the community, and to aid the credit of the government at a critical moment; and *Whereas, in the present unsettled political condition of the country, exigencies may arise which will require our united efforts; Therefore, Resolved,*" &c.

The associated banks of this city at that time were in a position of ease and strength, amply supplying the demands of their dealers, and maintaining a large specie reserve, but the whole country was disturbed and excited. The rebellion, which has since assumed the proportions of a vast and costly war between two sections of the country, had then broken out. The new administration of the government, which had just been inaugurated, found every department of the government in a disorganized condition; the treasury empty; corrupt and traitorous men in high places of trust, and the capital of the country already threatened by politicians who had been warmed into power and influence by the mildest and best government ever instituted by man.

It was for such reasons that the banks of this city (in anticipation of the events which have since occurred) deemed it wise to band themselves together, putting their coin into a common fund, and otherwise aiding each other, so as to enable them to best sustain their dealers, and, by joint action, to relieve the wants of the government, if it became necessary, to the largest possible extent, thereby expressing their confidence in the principle upon which the government of our country has been based, "That in Union there is strength." Your committee believe that the objects proposed by the banks at that time have been very fully obtained. That in the future the banks will look back with just pride to the record of the part borne by them in the most critical and eventful period known in the history of the country, and that they may justly claim that by their foresight in organizing themselves, and their prompt action for the support of the government at the darkest moment of the past year, when they placed more than their entire capital at its command, almost without hope of profit, with ruin staring them in the face in the event of loss, that they did much to save the government from being overthrown and the country from being dismembered.

The records of your committee fully establish the fact, that but for the purpose of furnishing means to the government at a time when they could not have been obtained soon enough, if at all, from any other source, that the banks could easily have maintained their specie reserves at the standard agreed upon, without the necessity of resorting to the use of loan certificates; and that but for the agreement entered into with the Secretary of the Treasury, on the fifteenth of August last, the duties of your committee would have been only nominal. It was not until the 19th of September—at which date \$23,100,000 in coin had been paid into the United States Treasury, on account of thirty-five millions of dollars of 7½ Treasury notes of the date of August 19th, 1861, subscribed for by the New-York banks, not one of which was received by your committee until the 13th of January following, or four months after the date referred to, and when the banks had only been reimbursed for sales of such Treasury notes made by the government for their account to the amount of \$5,600,000, having then drawn from their

specie reserves \$17,500,000—that the first issue of loan certificates was made by your committee.

In fact, the duties of your committee were necessitated entirely by the arrangement made with the United States government on the 15th of August last, to which we beg leave to refer, especially to section three of that contract, which provided “that the securities issued to the New-York associates should be received by their loan committee at ninety per cent., as a basis for issuing Clearing-House certificates to any bank desiring such certificates, and that the subscriptions to the loan should be in proportion to capital.

At the meeting of the associated banks, held on the 23d of August, a plan for carrying out the details of the contract with the government was adopted, by which it was made the duty of your committee, under the general direction of the Treasury note committee of the banks of the three cities associated :

First. To apportion the award of the government loans among the banks in proportion to their capitals.

Second. To apportion the several payments made on account of the loans, and the proceeds of sales of the securities as made by the government for account of the associates.

Third. To receive from the Treasury note committee, and to hold for the associates, the securities as received from the government, and, finally, to divide them among the banks, as awarded to them *pro rata* to their several capitals.

Fourth. To divide and pay over, at stated periods, to the banks, the interest accrued on the securities sold for account of the associates.

Your committee would report that these duties have been discharged by them as follows, viz :

The award of the first government loan of $7\frac{3}{8}$ Treasury notes, amounting to \$35,000,000, for the New-York associates, was made by our secretary, under the direction of the Treasury note committee, as were the payments made on the 19th and 27th of August, 1861, of three millions five hundred thousand dollars each. Ten other payments, amounting to \$28,000,000, were made on account of the first loan—the final payment being made on the 24th of October—all of which were apportioned under the direction of your committee.

Of this loan, sales were made by the government, for account of the associates, amounting to \$31,062,500 for principal, and \$434,903 for accrued interest.

Forty-three drafts for the proceeds of such sales were received by your committee from the Treasury note committee—the first reimbursement being made on the 3d of September, 1861, and the final cash reimbursement on the 13th January, 1862—all of which were deposited, as received, in the Bank of Commerce, and the amount of the principal immediately paid over to the several associates, in proportion to their respective interests. The balance of this loan unsold by the government, amounting to \$3,937,500, was received by your committee in $7\frac{3}{8}$ Treasury notes, of the date of August 19th, 1861, on the 24th of January, 1862, viz : 7,223 notes, amounting to \$3,937,500.

The interest accrued upon the notes sold by the government was

divided among the banks by the drafts of our chairman upon the Bank of Commerce, as follows, viz. :

1861.		December 16th,.....	11,900
September 17th,.....	\$ 21,000	“ 31st,.....	17,850
October 1st,.....	17,500	1862.	
“ 15th,.....	49,000	January 14th,.....	118,603
November 1st,.....	94,500		
“ 15th,.....	53,900	A total amount of interest,.	\$ 434,903
“ 30th,.....	55,650		

The second government loan—that of October 1st, 1861, for 7³/₄ Treasury notes of that date, amounting, for the New-York associates, to \$35,000,000—was divided among the banks by your committee, as were the several payments made thereon, ten in number, of \$3,500,000 each—the first payment being made on the 29th of October, 1861, and the final payment on the 15th of January, 1862.

These notes were received by your committee from the government, on the order of the chairman of the Treasury note committee, as follows, viz. :

1862, January 22d,.....	72,829 notes,.....	\$ 21,000,000
“ “ 27th,.....	24,309 “	7,000,000
“ February 3d,.....	12,850 “	3,500,000
“ “ 5th,.....	12,950 “	3,500,000
A total of.... 122,938 notes,.....		\$ 35,000,000

The third loan to the government—that of November 16th, 1861—for six per cent. coupon bonds, of the par value of..... \$ 17,500,000
Six per cent. registered stock,..... 17,500,000

Together amounting, at par, to..... \$ 35,000,000

Was subscribed for by the associated banks, at the rate of 89⁸²⁹⁴⁶⁸²³¹/₁₀₀, amounting to..... \$ 31,262,862 27

Which was taken, with the interest accrued from July 1st, 1861, added, amounting to..... 793,972 67

Making the total sum paid by them..... \$ 32,056,834 94

This loan was also apportioned by your committee, and awarded to the several associates in proportion to their capitals, as were the payments to the government therefor, nine in number; the first payment being made on the tenth of December, 1861, and the final payment on the fourth of February, 1862.

The securities were received from the government upon the order of the chairman of the Treasury note committee, and receipted for by our chairman, as follows, viz. :

1862. January 27th, 4,000 coupon bonds, amounting to.....	\$ 4,000,000
“ February 3d, 3,000 “	3,000,000
“ “ 5th, 3,000 “	2,500,000
“ “ 7th, 2,000 “	2,000,000
“ “ 18th, 3,000 “	3,000,000
“ “ 24th, 3,750 “	3,000,000
“ March 1st, 1,388 registered stock, “	5,952,000
“ “ 3d, 1,009 “	4,433,000
“ “ 5th, 1,653 “	7,115,000

22,800 certificates and bonds, amount'g, at par, to \$ 35,000,000

All of these securities were received by your committee from the government, carefully counted by Messrs. FRASER, LEVERICH, and our secretary, receipted for by our chairman, and held by Mr. LEVERICH as custodian.

The magnitude of the responsibility intrusted to your committee will be seen by the following summary of the securities held by them, viz. :

Cash received for sale of 7 8-10 Treasury notes,.....	\$ 21,062,500 00
" " interest accrued on " 	484,903 00
7,223 Treasury notes of August 19th, 1861,.....	3,937,500 00
122,938 " of October 1st, 1861,.....	35,000,000 00
18,760 six per cent. coupon bonds,.....	17,500,000 00
4,060 certificates of six per cent. stock,.....	17,500,000 00
Together, amounting to.....	\$ 105,484,903 00

The securities were all apportioned by Messrs. FRASER, LEVERICH, and the secretary of your committee, giving to each of the associates an equal proportion of every style and denomination of them, in numerical order, as issued by the government, and were inclosed in sealed packages, which have since been delivered to the several banks, and receipted for by them after an examination of the contents of the several packages.

The 7 $\frac{3}{8}$ Treasury notes of the loan of August 19th, 1861, were nearly all sold by the government; of the \$35,000,000 subscribed for, \$3,937,500 were received by your committee on the 14th of January, 1862, and were apportioned on the 21st of January.

On the 22d of the same month; \$21,000,000 of the Treasury notes of the loan of October 1st, 1861, were received, which were counted and apportioned on the same day, occupying the time of two members of your committee, aided by their secretary and several clerks, from 10 A. M. on the morning of that day, until 2 o'clock of the following morning. On the 27th of January your committee received from the government, and counted, seven millions of dollars in 7 $\frac{1}{8}$ Treasury notes of October 1st, 1861, and four millions of dollars in the six per cent. coupon bonds of November 16th, 1861.

On the 3d of February they received and counted three millions five hundred thousand dollars in 7 $\frac{3}{8}$ Treasury notes of October 1st, 1861, and three millions of dollars in six per cent. coupon bonds of November 16th, 1861.

On the 5th of February they received and counted three millions five hundred thousand dollars in 7 $\frac{3}{8}$ Treasury notes of October 1st, and two millions five hundred thousand dollars in six per cent. coupon bonds of November 16th, 1861. On the same day, two members of your committee, aided as before, apportioned the balance of the 7 $\frac{1}{8}$ Treasury notes of October 1st, amounting to fourteen millions of dollars, and nine millions four hundred and ninety-three thousand dollars in six per cent. coupon bonds of November 16th.

On the 7th of February they received and counted two millions of dollars in six per cent. coupon bonds.

On the 18th of the same month, six per cent. coupon bonds, amounting to three millions of dollars, were received and counted. On the 24th of February the remainder of the six per cent. coupon bonds, amounting to three millions of dollars, were received and counted.

On the 25th they apportioned, and prepared for delivery to the banks, eight millions and seven thousand dollars of the six per cent. bonds. On the 1st of March certificates of the six per cent. registered stock of the loan of November 16th, 1861, were received and counted, amounting to \$5,952,000. On the 3d of March, four millions four hundred and thirty-three thousand dollars of the same; and on the 5th of March the remainder of the loan of November 16th, 1861, in registered certificates of six per cent. stock, amounting to seven millions one hundred and fifteen thousand dollars.

Your committee report thus minutely their management of these securities, not only for the reason that it was a duty involving great labor and large responsibility on their part, but for the reason that in a few instances a disposition was manifested to attribute the delay in the delivery of the securities to the associates to the action of your committee. This was probably owing to the fact that none of the securities were received from the government until long after they had been paid for, and that then their value in the market was less than the price at which they had been purchased.

The associates having invested their entire capitals in them, were naturally very desirous to receive their property; the more so as they did not hold a voucher to represent it, (having deposited their receipts for the several payments on account of the loans with their committees,) and many of the associates had pledged them largely for loan certificates, which they desired to redeem, by sale of the securities, at the earliest moment possible, and before they became further depreciated.

Your committee have, therefore, considered it due to themselves to show, as they think they have done, that there was no delay on their part in the receipt, preparation and delivery of the securities to the associates.

They were instructed to apportion to each bank its equal proportion of each denomination and form of the securities. As there were four forms of securities and six denominations of them, it was impossible, in every instance, to prepare them for delivery immediately upon receipt; but as soon as a sufficient amount of them were received to render such division possible, it was at once made.

In conclusion of this subject, your committee beg leave to remind the associates, that the delay in the delivery of the securities did, however, prove to be advantageous to the banks, as their market value, owing to a series of fortunate events, was enhanced from the date of the first delivery.

Your committee come now to the consideration of the specific duty for which they were first appointed—namely, the issue of loan certificates; and would report, that they have issued such certificates to thirty-nine of the fifty banks, originally associated, as follows, viz.:

955 certificates, of	\$ 1,000 each, amounting to,.....	\$ 955,000
1,978	“ 5,000 “ “	9,890,000
1,174	“ 10,000 “ “	11,740,000
<u>A total of... 4,107</u>	<u>Amounting to</u>	<u>\$ 22,585,000</u>

Although your committee was organized on the 20th of April, 1861, it was not until the 19th of September of that year that the first issue of loan certificates was made by them. All of this large amount of certificates was finally redeemed by the banks to whom they were issued, and canceled by your committee on or before the 28th of April, 1862. These certificates were secured at first by the hypothecation of the receipts given by the assistant treasurer of the United States for the payments made on account of the government loans, and were so secured until the securities were received by your committee. Owing to the inability of the government to prepare and deliver its obligations as they were paid for by the associates, it was impossible for your committee to issue certificates (as was contemplated by the contract made with the government) to be secured by the deposit with them of the securities. They were met by this difficulty when the first application for loan certificates was made to them, and for the purpose of removing it, obtained the written assent of the associates to the following request, addressed to JOHN A. STEVENS, Esq., chairman of the Treasury note committee, viz.:

Whereas, On the report of a committee for the arrangement of details, the associated banks have agreed, "that in order to facilitate the business of exchanges, loans and equalizations among themselves, the existing loan committee, under the general direction of the Treasury note committee, provided by section seven of the agreement with the Secretary of the Treasury, shall receive and hold, on behalf of the associates, the Treasury notes awarded to this city; and

"*Whereas*, Several of the banks contemplate applying for loan certificates based upon these securities, therefore, we, the undersigned, request the chairman of the Treasury note committee to transfer to MOSES TAYLOR, chairman of the loan committee, the original receipts for installments paid by our respective banks, already received or to be hereafter received from the Assistant Treasurer, and transferred, with the endorsements of our respective banks, to JOHN A. STEVENS, chairman of the Treasury note committee; and also to transfer to the said chairman of the loan committee the original drafts of the Secretary of the Treasury upon the chairman of the Treasury note committee."

With this authority, which was signed by all of the associates, your committee received from the chairman of the Treasury note committee, from time to time, the drafts drawn upon him by the Secretary of the Treasury for the several payments on account of the government loans, and also the original receipts for the payment of the proportion of such installments, made by each of the associates, and deposited by them with him. They then felt themselves authorized to issue loan certificates, based upon the receipts for payments on account of government securities to be received, and did so make issues, requiring from the banks to whom they were furnished the deposit of the duplicate receipts for their payments on account of the loans, with the usual guarantees and certificates of deposits, payable on presentation, for an amount equal to the loan certificates issued to them. The original and duplicate receipts and drafts so received have all been returned to the Assistant Treasurer of the United States, upon the receipt of the securities by your committee.

The amount of loan certificates which your committee were authorized

to issue was at first limited, by the action of the meeting of April 24th, 1861, to ten millions of dollars. On the 18th of December, 1861, the limit was increased to fifteen millions of dollars; on the 28th of the same month, an issue of twenty millions of dollars was authorized; and on the 20th of January, 1862, at which date certificates amounting to \$19,985,000 had been issued, of which only \$510,000 had been redeemed, leaving outstanding \$19,475,000. Your committee, by the action of a meeting of the associates held that day, were authorized to issue to any amount required, provided that the amount outstanding should not exceed twenty-five millions of dollars. As before stated, the total amount issued was \$22,585,000, of which the largest amount was outstanding from the 3d to the 7th of February last, viz., \$21,960,000; from that date the certificates were gradually retired, and were all redeemed and canceled within eighty days from that date, in accordance with the agreement, and with ease and convenience by the associates.

The denomination of the loan certificates were originally fixed at five and ten thousand dollars; but on the 28th of December last, your committee found it to be necessary, in consequence of the suspension of specie payments and the withdrawal of bank notes from circulation, to issue certificates of the denomination of one thousand dollars.

All of these loan certificates were secured by the hypothecation of the government loans, except that in a single instance, on the 14th of November last, one of the associates withdrew his duplicate receipts for payments on account of the government loans, and substituted therefor seventy-nine bills receivable, amounting to \$150,954 59, to secure its loan certificates. These bills receivable were held by your committee for eight days, or until the 22d of the same month, when they were re-exchanged.

For the convenience of the associates, after the securities were received by your committee, frequent exchanges of them were permitted, but in no instance was the required margin diminished.

By the action of the meeting of April 24th, 1861, your committee were empowered to issue loan certificates to any of the associates, upon the deposit with them, as security for such certificates, of stocks, bonds, or Treasury notes of the United States, stocks of the State or City of New-York, or of bills receivable, approved by them, to the extent of seventy-five per cent. of such deposits.

The contract made with the government required that your committee should issue loan certificates to the New-York associates, to the extent of ninety per cent. of such deposits of the securities contracted for them as should be held by us.

Your committee construed this to be ninety per cent. of the cost of the securities; but as their market value became depreciated below the cost in January last, just at the time when the sales by the government were discontinued, and the securities were being received by your committee; and when, at the same time, the amount of loan certificates issued had nearly reached its maximum, and some of the associates were pressing for the delivery to them of their securities, and for an increased amount of loan certificates, your committee then felt that the margin of security was insufficient, and recommended its increase.

Their recommendation resulted in the passage, on the 29th of January, of the following resolution by the associates, viz :

“ *Resolved*, That the loan committee be authorized and requested (at their earliest convenience) to distribute to the several banks making application for the same, such proportion of the $7\frac{1}{2}$ Treasury notes or six per cent. stock or bonds, at the option of the applicant, retaining in their hands, in government receipts for payments on account of loans, six per cent. stock or bonds, or $7\frac{1}{2}$ Treasury notes, an amount sufficient to secure all loan certificates issued to such banks, provided that the securities left in the hands of the loan committee be at the rate of eighty per cent. for their par value.”

Under the authority of this resolution, your committee thereafter retained a margin of not less than twenty per cent. of the securities pledged to them, and did, so far as it was possible, return to the associates the securities held in excess of such margin. This action added very largely to the labors of your committee, involving much calculation, increased responsibility, and frequent handling of the securities.

As required by the agreement of the 24th of April, 1861, interest at the rate of seven per cent. per annum was charged upon the loan certificates issued by your committee, and was drawn for by them monthly, as follows, viz :

The interest on the loan certificates issued from September 19, 1861, to November 1st, 1861, was drawn

November 1st, from 17 banks, equal to.....	\$9,309 06
“ 30th, “ 18 “ “	10,591 11
1862, Jan. 1st, “ 37 “ “	43,270 56
“ Feb. 1st, “ 39 “ “	108,946 84
“ Mar. 1st, “ 39 “ “	112,513 97
“ Apr. 1st, “ 35 “ “	81,512 04
“ May 1st, “ 19 “ “	30,292 74

The total interest amounting to..... \$396,436 32

The interest so received was paid to the banks which had held the loan certificates for the several periods of their use.

It was with extreme difficulty and much labor, owing to the daily occurrence of numerous errors in the statements made by the banks, of the constantly changing amount of certificates held by them, that your committee were enabled to prove and exactly *balance*, as they have done, this account.

A statement, marked A., of the interest received and paid by your committee for the apportionment of specie from September 2d to 21st, 1861, and of the interest upon the loan certificates issued from September 19th, 1861, to April 28th, 1862, together amounting to \$396,747 01, is herewith submitted.

It will be seen by this statement, that thirty-one of the associates paid a larger amount of interest than they received, while nineteen banks received an aggregate of \$149,247 17 more than they paid. Of the fifty banks associated, all but eleven paid interest on this account.

Your committee did not find it necessary to apportion the specie, either by an interest account or by exchanges of loan certificates for spe-

cie, until the 2d of September, 1861, as, previous to that date, all of the banks maintained their specie at a rate higher than twenty-five per cent. to their net liabilities.

From the 21st of September, 1861, until the 30th of December, 1861, a daily apportionment of specie was made. At that date, the banks having, on the 28th of the same month, suspended specie payments, the apportionment of the specie was discontinued.

Your committee takes pleasure in being able to report the very creditable fact, that since the suspension of specie payments, with the exception of a single day, (January 2d, 1862,) the banks have constantly held an aggregate amount of coin, not less than twenty-five per cent. of their net liabilities.

The period which has elapsed since the appointment of your committee has been full of interest, with a constant succession of events of vast importance, affecting powerfully every important interest, not only in the United States, but to some extent disturbing the whole commercial and financial world. The experience gained cannot fail to prove valuable, and it is for the people of this country novel and unprecedented. We have lived in the midst of revolution. The industry, production, trade, commerce and capital of the country have been disturbed and violently agitated, by being checked in their old, or forced into new channels, by the lamentable political disturbances arising from a rebellion as causeless as it is being proved to be hopeless. The record of the past year should be carefully preserved, and its experience treasured up. To that record your committee beg leave to contribute their quota.

Of all the great interests of the country, no one has been more affected than the banking interest, nor has any other contributed more for the preservation of our country and its government. To the banks of the three cities of New-York, Boston and Philadelphia, the people of the United States owe a debt of gratitude; especially to the banks of this city, who, in August last, took the lead in expressing their confidence in the stability of the government of this country, by placing at risk the capital of their stockholders for its maintenance. But for such support it would have been revolutionized.

It should be remembered that at that time the credit of the government had become impaired to such a degree that a large loan could not be obtained in any ordinary way, nor even a small temporary loan, except for a very short period, at a high rate of interest. Men's hearts failed them; the rebellion was upon so large a scale, and had so unexpectedly broken out, and raged with such fury, that to subdue it seemed to most persons to be impossible. Then it was, after careful deliberation and consultation with the Secretary of the United States Treasury, that the banks decided it to be wise for them to depart from their usual and legitimate business and sustain the government credit, and stand or fall with it. The act restored the public confidence, and was the highest endorsement of the public credit that could then have been given. The result has proved that the course adopted by the banks was as judicious as it has *unexpectedly* proved to be profitable. When the banks agreed to advance their millions to the government, they did so without hope or expectation of profit from it, and they earnestly sought to obtain from the govern

ment the assurance that they should be indemnified from loss. It was not until five months after taking the first loan, and two months after taking the third, in the month of January last, that there was any reason to expect the securities to command in the market a price higher than that at which they had been taken. At a period as recent as the 29th of January of the present year, the margin on the government loans pledged to secure the loan certificates issued to aid the banks in carrying out their contract with the government for its securities, was increased from ten to twenty per cent. because of their depreciation. The magnitude of the arrangements with the government necessarily caused large and extraordinary changes in the character and volume of the business and movement of the banks.

These changes, as shown by their daily and weekly statements, and the records of your committee, are interesting.

Your committee beg leave herewith to submit the following statements, exhibiting the movement of the banks of this city for the past year, viz. :

Statement* showing the amount of the loans and discounts, specie, loan certificates and net deposits reported by each of the associated banks on the 29th of April, 1861; also, the date at which the maximum and minimum of those items were reported; together with the amount of the maximum and minimum loans and discounts, specie and net deposits of each of the associates during the year ending April 30, 1862.

This statement is compiled from the daily reports of the banks made to your committee, and does not include in the loans and discounts the government loans, nor in the deposits the amount standing to the credit of the Treasury of the United States.

Also, a statement showing the amount of the increase and decrease of the loans and discounts, specie and net deposits during the term of your committee, as exhibited by the daily statements made to us, and as compared with the amount reported April 29, 1861.

Also, a statement showing the average amount of loans and discounts, specie, circulation and net deposits for the week ending April 27, 1861, the date at which the maximum and minimum of those items were reported, together with the highest and lowest amount of each, as reported by the associates in their weekly statements during the term of your committee. In this statement is included the loans to the government and government deposits.

Also, a statement showing the amount of the items reported in the weekly statements of the banks for the week ending August 17th, 1861, with the date of the maximum and minimum of loans, specie, circulation and net deposits between that date and the 31st of May, 1862, together with the highest and lowest amount of those items reported by each of the associates in their weekly statements. This statement shows the effect produced by the contract with the government upon the business of each bank. From the 17th of August, 1861, to the 30th of November, 1861, the loans and discounts were increased \$54,072,868, and

* See pp. 151-155.

within the same time the net deposits were increased \$44,258,240. From the 17th of August, 1861, to the 4th of January, 1862, the specie was decreased \$25,750,112, and the circulation was also decreased between the 9th of November, 1861, and the 1st of March, 1862, \$3,584,953.

These changes are very much larger in amount, and far more important, than any that have been experienced by the banks of this city, and furnish, in the opinion of your committee, the most satisfactory evidence of the substantial character of the assets of the associate banks as a body. Your committee would especially call your attention to the ease and rapidity with which the change in the form of the investments of the banks was made, without disturbing in the smallest degree their regular dealers, or interfering with the trade and commerce of our city; we believe it to be unprecedented.

Your committee beg leave to congratulate their associates upon the successful termination and fulfillment of the contract with the government. Much doubt was expressed, even by some of our most experienced bankers and financiers, when that contract was entered into, of the ability of the banks to fulfill it. It has been fulfilled by them to the letter, and has proven of more value to the country than can be estimated. As fortunately as unexpectedly, it has resulted profitably for the associates, and has probably enabled them to employ their means to nearly as much advantage as would have been done but for the political disturbances of the country. Most of the government securities which have been sold by the associates have been sold by themselves at different times, and it is not possible for your committee to state the amount of interest for the capital invested which has been received thereon; but the associates still hold a large amount of them, the market value of which is much higher than the price at which they were taken. Your committee are, however, able to state the amount of interest which was realized by the banks on the government deposit account, during the period in which the payments for the loans were being made, and beg leave herewith to submit a statement, in which the amount of interest, received on the undrawn deposits of the government during the period of payment for the loans by the withdrawal of such deposits, is stated. The transaction of the enormous business of the associated banks on joint account has necessarily been attended with some expense. The funds for the payment of these expenses were advanced, as they were needed, by the Clearing-House Association.

All of the expenses incurred by the associated banks and their committees have been defrayed by your committee, under the authority of the following resolution, adopted at a meeting of the associates, held on the 18th of December, 1861, viz.:

Resolved, That the Loan Committee be authorized to draw upon the banks for the expenses which have been or may hereafter be incurred by the meetings of bank officers which have been held since April last, and by the committees of the association; such expenses to be assessed in proportion to the capitals of the banks."

Your committee beg leave herewith to submit a detailed statement of all the expenses which have been incurred by the associated banks from March 14th, 1861, to this date, including the expenses of all their committees, together amounting to \$11,636.95.

These expenses have been divided among the forty-nine associated banks, at the rate of \$170.87 $\frac{7}{16}$ to the million of capital. All of the banks originally associated have been included except the Greenwich Bank, who were released from the contract with the government on the 9th of September, 1861.

The Clearing-House Association has been reimbursed for its advances, by our drafts upon the associated banks, as follows, viz.:

January 2d, 1862, for.....	\$ 6,810 06
June 10th, 1862, for.....	4,826 89
Amounting to.....	\$ 11,636 95

And all expenses paid to this date.

Your committee submit herewith a statement of the capital of each of the associates, and the amount of the drafts drawn for expenses from each of them.

Your committee report that they hold receipts and vouchers for the proper disposition of all the securities and funds which have been intrusted to them; that all the books of account which they have found it necessary to keep have been exactly balanced and closed without loss or difference; and finally, that all the duties and trusts committed to them have been discharged.

They beg leave herewith to submit the records of their proceedings, and to recommend that they, together with the books of account, vouchers, receipts, statements, and other documents pertaining to their action, be placed in the custody of the manager of the Clearing-House, for preservation and safe-keeping. They beg leave, also, to return their thanks for the countenance and support which they have received from the associates in the discharge of the duties intrusted to them, and for the prompt response by the bank officers to the various requirements which they have deemed it necessary, from time to time, to make.

It now only remains for your committee to congratulate the banks upon the successful termination of the very important objects for which they have been associated.

The importance of these objects, and the value of the results obtained, cannot well be over-estimated. The course pursued by the banks associated, during the very trying and eventful period through which they have just passed, has demonstrated (as never before) their strength, and the ability of their management; and, we think, has largely contributed to the financial and commercial reputation of our city. All of the banks who became associated in April, 1861, are now pursuing their regular and ordinary business, in the enjoyment of high and well-deserved credit.

The duties of your committee are closed, and their services are no longer required. They therefore respectfully ask to be discharged.

New-York, June 12th, 1862.

Moses Taylor, <i>Chairman,</i>	} <i>Committee.</i>
JAMES PUNNETT,	
R. W. HOWES,	
A. S. FRASER,	
C. P. LEVERICH,	

GEORGE D. LYMAN, *Secretary.*

On motion, the report was accepted, ordered to be placed on file, and the committee discharged.

On motion of Mr. GALLATIN, seconded by Mr. COE, the following resolution was adopted, viz. :

Resolved, That the thanks of the associated banks be, and they are hereby presented to Messrs. MOSES TAYLOR, JAMES PUNNETT, R. W. HOWES, A. S. FRASER and C. P. LEVERICH, composing the loan committee, for the care and attention bestowed by them without compensation, and with great personal sacrifice, in the performance of their arduous duties, and that the satisfactory attainment of the objects, to secure which they were appointed, affords the highest testimonial of their fidelity to the trusts reposed in them.

On motion of Mr. PRICE, it was voted that the report be referred to the late loan committee, to be printed under their direction, for the use of the association.

On motion of the same gentleman, the recommendation of the committee relating to the custody of their books of account, papers and vouchers, was adopted.

JOHN A. STEVENS, Esq., chairman, then presented the report of the Treasury Note Committee, signed by himself as chairman, Messrs. MOSES TAYLOR, GEORGE S. COE, JOHN E. WILLIAMS, JOHN Q. JONES, J. D. VERMILYE and JAMES GALLATIN, constituting the Treasury Note Committee.

Mr. STEVENS then read a portion of the report, and made a brief statement of its contents.

On motion of Mr. W. H. MACY, the reading of the report, as a whole, was dispensed with, and it was referred to the committee, to be printed under their direction.

On motion, the report was accepted, ordered to be placed on file, and the committee discharged.

On motion of Mr. HAYDEN, the following resolution was adopted, viz. :

Resolved, That the thanks of this association are due, and they are hereby tendered to the Treasury Note Committee, for the able and efficient manner in which they have performed the very laborious duties assigned them.

JOHN A. STEVENS, Esq., chairman of the committee appointed on the 29th January, to assist, if necessary, in the conduct of the case in the United States Supreme Court, brought by the Bank of the Commonwealth, on appeal from the Court of Errors of the State, to test the legality of State taxation of United States stocks held by banks,

Reported, that the case was not argued at the last term of the court; that Congress had legislated on the subject; and that no further action on the part of the committee appeared necessary.

On motion, the committee were discharged.

Mr. STEVENS also called the attention of the bank officers to the expediency of their advising with their respective counsels as to the course proper to be taken by each bank for itself, with the tax commissioners, to secure their rights in the premises. He also stated, for the information of the bank officers, that under the advice of counsel, the Bank of Commerce would serve a paper on them, objecting to the assessment, and also take out a writ of *certiorari* to the Supreme Court of this city before the 1st of July, on which day the tax commissioners make their return to the Board of Supervisors.

THE BANKS OF NEW-YORK CITY.

Movement of the New-York Associated Banks, as shown by their Weekly Reports, from April 27, 1861, to April 26, 1862, inclusive.

From the Report of the Loan Committee of the Associated Banks of the City of New-York.

The movement of the New-York Associated Banks, (or members of the Clearing-House,) for the period between August 17, 1861, and May 31, 1862, is indicated in the "Report of the Loan Committee," viz.:

The loans and discounts, August 17, 1861, of the fifty associated banks, were.....	\$ 107,454,630
The maximum loans and discounts were.....	169,618,037
The maximum loans and discounts at any one period were, (November 30, 1861,).....	161,146,998
The minimum loans of all the banks were, (at various periods,).....	112,039,568
The minimum loans of all the banks at any one week were, (April 19, 1862,).....	121,513,704
The combined specie of the fifty banks, August 17, 1861, was.....	49,358,476
The maximum specie was, August 24, 1861,.....	46,765,990
The minimum specie was, January 4, 1862,.....	28,721,158
The combined circulation was, August 17, 1861,.....	8,151,077
The maximum circulation was, November 9, 1861,.....	8,518,210
The minimum circulation was, March 1, 1862,.....	5,004,102
The net deposits of the fifty banks, August 17, 1861, were.....	90,977,682
The maximum deposits were, on the 30th November, 1861,.....	135,065,239
The minimum deposits were, on the 12th April, 1862,.....	92,437,107

Combined movement of the Fifty Associated Banks, during the year, from April 27, 1861, to April 26, 1862.

Loans and discounts, April 27, 1861,.....	\$ 123,263,816
Maximum loans during the year, (November 30, 1861,).....	161,146,998
Minimum loans during the year, (August 17, 1861,).....	107,454,630
Aggregate specie held April 27, 1861,.....	38,730,064
Maximum specie during the year, August 17, 1861,.....	49,358,476
Minimum specie, January 4, 1862,.....	28,721,158
Circulation, April 27, 1861,.....	8,424,400
Maximum circulation during the year, May 11, 1861,.....	8,876,283
Minimum circulation, March 1, 1862,.....	5,004,102
Net deposits, April 27, 1861,.....	95,620,323
Maximum net deposits during the year, (November 30, 1861,).....	135,065,239
Minimum net deposits, June 22, 1861,.....	86,548,873

LOANS AND DISCOUNTS OF THE ASSOCIATED BANKS OF NEW-YORK.

BANKS.	Loans and Discounts, April 27, 1861.	Maximum		Minimum	
		Loans and Discounts.	Date of	Loans and Discounts.	Date of
1. Bank of New-York,.....	\$ 4,701,181 ..	Nov. 23, ..	\$ 5,931,761 ..	April 19, ..	\$ 3,827,215
2. Manhattan Company,.....	4,967,799 ..	Jan. 11, ..	6,566,418 ..	Aug. 17, ..	4,550,967
3. Merchants' Bank,.....	5,615,619 ..	Nov. 23, ..	6,544,386 ..	" 17, ..	4,428,999
4. Mechanics' Bank,.....	3,925,586 ..	" 30, ..	5,027,573 ..	" 17, ..	3,836,130
5. Union Bank,.....	3,583,504 ..	Dec. 7, ..	3,825,041 ..	July 20, ..	1,738,056
6. Bank of America,.....	5,949,964 ..	" 14, ..	7,644,467 ..	Aug. 17, ..	4,618,558
7. Phenix Bank,.....	3,323,025 ..	Oct. 13, ..	4,746,608 ..	July 6, ..	2,896,676
8. City Bank,.....	3,187,415 ..	Jan. 25, ..	3,144,470 ..	May 25, ..	1,997,398
9. Tradersmen's Bank,.....	1,623,073 ..	Oct. 13, ..	3,201,282 ..	Feb. 15, ..	1,513,938
10. Fulton Bank,.....	1,323,241 ..	Nov. 23, ..	1,824,267 ..	Aug. 17, ..	1,062,275
11. Chemical Bank,.....	2,042,255 ..	May 18, ..	2,822,215 ..	April 5, ..	1,559,425
12. Merchants' Exchange Bk.,..	2,073,681 ..	Nov. 20, ..	2,624,249 ..	July 20, ..	1,571,567
13. National Bank,.....	2,114,689 ..	" 30, ..	2,241,375 ..	Aug. 17, ..	1,851,200
14. Butchers and Drovers' Bk.,..	1,518,636 ..	" 23, ..	2,255,270 ..	April 19, ..	1,453,696
15. Mechanics and Traders' Bk.	860,955 ..	" 23, ..	1,380,199 ..	July 27, ..	705,949
16. Greenwich Bank,.....	693,446 ..	April 27, ..	693,446 ..	Jan. 11, ..	321,547
17. Leather Manufacturers' Bk.,..	1,706,740 ..	Dec. 7, ..	2,071,205 ..	Feb. 29, ..	1,359,823
18. Seventh Ward Bank,.....	1,017,447 ..	Nov. 23, ..	1,511,227 ..	May 25, ..	942,871
19. Bank of the State of N. Y.,..	3,437,093 ..	Dec. 23, ..	5,304,529 ..	Aug. 17, ..	3,176,088
20. American Exchange Bank, ..	7,473,913 ..	Nov. 20, ..	9,871,454 ..	April 12, ..	5,675,140
21. Bank of Commerce,.....	18,553,477 ..	" 23, ..	18,649,269 ..	June 23, ..	11,731,268
22. Broadway Bank,.....	3,462,299 ..	Dec. 23, ..	4,375,733 ..	Aug. 17, ..	2,726,285
23. Ocean Bank,.....	1,606,114 ..	Nov. 20, ..	2,423,733 ..	Sept. 7, ..	1,570,696
24. Mercantile Bank,.....	2,510,012 ..	Feb. 1, ..	3,297,426 ..	June 29, ..	2,142,043
25. Pacific Bank,.....	921,763 ..	Oct. 13, ..	1,206,670 ..	" 15, ..	864,253
26. Bank of the Republic,.....	3,633,749 ..	Feb. 15, ..	4,735,049 ..	July 6, ..	2,673,227
27. Chatham Bank,.....	747,989 ..	Oct. 13, ..	1,080,162 ..	Aug. 17, ..	612,460
28. People's Bank,.....	642,456 ..	Nov. 23, ..	924,205 ..	" 17, ..	601,804
29. Bank of North America,....	1,368,445 ..	" 30, ..	2,425,988 ..	June 22, ..	1,025,242
30. Hanover Bank,.....	1,549,373 ..	Oct. 13, ..	2,319,313 ..	Aug. 10, ..	1,459,323
31. Irving Bank,.....	750,647 ..	Nov. 23, ..	1,166,202 ..	Feb. 29, ..	653,535
32. Metropolitan Bank,.....	7,196,947 ..	" 30, ..	9,076,747 ..	April 23, ..	5,513,623
33. Citizens' Bank,.....	781,692 ..	Jan. 11, ..	974,729 ..	Feb. 28, ..	701,642
34. Nassau Bank,.....	1,644,143 ..	Nov. 23, ..	2,424,923 ..	July 13, ..	1,410,177
35. Market Bank,.....	1,539,696 ..	" 23, ..	2,261,173 ..	Aug. 17, ..	1,367,923
36. Saint Nicholas Bank,.....	1,061,107 ..	" 30, ..	1,735,009 ..	July 27, ..	939,323
37. Shoe and Leather Bank,....	2,322,256 ..	" 30, ..	3,551,307 ..	Aug. 10, ..	2,157,235
38. Corn Exchange Bank,.....	1,599,364 ..	" 23, ..	2,758,923 ..	May 4, ..	1,594,277
39. Continental Bank,.....	2,815,043 ..	" 30, ..	4,163,563 ..	July 6, ..	2,243,959
40. Bank of the Commonwealth, ..	963,779 ..	Dec. 7, ..	1,764,224 ..	Aug. 17, ..	863,527
41. Oriental Bank,.....	432,233 ..	Nov. 20, ..	692,243 ..	May 11, ..	472,027
42. Marine Bank,.....	991,611 ..	Dec. 23, ..	1,312,340 ..	July 27, ..	622,302
43. Atlantic Bank,.....	513,093 ..	Nov. 23, ..	923,491 ..	April 26, ..	424,144
44. Importers and Traders' Bk.,..	2,415,010 ..	" 30, ..	3,362,301 ..	June 22, ..	2,043,296
45. Park Bank,.....	5,179,335 ..	Jan. 4, ..	6,042,470 ..	Aug. 10, ..	4,216,124
46. Mechanics' Banking Assoc.,..	750,959 ..	Nov. 20, ..	1,223,649 ..	Feb. 29, ..	535,755
47. Grocers' Bank,.....	536,324 ..	" 30, ..	750,472 ..	" 23, ..	468,533
48. North River Bank,.....	592,684 ..	" 30, ..	923,732 ..	July 6, ..	496,943
49. East River Bank,.....	322,403 ..	" 23, ..	459,127 ..	Feb. 23, ..	251,423
50. Manufac. & Merchants' Bk.,..	775,473 ..	" 30, ..	1,110,473 ..	June 15, ..	713,136
Footings of totals of maxi- mum and minimum,.....	....	....	\$ 167,045,154	....	\$ 102,478,905
Loans and Discounts, April 27, 1861.		Date of	Maximum Loans and Discounts.	Date of	Minimum Loans and Discounts.
\$ 123,263,316 ..	Nov. 20,		\$ 161,146,993 ..	Aug. 17, ..	\$ 107,454,639

SPECIE OF THE ASSOCIATED BANKS OF NEW-YORK, (TWELVE MONTHS.)

BANKS.	Specie, April 27, 1861.		Maximum Specie.		Minimum Specie.	
	Specie.	Date.	Specie.	Date.	Specie.	Date.
1. Bank of New-York,.....	\$1,494,013	July 13, ..	\$2,306,999	Jan. 4, ..	\$725,596	
2. Manhattan Company,.....	1,334,814	" 6, ..	2,822,611	Sept. 14, ..	1,399,616	
3. Merchants' Bank,.....	1,157,860	Nov. 16, ..	2,823,804	Jan. 4, ..	1,049,840	
4. Mechanics' Bank,.....	1,198,109	July 20, ..	1,585,879	Feb. 1, ..	554,600	
5. Union Bank,.....	1,302,865	April 19, ..	1,692,907	Jan. 4, ..	487,129	
6. Bank of America,.....	3,796,156	Aug. 24, ..	5,168,168	Feb. 15, ..	702,554	
7. Phenix Bank,.....	1,006,589	" 31, ..	2,241,997	Jan. 4, ..	407,608	
8. City Bank,.....	811,666	April 26, ..	1,941,950	" 4, ..	458,858	
9. Tradesmen's Bank,.....	268,153	May 25, ..	307,698	Dec. 28, ..	156,819	
10. Fulton Bank,.....	612,862	Aug. 31, ..	1,172,857	Feb. 22, ..	381,061	
11. Chemical Bank,.....	1,098,770	" 24, ..	2,168,822	May 4, ..	1,770,079	
12. Merchants' Exchange Bk.,	419,872	July 20, ..	630,974	Jan. 4, ..	150,589	
13. National Bank,.....	261,072	Aug. 24, ..	928,610	" 4, ..	201,304	
14. Butchers and Drivers' Bk.,	285,094	" 10, ..	517,489	Feb. 1, ..	219,106	
15. Mechanics and Traders' Bk.	308,581	" 17, ..	451,736	Jan. 4, ..	189,919	
16. Greenwich Bank,.....	162,015	July 27, ..	457,708	Dec. 7, ..	87,801	
17. Leather Manufac. Bank,...	505,806	Mch. 15, ..	822,890	Jan. 4, ..	240,140	
18. Seventh Ward Bank,.....	475,049	May 26, ..	576,876	" 4, ..	256,140	
19. Bank of the State of N. Y.,	1,414,011	Aug. 17, ..	1,762,511	" 25, ..	590,800	
20. American Exchange Bank,	1,675,789	Oct. 19, ..	2,620,605	June 8, ..	1,426,164	
21. Bank of Commerce,.....	2,196,268	" 26, ..	5,199,735	Jan. 4, ..	905,490	
22. Broadway Bank,.....	871,614	Dec. 7, ..	2,448,118	Sept. 21, ..	444,285	
23. Ocean Bank,.....	291,794	Sept. 7, ..	581,415	Jan. 4, ..	185,261	
24. Mercantile Bank,.....	685,680	" 7, ..	922,595	" 11, ..	457,409	
25. Pacific Bank,.....	299,191	June 1, ..	391,288	April 13, ..	201,975	
26. Bank of the Republic,.....	1,602,296	" 8, ..	1,779,471	Jan. 4, ..	292,818	
27. Chatham Bank,.....	170,871	Aug. 17, ..	220,629	" 4, ..	65,221	
28. People's Bank,.....	174,136	Sept. 7, ..	179,426	Mch. 29, ..	92,498	
29. Bank of North America,...	255,283	July 27, ..	644,209	Jan. 11, ..	128,129	
30. Hanover Bank,.....	269,015	May 4, ..	323,558	April 26, ..	123,079	
31. Irving Bank,.....	170,722	July 18, ..	291,969	Feb. 22, ..	88,048	
32. Metropolitan Bank,.....	2,225,287	Nov. 20, ..	2,905,481	June 1, ..	1,292,716	
33. Citizens' Bank,.....	221,064	July 20, ..	224,469	Dec. 23, ..	128,206	
34. Nassau Bank,.....	562,078	Aug. 24, ..	811,482	Mch. 8, ..	226,049	
35. Market Bank,.....	299,816	" 17, ..	481,088	Jan. 4, ..	174,246	
36. Saint Nicholas Bank,.....	177,267	Dec. 21, ..	258,526	" 11, ..	101,027	
37. Shoe and Leather Bank,...	428,120	Aug. 8, ..	576,277	Dec. 23, ..	127,622	
38. Corn Exchange Bank,.....	248,416	April 19, ..	565,286	Jan. 4, ..	267,425	
39. Continental Bank,.....	1,062,748	May 4, ..	1,015,429	" 18, ..	264,228	
40. Bank of the Commonwealth,	223,694	June 29, ..	266,206	" 4, ..	147,624	
41. Oriental Bank,.....	97,171	July 12, ..	190,488	Sept. 21, ..	90,266	
42. Marine Bank,.....	141,266	Aug. 10, ..	252,222	Jan. 4, ..	123,226	
43. Atlantic Bank,.....	78,702	Dec. 7, ..	122,277	May 25, ..	52,222	
44. Importers and Traders' Bk.,	526,222	July 6, ..	622,270	Feb. 1, ..	262,124	
45. Park Bank,.....	2,222,222	April 26, ..	2,222,222	Jan. 11, ..	1,422,222	
46. Mechanics' Banking Assoc.,	250,612	May 25, ..	257,222	" 4, ..	112,222	
47. Grocers' Bank,.....	111,142	Aug. 8, ..	165,222	" 4, ..	57,222	
48. North River Bank,.....	116,277	July 6, ..	176,101	Mch. 23, ..	90,272	
49. East River Bank,.....	95,624	" 20, ..	112,222	" 15, ..	23,122	
50. Manufac. & Merchants' Bk.,	224,276	" 20, ..	204,242	Jan. 4, ..	121,222	

Footings of totals of maximum and minimum,.....

	.....	.....	\$61,029,242	.....	\$19,576,658
Specie, April 27, 1861.	Date of Maximum.	Maximum Specie.	Date of Minimum.	Minimum Specie.	
\$23,780,064	Aug. 17, ..	\$49,252,476	Jan. 4, ..	\$23,721,128	

CIRCULATION OF THE ASSOCIATED BANKS OF NEW-YORK.

BANKS.	Circulation, April 27, 1861.		Maximum Circulation.		Minimum Circulation.	
1. Bank of New-York,.....	\$ 487,810	.. May 11, ..	\$ 445,515	.. Mch. 1, ..	\$ 279,011	
2. Manhattan Company,.....	888,207	.. " 4, ..	872,718	.. April 26, ..	106,192	
3. Merchants' Bank,.....	175,101	.. Dec. 14, ..	208,229	.. Mch. 22, ..	76,563	
4. Mechanics' Bank,.....	286,898	.. May 11, ..	309,049	.. " 15, ..	154,328	
5. Union Bank,.....	210,584	.. " 4, ..	224,184	.. " 15, ..	98,849	
6. Bank of America,.....	123,798	.. Oct. 13, ..	140,085	.. April 19, ..	50,573	
7. Phenix Bank,.....	182,778	.. May 11, ..	152,729	.. " 26, ..	50,168	
8. City Bank,.....						
9. Tradersmen's Bank,.....	825,048	.. May 11, ..	888,051	.. Mch. 8, ..	110,328	
10. Fulton Bank,.....	197,326	.. " 11, ..	224,881	.. April 26, ..	73,171	
11. Chemical Bank,.....	868,016	.. July 6, ..	429,801	.. " 26, ..	184,734	
12. Merchants' Exchange Bk.,	126,079	.. May 4, ..	128,273	.. Mch. 22, ..	74,502	
13. National Bank,.....	146,068	.. " 11, ..	168,012	.. Feb. 22, ..	78,918	
14. Butchers and Drovers' Bk.,	263,476	.. Nov. 16, ..	310,726	.. Mch. 8, ..	164,941	
15. Mechanics and Traders' Bk.	187,187	.. Aug. 3, ..	178,026	.. " 1, ..	127,743	
16. Greenwich Bank,.....	169,189	.. May 4, ..	172,015	.. " 22, ..	48,810	
17. Leather Manufac. Bank,...	239,442	.. " 11, ..	382,822	.. " 22, ..	69,941	
18. Seventh Ward Bank,.....	198,508	.. " 11, ..	227,109	.. " 8, ..	82,987	
19. Bank of the State of N. Y.,	289,588	.. " 4, ..	271,729	.. " 29, ..	82,886	
20. American Exchange Bank,	176,781	.. April 12, ..	253,484	.. Feb. 22, ..	98,226	
21. Bank of Commerce,.....	1,975	.. .. ..	1,975	.. .. ..	1,975	
22. Broadway Bank,.....	286,100	.. Nov. 16, ..	379,887	.. Feb. 22, ..	173,515	
23. Ocean Bank,.....	97,451	.. " 16, ..	101,995	.. Mch. 8, ..	48,419	
24. Mercantile Bank,.....	25,558	.. May 4, ..	26,886	.. April 26, ..	6,991	
25. Pacific Bank,.....	141,708	.. Jan. 4, ..	171,212	.. Feb. 22, ..	106,700	
26. Bank of the Republic,.....	204,749	.. April 19, ..	223,698	.. " 22, ..	110,900	
27. Chatham Bank,.....	104,043	.. May 11, ..	109,823	.. Mch. 15, ..	48,918	
28. People's Bank,.....	97,923	.. " 18, ..	99,043	.. " 22, ..	42,083	
29. Bank of North America,...	96,544	.. April 26, ..	146,266	.. Feb. 22, ..	55,716	
30. Hanover Bank,.....	88,064	.. June 8, ..	97,888	.. Mch. 22, ..	41,773	
31. Irving Bank,.....	125,118	.. " 8, ..	184,783	.. " 1, ..	80,098	
32. Metropolitan Bank,.....	238,014	.. Sept. 7, ..	265,618	.. " 22, ..	135,506	
33. Citizens' Bank,.....	150,199	.. Jan. 4, ..	159,248	.. Feb. 22, ..	108,068	
34. Nassau Bank,.....	188,365	.. Nov. 9, ..	150,280	.. April 26, ..	86,204	
35. Market Bank,.....	212,649	.. April 12, ..	221,988	.. Mch. 8, ..	123,361	
36. Saint Nicholas Bank,.....	84,560	.. " 12, ..	182,588	.. " 1, ..	68,724	
37. Shoe and Leather Bank,...	261,185	.. " 12, ..	314,471	.. Feb. 1, ..	185,895	
38. Corn Exchange Bank,.....	181,061	.. " 26, ..	206,764	.. June 1, ..	182,760	
39. Continental Bank,.....	194,205	.. " 19, ..	223,153	.. Feb. 22, ..	118,286	
40. Bank of the Commonwealth,	218,927	.. Dec. 7, ..	283,547	.. June 29, ..	225,937	
41. Oriental Bank,.....	99,897	.. April 26, ..	104,949	.. Mch. 1, ..	57,173	
42. Marine Bank,.....	142,851	.. " 19, ..	198,228	.. " 1, ..	100,405	
43. Atlantic Bank,.....	88,987	.. Aug. 10, ..	101,859	.. May 18, ..	88,416	
44. Importers and Traders' Bk.,	192,114	.. Oct. 5, ..	205,324	.. Mch. 8, ..	94,546	
45. Park Bank,.....	169,873	.. April 26, ..	325,413	.. " 8, ..	119,283	
46. Mechanics' Banking Assoc.,	86,699	.. Sept. 23, ..	89,847	.. " 1, ..	49,143	
47. Grocers' Bank,.....	49,404	.. June 1, ..	54,688	.. " 1, ..	29,187	
48. North River Bank,.....	77,585	.. Jan. 4, ..	73,129	.. " 1, ..	47,647	
49. East River Bank,.....	87,243	.. April 5, ..	105,221	.. Dec. 23, ..	81,228	
50. Manufac. & Merchants' Bk.,	135,673	.. May 4, ..	141,304	.. April 26, ..	86,696	
Footings of totals of maxi- mum and minimum,.....	....	....	\$ 9,749,757	....	\$ 4,509,682	

Circulation, Date of Maximum Circulation, Minimum Circulation.
 April 27, 1861. May 11, .. \$ 8,576,283 .. Mch. 1, .. \$ 5,004,102

NET DEPOSITS OF THE NEW-YORK ASSOCIATED BANKS.

BANKS.	<i>Net Deposits, April 27, 1861.</i>		<i>Maximum Net Deposits.</i>		<i>Minimum Net Deposits.</i>	
1. Bank of New-York,.....	\$3,505,925	Oct. 5, ..	\$4,980,989	Aug. 8, ..	\$3,110,157	
2. Manhattan Company,.....	4,414,105	Jan. 4, ..	6,685,911	Sept. 23, ..	3,866,579	
3. Merchants' Bank,.....	3,991,651	Nov. 23, ..	5,690,586	April 12, ..	3,017,996	
4. Mechanics' Bank,.....	3,168,069	Oct. 12, ..	3,978,087	" 8, ..	2,488,710	
5. Union Bank,.....	2,952,473	Aug. 24, ..	3,040,400	June 29, ..	1,964,168	
6. Bank of America,.....	7,063,387	Nov. 30, ..	8,454,877	Mch. 23, ..	5,820,251	
7. Phenix Bank,.....	3,581,494	Aug. 31, ..	4,560,993	April 5, ..	2,202,558	
8. City Bank,.....	1,796,806	Mch. 1, ..	3,458,488	May 11, ..	1,755,257	
9. Tradesmen's Bank,.....	760,465	Oct. 12, ..	1,455,400	June 1, ..	726,845	
10. Fulton Bank,.....	1,869,556	Nov. 23, ..	1,949,683	" 8, ..	1,238,819	
11. Chemical Bank,.....	3,183,192	Feb. 15, ..	4,768,816	May 4, ..	3,444,059	
12. Merchants' Exchange Bk.,.....	1,220,844	Oct. 12, ..	1,730,017	June 1, ..	870,029	
13. National Bank,.....	1,089,127	" 12, ..	2,185,900	April 19, ..	1,112,751	
14. Butchers and Drovers' Bk.,.....	1,118,483	" 5, ..	1,766,701	Mch. 23, ..	1,016,381	
15. Mechanics and Traders' Bk.,.....	765,774	" 5, ..	1,229,385	May 25, ..	736,866	
16. Greenwich Bank,.....	493,588	Jan. 25, ..	690,095	Dec. 23, ..	387,394	
17. Leather Manufac. Bank, ..	1,191,584	Feb. 15, ..	1,549,490	Aug. 10, ..	957,661	
18. Seventh Ward Bank,.....	710,738	Nov. 23, ..	1,181,710	July 27, ..	679,048	
19. Bank of the State of N. Y.,.....	2,557,548	Dec. 7, ..	4,394,858	" 8, ..	2,001,290	
20. American Exchange Bank,.....	4,879,745	Nov. 23, ..	8,223,815	April 5, ..	4,122,266	
21. Bank of Commerce,.....	7,849,439	" 23, ..	12,757,856	" 19, ..	5,624,402	
22. Broadway Bank,.....	3,434,510	Dec. 7, ..	6,883,195	Sept. 21, ..	2,331,541	
23. Ocean Bank,.....	1,017,674	Oct. 12, ..	1,905,998	June 29, ..	1,006,551	
24. Mercantile Bank,.....	2,110,322	Nov. 30, ..	2,863,156	Aug. 10, ..	1,784,277	
25. Pacific Bank,.....	690,673	" 28, ..	1,046,909	May 4, ..	792,738	
26. Bank of the Republic,.....	3,425,969	Feb. 15, ..	3,626,180	Aug. 17, ..	2,154,784	
27. Chatham Bank,.....	493,996	Oct. 12, ..	732,246	July 6, ..	400,576	
28. People's Bank,.....	505,263	Nov. 30, ..	763,087	Aug. 3, ..	444,025	
29. Bank of North America, ..	1,218,296	Feb. 8, ..	1,889,424	June 15, ..	907,217	
30. Hanover Bank,.....	654,517	Oct. 12, ..	1,359,362	Aug. 10, ..	628,399	
31. Irving Bank,.....	566,394	Nov. 23, ..	915,906	Mch. 23, ..	409,234	
32. Metropolitan Bank,.....	5,453,943	" 30, ..	8,066,256	June 22, ..	4,233,352	
33. Citizens' Bank,.....	636,324	Oct. 12, ..	886,173	Feb. 23, ..	606,265	
34. Nassau Bank,.....	1,169,065	Nov. 23, ..	1,833,583	May 13, ..	1,109,395	
35. Market Bank,.....	1,057,158	" 30, ..	1,646,168	" 25, ..	949,352	
36. Saint Nicholas Bank,.....	644,269	" 30, ..	1,161,751	Aug. 10, ..	535,390	
37. Shoe and Leather Bank, ..	1,393,464	Oct. 12, ..	2,081,686	June 15, ..	1,149,095	
38. Corn Exchange Bank,.....	917,863	Nov. 23, ..	2,072,358	July 20, ..	826,975	
39. Continental Bank,.....	1,650,137	Dec. 7, ..	3,665,981	April 19, ..	1,145,070	
40. Bk. of the Commonwealth, ..	805,887	Nov. 30, ..	1,423,493	June 8, ..	668,433	
41. Oriental Bank,.....	843,726	Dec. 14, ..	608,950	May 4, ..	843,678	
42. Marine Bank,.....	554,908	Feb. 15, ..	970,235	June 29, ..	473,518	
43. Atlantic Bank,.....	250,199	Nov. 30, ..	593,628	May 25, ..	187,375	
44. Importers and Traders' Bk.,.....	1,689,339	Dec. 21, ..	2,814,954	April 19, ..	1,574,175	
45. Park Bank,.....	5,579,314	April 26, ..	7,095,769	June 22, ..	4,280,865	
46. Mechanics' Banking Asso., ..	586,666	Nov. 30, ..	1,068,623	April 12, ..	410,443	
47. Grocers' Bank,.....	301,994	Oct. 12, ..	568,569	June 22, ..	299,016	
48. North River Bank,.....	388,189	Nov. 23, ..	678,371	" 8, ..	323,384	
49. East River Bank,.....	261,212	Oct. 12, ..	348,549	Mch. 23, ..	183,544	
50. Mannf. & Merchants' Bk., ..	557,679	Nov. 30, ..	838,243	June 1, ..	450,145	

Footings of totals of Maxi-
mum and minimum,.....

\$144,481,245 \$77,318,489

Net Deposits, Date of Maximum Net Date of Minimum
April 27, 1861. Maximum. Deposits. Minimum. Deposits.
\$95,620,323 .. Nov. 30, .. \$125,065,339 .. June 22, .. \$66,543,373

LEGAL MISCELLANY.

I. MORTGAGES—FAILURES TO PAY INTEREST WHEN THE PRINCIPAL BECAME DUE.

Before the Supreme Court, New-York, Special Term :

By the terms of the mortgage, upon default in the payment of interest for twenty days after the time limited for the payment thereof, the principal sum, together with all arrears of interest thereon, was, at the option of the plaintiff, to become and be due and payable immediately thereafter. The first semi-annual instalment of interest was suffered by the negligence and omission of the mortgagee to remain in arrear and unpaid, from December to May, and the plaintiff then, by his attorney, demanded payment of the principal and interest, treating it all as due. There was an attempt to force upon him, or to leave with him against his will, a sum of money equal to the interest in arrear ; but the evidence failed to show that the plaintiff accepted the proffered payment of interest.

Held, that the condition in the mortgage was not in the nature of a forfeiture, to be relieved against by a court of equity, or which a court of equity will not enforce. It is an agreement which the parties had a right to make, and the extension of credit was lawfully made dependent upon the punctual payment of interest. Upon the failure of the mortgagor to perform the condition upon which the credit depended, the principal became due and payable by the terms of his contract. In the absence of fraud, this, like any other contract, will be enforced by a court of equity. It is neither oppressive nor unconscionable. The claim that the plaintiff accepted the money, under the circumstances, and the statements of the witnesses in that behalf, was improbable. Judgment of foreclosure, in the usual form, for the whole amount. *AUGUSTUS A. VALENTINE vs. JOHN VAN WAGNER et al.*

II. THE STAY LAW OF KENTUCKY—IMPORTANT LEGAL DECISION IN KENTUCKY.

The Court of Appeals, of Kentucky, rendered a decision in the case of *JOHNSON vs. HIGGINS*, from the Scott Circuit Court, sustaining the constitutionality of the first section of the act known as the "Stay Law," which prevents the rendition of judgment for money until after January 1, 1862. Judge GOODLOE, in the court below, had rendered judgment against *GEORGE W. JOHNSON* for \$12,000, after the passage of the act above named, upon the ground that the first section of the law was unconstitutional. The Court of Appeals now reverse the decision of Judge GOODLOE, and declare the clause suspending the courts to be constitutional. The other sections of the law were not passed upon, not being involved in this case.

LICENSES AND STAMP DUTIES.

BY ACT OF CONGRESS, APPROVED JULY 1, 1862.

* * * *An official copy of this act, and of laws relating to direct and excise taxes, (a pamphlet of 115 octavo pages,) will be mailed FREE to any subscriber to the Bankers' Magazine on application by letter, with a remittance of 10 cents for postage.*

ANNUAL LICENSES—PAYABLE ON AND AFTER AUGUST 1, 1862.

SECTION 1. Bankers shall pay one hundred dollars for each license. Every person shall be deemed a banker within the meaning of this act, who keeps a place of business where credits are opened in favor of any person, firm or corporation, by the deposit or collection of money or currency, and the same, or any part thereof, shall be paid out or remitted upon the draft, check or order of such creditor, but not to include incorporated banks or other banks legally authorized to issue notes as circulation, nor agents for the sale of merchandise for account of producers or manufacturers.

SEC. 13. Brokers shall pay fifty dollars for each license. Any person whose business is to purchase or sell stocks, coined money, bank notes, or other securities for themselves or others, or who deals in exchanges relating to money, shall be regarded a broker under this act.

SEC. 14. Commercial brokers shall pay fifty dollars for each license. Any person or firm, except one holding a license as wholesale dealer or banker, whose business it is, as the agent of others, to purchase or sell goods, or seek orders therefor, in original or unbroken packages or produce, or to manage business matters for the owners of vessels, or for the shippers or consignors of freight carried by vessels, or whose business it is to purchase, rent or sell real estate for others, shall be regarded a commercial broker under this act.

SEC. 15. Land warrant brokers shall pay twenty-five dollars for each license. Any person shall be regarded as a land warrant broker within the meaning of this act, who makes a business of buying and selling land warrants, and of furnishing them to settlers or other persons under contracts to have liens upon the land procured by means of them according to the value agreed on for the warrants at the time they are furnished.

STAMP DUTIES—PAYABLE ON AND AFTER OCTOBER 1, 1862.

Bank check, draft, or order for the payment of any sum of money exceeding \$20, drawn upon any bank, trust company, or any person or persons, companies or corporations, at sight or on demand, two cents.

Bill of exchange, (inland,) draft, or order for the payment of any sum of money exceeding \$20, and not exceeding \$100, otherwise than at sight or on demand, or any promissory note, except bank notes, issued for circulation, for a sum exceeding \$20, and not exceeding \$100, five cents.

Exceeding \$100, and not exceeding \$200, ten cents.

Exceeding \$200, and not exceeding \$350, fifteen cents.

Exceeding \$350, and not exceeding \$500, twenty cents.

Exceeding \$500, and not exceeding \$750, thirty cents.

Exceeding \$750, and not exceeding \$1,000, forty cents.

Exceeding \$1,000, and not exceeding \$1,500, sixty cents.

Exceeding \$1,500, and not exceeding \$2,500, one dollar.

Exceeding \$2,500, and not exceeding \$5,000, one dollar and fifty cents.

And for every \$2,500, or part of \$2,500, in excess of \$5,000, one dollar.

Bill of exchange (foreign) or letter of credit, drawn in, but payable out of the United States, if drawn singly, or otherwise than in a set of three or more, according to the custom of merchants and bankers, shall pay the same rates of duty as inland bills of exchange or promissory notes.

If drawn in sets of three or more: For every bill of each set, where the sum made payable shall not exceed \$150, or the equivalent thereof, in any foreign currency in which such bills may be expressed, according to the standard of value fixed by the United States, three cents.

Above \$150, and not above \$250, five cents.

Above \$250, and not above \$500, ten cents.

Above \$500, and not above \$1,000, fifteen cents.

Above \$1,000, and not above \$1,500, twenty cents.

Above \$1,500, and not above \$2,250, thirty cents.

Above \$2,250, and not above \$3,500, fifty cents.

Above \$3,500, and not above \$5,000, seventy cents.

Above \$5,000, and not above \$7,500, one dollar.

And for every \$2,500, or part thereof, in excess of \$7,500, thirty cents.

BANKS, TRUST COMPANIES, SAVING INSTITUTIONS AND INSURANCE COMPANIES.

SEC. 82. On and after the first day of July, eighteen hundred and sixty-two, there shall be levied, collected and paid by all banks, trust companies and saving institutions, and by all fire, marine, life, inland, stock and mutual insurance companies, under whatever style or name known or called, of the United States or territories, specially incorporated or existing under general laws, or which may be hereafter incorporated or exist as aforesaid, on all dividends in scrip or money thereafter declared due or paid to stockholders, to policy holders, or to depositors, as part of the earnings, profits or gains of said banks, trust companies, savings institutions or insurance companies, and on all sums added to their surplus or contingent funds, a duty of three per centum.

SEC. 100. *And be it further enacted,* That if any person or persons shall make, sign or issue, or cause to be made, signed or issued, or shall accept or pay, or cause to be accepted or paid, with design to evade the payment of any stamp duty, any bill of exchange, draft or order, or promissory note for the payment of money, liable to any of the duties imposed by this act, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the duty hereby charged thereon, he, she or they shall, for every such bill, draft, order or note, forfeit the sum of two hundred dollars.

SEC. 101. *And be it further enacted,* That the acceptor or acceptors of any bill of exchange or order for the payment of any sum of money drawn, or purporting to be drawn, in any foreign country, but payable in the United States, shall, before paying or accepting the same, place thereupon a stamp, indicating the duty upon the same, as the law requires for inland bills of exchange, or promissory notes; and no bill of exchange shall be paid or negotiated without such stamp; and if any person shall pay or negotiate, or offer in payment, or receive or take in payment any such draft or order, the person or persons so offending shall forfeit the sum of one hundred dollars.

POSTAGE STAMPS AS A CURRENCY.

ANNEXED is a copy of the act to authorize payments in postage stamps, and to prohibit the circulation of notes of less denomination than one dollar:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby directed to furnish to the Assistant Treasurers and such designated depositories of the United States as may be by him selected, in such sums as he may deem expedient, the postage and other stamps of the United States, to be exchanged by them, on application, for United States notes; and from and after the first day of August next, such stamps shall be receivable in payment of all dues to the United States less than five dollars, and shall be received in exchange for United States notes when presented to any Assistant Treasurer or any designated depository selected as aforesaid, in sums not less than five dollars.

SEC. 2. *And be it further enacted,* That from and after the first day of August, eighteen hundred and sixty-two, no private corporation, banking association, firm or individual, shall make, issue, circulate or pay any note, check, memorandum, token, or other obligation, for a less sum than one dollar, intended to circulate as money, or to be received or used in lieu of lawful money of the United States; and every person so offending shall, on conviction thereof in any district or circuit court of the United States, be punished by fine not exceeding five hundred dollars, or by imprisonment not exceeding six months, or by both, at the option of the court.

Approved July 17, 1862.

At present there are eight denominations of postage stamps, which we describe as follows: The one-cent stamp is blue, and has the vignette of FRANKLIN; the three-cent stamp (the one commonly used) is red or pink, with the portrait of WASHINGTON; the five-cent is chocolate color, with the head of JEFFERSON; the ten-cent is green, with the portrait of WASHINGTON; the twelve-cent is black, with the portrait of WASHINGTON; the twenty-four-cent is lilac, with the head of WASHINGTON; the thirty-cent is yellow, with the vignette of FRANKLIN; the ninety-cent is blue, with the portrait of WASHINGTON, as appearing when a young general. The stamps now in use by the post-office department are distinguished from the old ones (not now receivable) by the fact, that the figures denoting the denominations are in the upper corners.

Since the passage of the new "Stamp Act" by Congress, there has been a large demand for postage stamps at the post-office in New-York. In ordinary times about \$3,000 worth of stamps are sold daily. The increase in the amount of sales within the past week has been, of course, remarkable. On the 18th, the sales ran up to \$10,000, and on the 19th, they realized \$16,000. Yesterday, the salesmen in the stamp department were hard at work, disposing of the new currency. The long stairs and hall leading to the stamp counter were lined with a crowd of persons, each waiting his turn to be disposed of. The post-office department will promptly provide a sufficient stock of each denomination to supply the demand.

There need be no fear of these stamps accumulating in larger quantities than the public require. Holders can at any time, and at all times, convert them into Treasury notes. This currency is not a legal tender between individuals; but is a legal tender to the United States for all sums less than five dollars. Under this law the Treasury will have, at least, thirty millions of dollars without interest.

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, YEARS 1861 AND 1862.

NEW-YORK STOCK BOARD.	YEAR 1860.		YEAR 1861.		JAN., 1862.		FEB., 1862.		MARCH, 1862.		APRIL, 1862.		MAY, 1862.		JUNE, 1862.		SIX MO., '62.	
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.
United States six per cents, 1868....	95	106 1/2	80	100	85	90	98	98	92 1/2	95	94	97	97 1/2	109	103 1/2	107 1/2	85	107 1/2
United States six per cents, 1881....	..	..	85 1/2	95 1/2	87 1/2	91 1/2	89 1/2	88 1/2	92 1/2	94 1/2	93 1/2	95	97 1/2	105 1/2	107 1/2	87 1/2	107 1/2	..
U. S. five per cents, 1874, coupon....	85	104 1/2	75	97	78	80 1/2	79 1/2	85	85	88	86 1/2	90	89 1/2	96	95 1/2	97 1/2	78	97 1/2
Indiana State five per cents.....	88	98	78	98	78	76 1/2	75	..	78 1/2	79	77	79	70	84 1/2	..	75	84 1/2	..
Virginia six per cent. bonds.....	78	95	86	81	49	51 1/2	51 1/2	43	59 1/2	68 1/2	55 1/2	60	56 1/2	60 1/2	56	59 1/2	49	61 1/2
Tennessee six per cent. bonds.....	64	98	84 1/2	77	43	45	43	65	56 1/2	68	58 1/2	58 1/2	55 1/2	61	58 1/2	61	43	61
Georgia six per cent. bonds.....	109	105	53	94	66 1/2	67	..	..	75	..	75	..	75	..	..	66 1/2	75	..
North Carolina six per cent. bonds...	76	100	44	89 1/2	60	68	63	78	63 1/2	70	68	67 1/2	65 1/2	73 1/2	73	74	60	74
California seven per cent. bonds....	88	95	71 1/2	88	76 1/2	88	80	87	86	87 1/2	85	89	89	96 1/2	96 1/2	98 1/2	76 1/2	98 1/2
Misouri six per cent. bonds.....	61	84 1/2	85	79 1/2	40	49 1/2	40 1/2	46 1/2	51	54 1/2	48 1/2	53	50 1/2	54	51	58 1/2	40	54 1/2
Canton Company shares.....	14	23 1/2	8	15	10	11 1/2	10 1/2	13	14	14 1/2	..	..	18 1/2	15	15	..	10	15
Cumberland Coal Co., preferred....	8	17 1/2	4	9 1/2	5 1/2	..	5	9	7 1/2	8 1/2	8	8	8 1/2	8 1/2	8 1/2	8 1/2	5	9 1/2
Pacific Mail Steamship Company....	70	107 1/2	50	100	99	99 1/2	91	99 1/2	98	98	97 1/2	111	109	119	118	118	91	119
New-York Central Rail-Road.....	70	92 1/2	68	89 1/2	79 1/2	88 1/2	79 1/2	84 1/2	82 1/2	84 1/2	81 1/2	85 1/2	85 1/2	81 1/2	88 1/2	85 1/2	79 1/2	95 1/2
Erie Rail-Road shares.....	8 1/2	48	17	40 1/2	31 1/2	36 1/2	33	35 1/2	34 1/2	38	36 1/2	37 1/2	35 1/2	40 1/2	35 1/2	39 1/2	31 1/2	40 1/2
Hudson River Rail-Road.....	36	66	31 1/2	49 1/2	37 1/2	40	35 1/2	39 1/2	35 1/2	37 1/2	35 1/2	38 1/2	38	45	44	49 1/2	38 1/2	49 1/2
Harlem Rail-Road shares.....	8	24	8 1/2	16 1/2	13 1/2	13 1/2	11 1/2	13 1/2	13 1/2	13 1/2	13	13	13	15	14	18 1/2	11 1/2	18 1/2
Harlem Rail-Road, preferred.....	27	55	20 1/2	48	29 1/2	33	28 1/2	30 1/2	30 1/2	30 1/2	30	30 1/2	30 1/2	37	33 1/2	45	28 1/2	45
Reading Central Rail-Road.....	30	49 1/2	29 1/2	49 1/2	35	49 1/2	40	44 1/2	41	41 1/2	43	43 1/2	45 1/2	49 1/2	50	60	35	60
Michigan S. & N. Indiana R.R.....	84 1/2	78 1/2	89 1/2	61 1/2	47	53 1/2	48 1/2	54 1/2	53 1/2	58 1/2	58 1/2	56 1/2	56 1/2	63 1/2	68 1/2	68 1/2	47	68 1/2
Michigan S. & N. Indiana, genl....	5	25	10 1/2	20 1/2	19	23	20 1/2	24 1/2	23 1/2	25	25	25 1/2	28	28 1/2	28 1/2	28 1/2	19	28 1/2
Panama Rail-Road shares.....	12 1/2	90 1/2	9 1/2	41 1/2	39 1/2	41 1/2	40 1/2	46	44 1/2	44 1/2	44 1/2	44 1/2	47	53 1/2	57	64	39 1/2	64
Illinois Central Rail-Road shares...	106	140 1/2	97 1/2	131	110	118 1/2	111 1/2	121 1/2	117	133	126 1/2	126 1/2	138	133	139 1/2	110	139 1/2	..
Galeana and Chicago Rail-Road....	51 1/2	89 1/2	55 1/2	88 1/2	61	64	55 1/2	65 1/2	61 1/2	65 1/2	67	68	60	64	60 1/2	66 1/2	55 1/2	66 1/2
Cleveland and Toledo Rail-Road...	18 1/2	49 1/2	30 1/2	74 1/2	65 1/2	69 1/2	63 1/2	66	67 1/2	70	66 1/2	68 1/2	78	69 1/2	72 1/2	65 1/2	78	..
Chicago & Rock Island Rail-Road...	49 1/2	64 1/2	30 1/2	68	50	55 1/2	52 1/2	57	55	59 1/2	58 1/2	58 1/2	56	66	62 1/2	69 1/2	60	69 1/2
Illinois Central Construction bonds...	81	100 1/2	84 1/2	109 1/2	87 1/2	96 1/2	93	96	98	94 1/2	86 1/2	90 1/2	88 1/2	94 1/2	94 1/2	97 1/2	86 1/2	97 1/2
Pennsylvania Coal Company.....	78 1/2	87	73	81	80	86	85	89	83	88	79 1/2	80 1/2	85	80 1/2	84	90	79 1/2	93
Delaware and Hudson Canal Co....	80	101 1/2	79	93	84 1/2	99 1/2	93	97	87 1/2	91	89	99 1/2	98	100	92	100 1/2	84 1/2	100 1/2
Premium on gold.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

THE STOCK MARKET FOR JUNE, 1862.

THE stock market exhibited violent fluctuations in the month of June last. Prices generally reached higher figures than at any previous date this year. Government securities especially were high. Six per cents, of 1868, reached 107½; North Carolina bonds reached ½ above the highest previous quotation; California sevens, 2½; New-York Central Rail-Road, 6; Hudson River, 4½; Harlem Rail-Road, 3½; Harlem preferred, 8; Reading, 10½; Michigan Central, 5; Michigan Southern, 2; Southern guaranteed, 5½; Panama Rail-Road shares, 6½; Cleveland and Toledo, 2½; Rock Island, 3; Illinois Central bonds, 2½; Pennsylvania Coal Company, 7¼.

BANK ITEMS.

NEW-YORK.—As there seems to be a disposition just at present, on the part of individuals, to provide against the scarcity of small change, by the issue of small circulating notes, it may be well to quote from the laws of this State, making such an act an offence, and inflicting a penalty therefor. On page 118, *Revised Statutes*, fourth edition, volume 2, will be found the following sections:

SEC. 6. No person, association of persons or body corporate, except such bodies corporate as are expressly authorized by law, shall keep any office for the purpose of issuing any evidences of debt to be loaned or put in circulation as money; nor shall they issue any bills or promissory notes, or other evidences of debt, as private bankers, for the purpose of loaning them, or putting them in circulation as money, unless thereto specially authorized by law.

SEC. 7. Every person, and every corporation, and every member of a corporation, who shall contravene either of the provisions in the last section, or directly or indirectly assent to such violation, shall forfeit \$1,000.

Section 11, on page 119 of the same volume, forbids any person to pay, give or receive in payment, any bank notes issued by any banking company in this State of a less denomination than one dollar, and section 12 provides that the penalty for the violation of this provision shall be the forfeiture of the nominal amount of the note so received or paid.

We call attention to the card, in the advertising sheet, of EDWARD KING, banker, New-York, late of J. G. KING'S SONS.

CONNECTICUT.—At the annual meeting of the stockholders of the Iron Bank, Falls Village, July 1st, WILLIAM P. BURRALL, Esq., was elected President of the bank, in place of ALEXANDER H. HOLLEY, Esq., who declined a re-election.

BRIDGEPORT.—On the 16th July, JOHN T. SHELTON, Esq., was appointed Cashier of the Connecticut Bank, Bridgeport, in place of CHARLES FOOTE, Esq., resigned.

PENNSYLVANIA.—A resolution submitted in the Select Council of Philadelphia, and referred to the Finance Committee, calling upon that committee to report an ordinance to authorize the issuing of small notes by the city, will not be reported upon, we understand, as there is an act of the legislature, passed in 1849, which prohibits any municipal corporation in the State of Pennsylvania from issuing any note, or anything else, to be used as a currency. The old city proper, in 1837, issued small notes to the amount of about a half million of dollars, and the act of 1849 was

passed to prevent a repetition of such issues by the city, as well as other corporations in the State.

The following is the section of the act of Assembly of Pennsylvania upon the subject: "Sec. 2. That if any officer or officers, agent or agents of any municipal corporation within this commonwealth, shall be instrumental in, or consent to, or connive at the making, issuing or re-issuing of any note, bill, check, ticket, certificate or order, in the nature or similitude of a bank note, or intended to be used as a currency, he shall be deemed to be guilty of a misdemeanor, and upon conviction thereof in any court having jurisdiction of the offence, shall be fined in any sum not exceeding one thousand dollars for each offence, for the use of the county, and be liable to imprisonment in the county jail for a term not exceeding six months, at the discretion of the court."—*Philadelphia Ledger*.

BANKS OF JERSEY CITY, JULY, 1862.

Banks.	Circulation.	Loans.	Specie.	Deposits.
Mechanics' Bank,.....	\$ 249,549 ..	\$ 1,306,939 ..	\$ 52,836 ..	\$ 593,863
Newark Banking Co.,....	280,322 ..	1,121,921 ..	48,448 ..	420,169
State Bank,.....	213,127 ..	1,096,801 ..	104,230 ..	424,253
Newark City Bank,.....	136,814 ..	435,696 ..	41,029 ..	225,759
Essex County Bank,....	231,814 ..	546,123 ..	31,045 ..	154,235
July, 1862,.....	\$ 1,111,626 ..	\$ 4,507,482 ..	\$ 272,590 ..	\$ 1,818,274
April, 1862,.....	1,103,855 ..	4,030,712 ..	534,223 ..	1,691,500
January, 1862,.....	781,413 ..	3,719,088 ..	631,546 ..	1,899,125
Capital, \$ 2,258,650.				

The *Newton Gazette* contradicts the rumor that the New-Jersey banks are going to issue notes below one dollar, and says: "Bank charters in this State forbid the issue of notes of a smaller denomination than one dollar, and as yet there has been no real necessity for notes smaller than these—though there has been much inconvenience for want of small change."

INDIANA.—The banks of the State of Indiana and branches pay specie yet on all their liabilities. Since 1st January last their circulation has been reduced from \$5,872,000 to \$5,559,000. They have balances in eastern banks to the amount of \$1,162,000. The board, at their July session, adopted the following resolutions:

Resolved, That there is nothing in the present condition of our political or financial affairs, or in the prospect for the future, to justify the branches in departing from the most conservative policy in the management of their business; but, on the contrary, very much to excite them to rigorous activity in collecting and securing their debts, and to extraordinary carefulness in all future negotiations.

Resolved, As coin is the only reliable, and therefore the only legitimate basis of a bank note circulation, possessing a permanent and intrinsic value, which becomes the more marked as other bases of circulation and other currencies fluctuate in the market; that no branch of this bank should permit its coin to fall below at least fifty per cent. of its outstanding notes, and that those branches whose specie is below this proportion be instructed to increase it to the required standard by the sale of their Custom-House Treasury Notes, or otherwise, before the next meeting of this board.

ILLINOIS.—The Marine Bank of Chicago has transferred its business to the banking house of J. YOUNG SCAMMON, Chicago.

LOUISIANA.—J. M. LAPEYRE, President of the Louisiana State Bank, was before the court to answer a complaint by BERNARD ABADIE, a butcher, that he had deposited \$1,000 in gold in the bank, of which \$300 had been paid; but that the balance, \$700, he was obliged to take in Confederate notes. The court ordered that upon returning to the bank the Confederate money, ABADIE should receive current funds for the \$700 balance.

KENTUCKY.—MR. THOMAS KELLY, Cashier of the branch of the Northern Bank of Kentucky at Paris, died on the 28th day of March last. CHARLTON ALMANDER,

the former President, was appointed Cashier, and ROBERT T. DAVIS, President, in his place.

Louisville.—The Bank of Louisville has declared a dividend of two per cent., payable to the Philadelphia stockholders at the Bank of North America.

Bank Dividend.—The Northern Bank of Kentucky has declared a dividend of three per cent., payable out of the profits of the last six months. The *Lexington Observer and Reporter* says that, in the published statement of its condition on the first of the month, it is said that the "moneys, notes, books and other assets of the Glasgow Branch, which were seized by the provisional government, as mentioned in the last January report, were, upon the evacuation of Bowling Green, restored in full and uninjured, and the bank has sustained no loss by the seizure."

OHIO.—The State of Ohio has been furnished by the banks of the State, which accepted the conditions of the law allowing their suspension, with the exchange, payable in coin, necessary for the payment of the interest due to-day in New-York, at the rate of one-half of one per cent. premium. When gold is worth nine per cent. premium, this is an operation which is a pretty good test of the fidelity of the banks to the conditions imposed. The section of the act with which this was in conformity, reads as follows:

Sec. 4. Any solvent banking institution of this State availing itself of the provisions of this suspending act, shall, during continuance in suspension under this act, if required by the Treasurer of this State, furnish him with sight exchange, payable in New-York in coin, for its own notes, in the proportion that the circulation of such banks bears to the circulation of all solvent banks of this State, at a rate not exceeding one-half of one per cent. premium, to the extent required to pay the semi-annual interest on the present foreign debt of the State.

Mount Vernon.—HUGH OGLEVEE, Esq., late assistant Cashier of the Branch of the State Bank of Ohio, Mount Vernon, was, on the 8th of July, elected Cashier, in place of T. FRANK ANDREWS, Esq., deceased.

OHIO.—The *Cincinnati Gazette* details the successful attempt of a couple of sharpers, named J. H. CHADWICK and SAMUEL SANDS, to flood the South with broken bank money, consisting of \$1, \$2 and \$5 bills on the Clifton Bank of Canada, also \$5 and \$10 notes on the American Bank, Dover Hill, Indiana. When they found themselves unable to obtain any more cotton with it, they commenced purchasing Southern money; made contracts with the wagon-masters for the distribution of their bogus money along the road; hired private soldiers to travel through the country, and put it off, and in various ways disposed of as much of it as possible. In Huntsville they passed a lot of it to a captain of the First Tennessee regiment, who, becoming suspicious that all was not right, took the money back to them, and they very promptly refused to redeem it. General MITCHELL had them arrested immediately and lodged in jail. The Provost Marshal then took possession of their effects broke open their trunks, and found about seventy thousand dollars of the bogus money.

MISSOURI.—The city of St. Louis advertises to redeem its credit in full by paying all back interest, and the principal of all matured bonds due or to be due before July 1st, on presentation, at that date, at the Boatmen's Savings Institution, in that city. Hereafter payments due in this city will be promptly met at the Bank of the Republic. The coupons upon the bonds of the city of Marysville, due July 1st, will be duly honored at that date at the Bank of the State of New-York.

VIRGINIA.—Almost every arrival from the South brings large numbers of the various city, corporation and State bills issued in secessia to represent sums of value from five cents to five dollars. Our soldiers at the different points of occupation have collected quantities of shinplasters, and have sent them home as curiosities to their friends. The actual worth of these bills is considerably less at the South than their face represents, and their value as curiosities in this region is diminished, from the fact that almost all of them have been duplicated, and are now regularly issued and sold in the news-offices and stationers' shops in the city. For

a trifling sum one may obtain *fac similes* of all the bills issued at the South. The execution is generally better than that of the original, and a five dollar bill may be purchased for five cents, which is a greater discount than obtains at the South, where a dollar bill is worth as much as forty cents, and where four or five of them will buy a pound of coffee.

One of the Richmond papers says that these *fac similes* (which the paper calls "counterfeits") have found their way to the South, and are largely in circulation. It is also stated that they are calculated to deceive, which may be said of the originals. The originals and *fac similes* properly find a place among the records of the rebellion, and will be regarded as curiosities for years to come.

WISCONSIN.—The name of the Bank of Prairie du Chien, at Prairie du Chien, was incorrectly omitted from our list of banks in Wisconsin, owing to an error in the Wisconsin Bank Comptroller's office. We call attention to the omission, as the bank is in good standing, at the request of the Wisconsin Bank Department.

The proposals for the purchase of the \$50,000 of six per cent. Wisconsin State bonds, authorized to be issued by chapter 226 of the general laws of 1862, were opened in July, in the executive office. The bids and awards were as follows:

A. W. Greenleaf & Co., New-York,.....	\$50,000 par,	awarded	\$13,000
Isaac Seymour, New-York,.....	25,000 "	"	7,000
D. Ferguson, Cashier, Milwaukie,.....	30,000 "	"	8,000
C. D. Nash, President, ".....	30,000 "	"	8,000
Marshall & Illsley, ".....	25,000 "	"	7,000
Sam'l Marshall, President, ".....	25,000 "	"	7,000

\$50,000

Milwaukie.—The Milwaukie County Bank has been established under the general banking law of the State of Wisconsin. JOHN ARMSTRONG, President; WILLIAM YOUNG, Vice-President; J. L. SPINK, Cashier. This bank takes charge of the business of the late firm of ARMSTRONG, SPINK & Co.

Stamp-tail Currency.—In the Western States they have had wild-cat and red-dog currency. To these are now added what they denote as "stamp-tail currency." This term is used to signify the notes of those banks whose circulation has been based on bonds of the Southern States. Soon after the breaking out of the present rebellion, these bonds proved utterly worthless, and the banks which held them of a consequence caved in. Their issue became stamp-tailed, that is, reduced to *nihil*.—*Historical Magazine*.

CANADA.—The Toronto *Globe* explains why ten per cent. discount is charged upon United States Treasury notes in Canada. It says: "The discount in Canada is exactly in proportion to the discount in the States. A gold dollar in New-York is worth \$1 16 in government notes, and consequently, the notes stand at 16 per cent. discount. When we speak of the value of an American note in Canada, we speak of it as compared with the value of Canadian money, which is redeemable in specie. The depreciation of the Washington bills in Canada is but little more than it is in the States."

FLUCTUATIONS IN THE PRICE OF GOLD.

Immediately after the suspension of the banks of the city of New-York, (December 30, 1861,) a premium for gold was demanded. Gold has since become one of the "stocks" dealt in at the stock board, and is daily quoted. The fluctuations since 15th January have been as follows:

	Lowest.	Highest.		Lowest.	Highest.
January 15th to 31st,....	1½	..	3½	Month of May, 1862,....	2½ .. 4½
Month of February, 1862,.	2½	..	4½	Month of June, ".....	3½ .. 9½
Month of March, 1862,...	1½	..	2½	Month of July, (to 15th),.	8½ .. 17½
Month of April, "....	1½	..	2½		

The daily fluctuations since June 1st, have been as follows:

PREMIUM FOR GOLD.

June, 1862.			July, 1862.		
2, 3½ @ 3½ ..	12, 4½ @ 5½ ..	21, 6½ @ 6½ ..	1, 8½ @ 9½ ..	11, 14½ @ 16	
3, 3½ @ — ..	13, 5½ @ 5½ ..	23, 6½ @ — ..	2, 9½ @ 9½ ..	12, 13½ @ 14½	
4, 3½ @ 3½ ..	14, 5½ @ 5½ ..	24, 7½ @ 8½ ..	3, 10½ @ 10½ ..	14, 15½ @ 16½	
5, 3½ @ 4 ..	16, 6½ @ 6½ ..	25, 8½ @ 8½ ..	5, 9½ @ 10 ..	15, 17 @ —	
6, 4 @ 4½ ..	17, 6 @ 6½ ..	26, 8½ @ 9½ ..	7, 10 @ 10½ ..	16, 16½ @ 17½	
7, 4 @ 4½ ..	18, 5½ @ 6½ ..	27, 9½ @ 9½ ..	8, 10½ @ 11½ ..	17, 18 @ 19	
9, 4½ @ 4½ ..	19, 6½ @ 6½ ..	28, 9 @ 9½ ..	9, 13½ @ 16½ ..	18, 19 @ 19½	
10, 4½ @ 4½ ..	20, 6½ @ 6½ ..	30, 8½ @ 9½ ..	10, 15½ @ 17½ ..	19, 18½ @ 19	
11, 4½ @ 4½					

BANK DIVIDENDS IN NEW-YORK.

Tabular Statement of Bank Dividends, payable in January and July, 1862, compared with the years 1860 and 1861.

NAME OF BANK.	Capital.	1860.		1861.		1862.	
		Jan.	July.	Jan.	July.	Jan.	July.
Atlantic Bank,.....	\$ 400,000	..	..	..	..	..	..
Bank of America,.....	3,000,000	..	3½ 3½	..	3½ 3½	..	3½ 3½
Bank of Commerce,.....	2,143,480	..	3½ 3½	..	3 3	..	3 3
Bank of New-York,.....	3,000,000	..	3 3	..	3 3	..	3 3
Bank of North America,.....	1,000,000	..	3½ 3½	..	3½ 3½	..	3 3½
Bank of the Commonwealth, ..	750,000	..	3½ 3½	..	3½ 3	..	3 3
Broadway Bank,.....	1,000,000	..	5 5	..	5 5	..	5 5
Butchers and Drivers' Bank, ..	800,000	..	5 5	..	5 5	..	5 5
Chatham Bank,.....	450,000	..	3½ 3½	..	3½ 3	..	..
Chemical Bank,.....	800,000	..	6 6	..	6 6	..	6 6
Continental Bank,.....	2,000,000	..	3½ 3½	..	3 ..	..	3 3
East River Bank,.....	206,525	..	3½ 3½	..	3½ 3½	..	3½ 3½
Fulton Bank,.....	600,000	..	..	..	..	..	5
Grocers' Bank,.....	800,000	..	3½ 3½	..	3½ 3½	..	3½ 3½
Hanover Bank,.....	1,000,000	..	3½ 3½	..	3½ 3	..	3
Importers and Traders' Bank, ..	1,500,000	..	4 4	..	4 3	..	3 3½
Irving Bank,.....	500,000	..	3½ 3½	..	3 3	..	..
Manufacturers and Merchants', ..	500,000	..	..	..	3 3	..	3 3
Market Bank,.....	1,000,000	..	3½ 3½	..	3½ 3	..	3 3
Mechanics' Bank,.....	2,000,000	..	4 4	..	4 3½	..	3½ 3½
Mercantile Bank,.....	1,000,000	..	5 5	..	5 4	..	4 4
Merchants' Exchange Bank,....	1,235,000	..	3½ 3½	..	3½ 3	..	3 3
Metropolitan Bank,.....	4,000,000	..	4 4	..	4 3	..	3 3
New-York County Bank,.....	200,000	..	3½ 3½	..	3½ 3	..	3 3
North River Bank,.....	400,000	..	3½ 3½	..	3½ 3	..	3½
New-York Dry Dock Bank,....	200,000	..	4 4	..	4 3½	..	3½ 3½
New-York Exchange Bank,....	150,000	..	4 4	..	4 3	..	3½ 3½
Park Bank,.....	2,000,000	..	4 4	..	4 4	..	4 4
People's Bank,.....	412,500	..	3½ 3½	..	3½ 3½	..	3½ 3½
Phoenix Bank,.....	1,800,000	..	3½ 3½	..	3½ 3½	..	3 3
Seventh Ward Bank,.....	500,000	..	5 5	..	5 5	..	5 5
Tradesmen's Bank,.....	1,000,000	..	4 4	..	4 3	..	3 3½
Total capital, 32 banks,.....	\$ 43,352,505						

Notes on the Money Market.

NEW-YORK, JULY 23, 1862.

Exchange on London, at sixty days' sight, 129 @ 130.

The month of July has been fruitful in important events. Few months have exhibited more severe fluctuations in the money, stock and foreign exchange markets. Congress adjourned on the 17th inst., after adopting a higher tariff, an increased issue of Treasury notes to the extent of one hundred and fifty millions of dollars, and a substitute for small change in the use of postage stamps. Gold has sold during the month of July at 119½; and sixty day bills on London have been sold at as high a figure as 131, or 21 @ 22 per cent. above the specie par.

Money no longer remains at 4 @ 5 per cent. Six per cent. is now the minimum rate among bankers and brokers, and a more active demand has arisen for loans. We may attribute this mainly to the heavy export of gold, which exceeds for the last six months 38 millions from the port of New-York. The foreign imports of the year, ending 30th June, 1862, compared with previous years, have been as follows:

Imports.	1850-'60.	1860-'61.	1861-'62.
Dry Goods,.....	\$ 107,843,205	\$ 83,810,345	\$ 88,155,730
General Merchandise,.....	128,498,198	107,015,754	94,118,827
Specie and Bullion,.....	2,877,315	34,075,161	11,691,800
Total imports,.....	\$ 238,718,718	\$ 224,401,260	\$ 143,960,847

EXPORTS, SAME PERIOD.

Produce and Merchandise,.....	\$ 79,988,904	\$ 126,525,665	\$ 138,867,563
Specie and Bullion,.....	53,097,646	28,860,857	28,968,168
Total exports,.....	\$ 133,086,550	\$ 155,386,522	\$ 167,835,731

A large export of gold is always accompanied with advanced rates of discount on commercial paper. Although the exports are nominally larger this year than in the fiscal year 1860-1, and apparently cover the imports, yet the large amounts of American securities thrown upon the market by foreign holders, and the large sums payable for dividends due foreign creditors, demand large remittances of coin.

The current rates for loans "on call" are 6 to 7 per cent.; very little commercial paper is taken this week under 7. We annex the current rates on loans in this market at the close of the past four months:

	April 22.	May 22.	June 22.	July 23.
	Per cent.	Per cent.	Per cent.	Per cent.
Loans on call, State Stock securities,.....	6 @ 6	4 @ 5	3 @ 5	6 @ 7
" other good securities,.....	6 @ 7	5 @ 6	5 @ 7	7 @ 7
Prime endorsed bills, 60 days,.....	5½ @ 6	4 @ 5	4 @ 5	5½ @ 6
First class single signatures, 4 to 6 months,....	6 @ 7	5 @ 7	5 @ 7	6 @ 7
Other good bills,.....	7 @ 10	6 @ 7	6 @ 7	7 @ 9
Names less known,.....	10 @ 12	9 @ 12	9 @ 12	9 @ 12

The fluctuations in foreign exchange have been great during the month, and the quotations higher than we have ever known them. For the Liverpool steamers of July 24, the price of bankers' bills on London, sixty days, had reached 120½ @ ¼. On the 9th they were 123½ @ 123; on

the 16th, 126½ @ 129; and the steamer of this day they are 181½ @ 182; Paris, 4.85 @ 4.80. These high rates have induced large numbers of importers to purchase produce for shipments to European markets, taking the risk of a fall in values abroad.

The annexed summary will show the changes in this market, at the close of the last four months, for bankers' bills, on the several points named, at sixty days sight:

	April 22.	May 22.	June 22.	July 22.
London, bankers' bills,.....	113 @ 112½ ..	113½ @ 114 ..	117½ @ 118 ..	181½ @ 182
“ mercantile bills,....	111½ @ 112½ ..	113½ @ 118½ ..	117 @ 117½ ..	180 @ 180½
“ with bills of lading, 110	@ 111 ..	112½ @ 118 ..	115½ @ 116½ ..	129 @ 129½
Paris, bankers' bills,.....	5.10 @ 5.05 ..	4.97½ @ 4.98½ ..	4.81½ @ 4.76½ ..	4.85 @ 4.80
Amsterdam, per guilder,....	43½ @ 43 ..	42½ @ 43 ..	43½ @ 41½ ..	48½ @ 49½
Bremen, per rix dollar,.....	81 @ 81½ ..	83 @ 82½ ..	84 @ 84½ ..	92½ @ 94½
Hamburg, per marc banco,...	87½ @ 87½ ..	87½ @ 88 ..	89 @ 89½ ..	43½ @ 44½
Frankfort, per florin,.....	42½ @ 42½ ..	42½ @ 43 ..	44½ @ 44½ ..	48½ @ 49½

On Paris, at short sight, this week sales have been made at 4.77½ @ 4.75.

The act of Congress, approved July 11th, authorizes:

1. The Treasury to issue, in addition to amounts before authorized, \$150,000,000 Treasury notes, not bearing interest, payable to bearer, of any denominations the Secretary may direct, provided no note shall be issued for the fractional part of a dollar, and not more than \$35,000,000 shall be of lower denominations than five dollars. These notes shall be received in payment of all loans made to the United States, and of all taxes, internal duties, excises, debts and demands of every kind due to the United States, except duties on imports and interest; and of all claims and demands against the United States, except for interest upon bonds, notes and certificates of debt or deposit; and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest.”

2. Authorizes the Secretary, if he thinks it expedient, to have said notes engraved and printed at the Treasury Department.

3. The limit of deposits with the Treasury is repealed, and the Secretary is authorized to receive such deposits under such regulations as he may prescribe, for such an amount as he may deem expedient, not exceeding one hundred millions of dollars, for not less than thirty days, in sums not less than \$100, and at a rate not exceeding five per cent.

4. The Secretary is authorized to borrow such part of the sum of \$250,000,000 before authorized as may not have been obtained.

5. The sum of \$300,000 is appropriated for the purpose of detecting and bringing to trial and punishment persons engaged in counterfeiting Treasury notes, bonds or other securities or coins of the United States.

Congress has also passed an act authorizing the use of postage stamps as a currency—the market price of gold and silver being such as to keep them from circulation as money. The same act of Congress prohibits the circulation of small notes or fractions of a dollar by any individual, firm or corporation.

We annex the highest cash prices offered for eight weeks past, at the dates named, of the government and leading State securities in this market:

	May 10th.	20th.	June 2d.	11th.	21st.	July 1st.	10th.	21st.
U. S. 6's, 1861, coupons,....	104	104½	106	106½	106½	102½	108½	99
U. S. 5 per cents, 1874,....	94½	94	96	96½	96½	98½	90	86½
Ohio 6 per cents, 1856,....	103	102	108½	105	105	105	107	106
Kentucky 6 per cents,....	92½	92	93	94	96	97	94½	94½
Indiana 5 per cents,....	84	84	..	..	..	50	80	80
Pennsylvania 5 per cents, ..	87	89½	89½	89½	89½	86½	89	89½
Virginia 6 per cents,.....	59	59	58	57½	56½	56½	58	58
Georgia 6 per cents,.....	65	65	57	57	57	77	73	70
California 7 per cents, 1877,	91½	95½	96½	97½	97	94	93	94
North Carolina 6 per cents,	73½	73½	73	74	73	73½	70	64½
Missouri 6 per cents,.....	53½	53½	51½	53½	51½	51½	49½	47½
Louisiana 6 per cents,.....	68	68	65	65	65	66	66	65
Tennessee 6 per cents,....	59½	59½	59	60½	58½	57½	54	50½

The following are the changes in the market values of leading rail-road shares for the past three months. Those with a star paid no dividend last year :

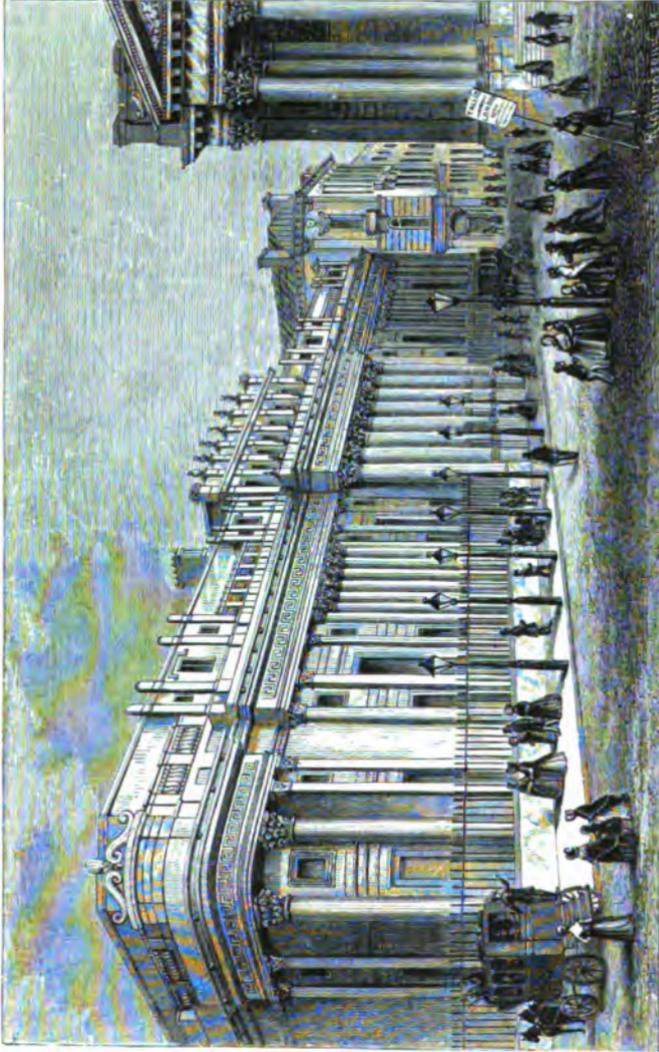
	May 10th.	30th.	June 3d.	11th.	21st.	July 1st.	11th.	21st.
N. Y. Central R. R. shares,.....	88½	89½	88½	92½	94	92½	91½	92½
*N. Y. and Erie R. R. shares,....	89½	89½	87½	88½	87½	86½	84½	84½
*Harlem R. R. shares,.....	14½	14½	14	16	17½	17½	16	14½
*Reading R. R. shares,.....	47½	49½	50	57½	57½	59½	57	54½
*Hudson River R. R. shares,....	45	49½	44½	47	47½	47	45½	48½
Michigan Central R. R. shares, ..	60½	68½	62½	64½	64½	68	61	60½
*Michigan Southern R. R. shares,	24½	26½	28½	27	27½	26½	26	25
Panama R. R. shares,.....	129½	133	131	134½	136½	136	130	132½
Baltimore and Ohio R. R. shares,	67½	66	66	66	66	67½	61	67½
*Illinois Central R. R. shares,....	62	61½	62½	64½	62½	61½	58½	57½
*Cleveland and Toledo R. R.,....	45½	46½	44½	45½	48	48½	47	47½
*Chicago and Rock Island R. R.,	68	64½	63	64	67½	63½	64	64½
Galena & Chicago R. R. shares,	71½	71	69½	70	71½	71½	69½	70½
Chicago, Burlington & Quincy,	69	72	72½	73	77	77	77½	77½

The New-York Central Rail-Road have declared a half-yearly dividend of three per cent., which is to be paid at the usual time, August 20th. The United States income tax upon the dividend is to be paid by the company in gross, so that each stockholder is exempt on this portion of his income.

The government is now engaged in putting down a rebellion of great magnitude. In its efforts to accomplish this end, it should have the aid, direct and indirect, of the banking institutions and capitalists of the country. To sustain these latter is to sustain the government, whose expenditures are eight-fold what they ever were before. In accomplishing the objects of the Treasury, in such trying circumstances, a government circulation must necessarily be used for the time being. Such a circulation does not interfere with that of the banks, for we find that the latter have a larger circulation than before. But the Treasury notes are entitled to a circulation among the people, while the banks may maintain their own in their respective localities.

Summary of the foreign exports of Spots and Bullion from New-York, from January 1st to date.

1862,.....	\$ 14,411,000	..	1856,.....	\$ 18,475,000	..	1860,.....	\$ 26,106,000
1863,.....	10,997,000	..	1857,.....	25,677,000	..	1861,.....	3,254,000
1864,.....	18,122,000	..	1858,.....	14,736,000	..	1862,.....	24,894,000
1865,.....	18,262,000	..	1859,.....	40,828,000			



THE BANK OF ENGLAND.—ERECTED 1789—1784.
ON THREADNEEDLE STREET, PRINCES STREET, BARTHOLOMEW LANE AND LOTHBURY.
Engraved for "The Bankers' Magazine and Statist's Register," New York, 1868.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII. NEW SERIES. SEPTEMBER, 1862.

No. 3.

THE CONSUMPTION OF GOLD AND SILVER
IN THE ARTS AND MANUFACTURES.

ONE of the most interesting questions of the day is as to what quantities of the precious metals are consumed annually in the arts and manufactures. This question has assumed more importance since the discovery of gold in California and Australia. Before that period it was well known that both in Europe and the United States there were millions in value consumed in the various branches of the arts, and in the branches of elaborate manufactures. But the recent discoveries have given a fresh impulse to extravagance in the use of these products, and their annual consumption makes heavy inroads upon the stocks of coin and bullion on hand, both in Europe and America.

The opinions as to the amounts thus used have for a long time been vague and various, not being based upon an extensive series of facts. It is only recently that the subject has become one of the matters of inquiry through the census bureau. The last census of the United States throws much light on the matter for the first time. It is from this valuable document that we learn that in the city of New-York alone there are one hundred and eighty-nine establishments where gold and silver are extensively used in conversion into manufactured articles. In these the capital employed in the year 1860 is represented to have been \$3,219,000, and the amount of raw material annually used, \$2,924,446, producing manufactured goods to the extent of \$5,271,000. In the seven branches of manufactures enumerated in the census, where gold and silver are the "raw materials," there were employed, in the year 1860, in New-York city alone, 2,071 men and boys, and 232 females, producing

gilt frames and mirrors, gold and silver refining and assaying, gold chains, jewelry, watch cases, gold leaf, silver plate and plated wares.

In twelve States only, the value of these goods is represented to be \$19,554,580 annually; but the amount of raw material is not stated, and is, therefore, a matter of conjecture, but fairly estimated at fifteen millions of dollars. In a report of the Secretary of the Treasury, for the year 1853-4, (page 281,) various reasons are assigned for the want of correct data as to the previous amount of specie in the country. These reasons are, in brief, as follows:

"1. Up to the year 1821, no account was required at the custom-houses of the amount of specie imported and exported.

"2. From prudential reasons, many merchants, especially those of foreign origin, are disposed to conceal the amount of their transactions in bullion; and much specie is brought in by immigrants, of which no return is made to the custom-houses.

"3. Much silver has been brought in overland from the Mexican dominions; of the amount we have no return that can be depended upon.

"4. The annual loss on coin in circulation, by abrasion, is matter of conjecture.

"5. The amount of the precious metals consumed in manufactures, in gold and silver ware, and in plating and gilding, is not known. According to the census returns for 1840, the amount consumed in this way in that year was four millions. In other years, according to estimates, it has amounted to as much as ten millions. But how much of this consisted of old materials worked over again, and how much of new bullion, must be left to conjecture. That would be a moderate computation which would make the amount of gold and silver ware, and gilded and plated ware, in the United States, three or four times the amount of coin.

"6. The returns from the mint are no criteria of the amount of coin in circulation, because, for a long period foreign coins constituted a large part of our metallic currency, and in many years the chief business of our mints has been that of fabricating coins for exportation.

"7. The extent in which bank notes displace specie varies with each year, and in different parts of the country.

"8. As the banks make their returns on different days, or different hours of the same day, the same pieces of gold and silver may figure successively in the accounts, of several banks. In this way one million may be made to appear as two millions, and five millions as ten or fifteen millions. It is said that in old times the banks used to lend their specie to one another, in order that each might in its turn make a good show to the legislature. It is even said that, with this object, specie in one city used to be placed temporarily to the credit of banks in other cities. When the quantity of specie in the country was small, the temptation to resort to such contrivances was greater than it is at present.

"When due allowance is made for the difficulties that attend such inquiries, it will excite no surprise that authorities differ widely as to the amount of specie in the country at given periods. In 1819, the amount in the banks was, according to Mr. CRAWFORD, twenty-nine millions; while, according to a report by a committee of Congress, it was only fifteen and a half millions. In 1830, the amount of specie in circulation was, according to Mr. GALLATIN, ten millions, and in the banks twenty-two

millions; while, according to Mr. SANFORD, of the United States Senate, the amount in circulation was only eight millions, and in the banks only fifteen millions. In 1833, the amount in circulation was, according to Judge TANEY, (then Secretary of the Treasury,) only four millions, and in the banks twenty-five millions; while, according to a report made to Congress, the amount in circulation was twelve millions, and the amount in the banks thirty and two-thirds millions.

"But to whatever extent authorities may differ, as to the amount of specie in the country in different years, they agree in two most important facts: First, that the amount of specie in the country up to the year 1830 was very small; and, secondly, that it has, of late years, been considerably increased."

Mr. JACOB is the leading author on the production and consumption of the precious metals. (London, 1831.) His work is, however, valuable, mainly in reference to the production and consumption up to the period of his writing. The vast changes produced by the enormous supplies received from California and Australia, are matters of wide conjecture; and the inquiries instituted through the census of this country and of Europe, will not, as yet, lead us to any accurate estimates of the quantities existing in the shape of coin and in the arts.

As far back as 1789, M. NECKER, of France, estimated the annual amount of the gold and silver used in that country for ornaments and utensils at one million sterling. HUMBOLDT, in the year 1800, estimated the amount of the two metals so applied, at 5,825,000 Spanish dollars, or about £1,213,000. He supposed the consumption of all Europe to be to that of France as four to one, and therefore amounting to about £4,854,000 sterling, or about twenty-four millions of dollars.

In 1830-1831, Mr. JACOB estimated this consumption as about £5,612,000 throughout Europe, viz.:

In Great Britain,.....	£ 2,457,600	or	\$ 12,285,000
In France,.....	1,200,000	"	6,000,000
In Switzerland,.....	350,000	"	1,750,000
In other portions of Europe,.....	1,605,000	"	8,025,000
	<hr/>		<hr/>
	£ 5,612,000		\$ 28,060,000

At the same period, the annual production of gold and silver was estimated at \$52,000,000, or about ten millions sterling, viz.:

Mexico,.....	\$ 22,000,000
South America,.....	10,000,000
Russia, &c.,.....	20,000,000
	<hr/>
	\$ 52,000,000

At the present time the production is fully two hundred and fifty millions of dollars annually, viz.:

California,.....	\$ 75,000,000
Other parts of the U. S.,.....	4 000,000
Mexico,.....	30,000,000
Australia,.....	75,000,000
Russia and Europe,.....	30,000,000
South America,.....	10,000,000
Other parts of the world—Asia, Africa, &c.,.....	26,000,000
	<hr/>

Total annual production in the world,.....\$ 250,000,000

If gold and silver, to the extent of twenty-eight millions of dollars, were annually used in the arts and manufactures about the year 1830, we may safely estimate it at three or four times that sum now.

We are indebted to the census report for the following particulars as to the city and county of New-York alone in 1860 :

MANUFACTURES.	No. of Establishments.	Capital Invested.	Cost of Raw Material.	Males Hands.	Females Hands.	Value of Annual Product.
GBt frames, mirrors, &c.,	21 ..	\$ 189,800 ..	\$ 273,750 ..	368 ..	..	\$ 548,800
Gold and silver refin'g and assa'g,	5 ..	229,800 ..	324,080 ..	37 ..	..	490,500
Gold chains, jewelry, &c.,	84 ..	1,113,000 ..	1,191,680 ..	906 ..	68 ..	2,163,000
Gold leaf,	5 ..	16,000 ..	39,970 ..	38 ..	16 ..	85,800
Gold watch cases, &c.,	19 ..	96,900 ..	195,650 ..	127 ..	8 ..	337,600
Silver ware,	20 ..	437,000 ..	698,888 ..	367 ..	19 ..	1,294,600
Silver-plated ware,	35 ..	136,700 ..	200,480 ..	228 ..	126 ..	423,500
	189 ..	\$ 3,319,000 ..	\$ 2,924,446 ..	2,071 ..	232 ..	\$ 5,271,800

There are various other branches of manufactures, besides those enumerated above, which consume large quantities of both metals.

The following tabular statement is from the preliminary report on the eighth census of the United States, year 1860. It is here shown, that in twelve States and the District of Columbia, there are about twelve or fourteen millions used in manufactures annually. If to these we add Ohio, Missouri, California and other States, the amount will swell to nearly twenty millions of dollars :

**JEWELRY, SILVER WARE, &C., PRODUCED DURING THE YEAR ENDING
JUNE 1, 1860.**

STATES.	Value of watches, &c.	Value of gold leaf and foil.	Value of silver-ware.	Val. silver plated and Brit. ware.	Val. of jewelry, watch-cases, &c.	Total value.
Maine, .....	..	..	..	\$ 23,000 ..	\$ 11,940 ..	\$ 34,240
New-Hampshire, ..	..	..	..	..	11,300 ..	11,300
Vermont, .....	..	..	\$ 24,700 ..	7,500 ..	5,750 ..	37,950
Massachusetts, ...	\$ 348,900 ..	\$ 17,700 ..	196,860 ..	341,375 ..	1,744,806 ..	2,648,641
Rhode Island,	269,500 ..	9,000 ..	490,080 ..	..	2,238,173 ..	3,006,673
Connecticut, .....	..	80,000 ..	32,600 ..	1,579,760 ..	195,134 ..	1,887,484
New-York,	420,570 ..	108,372 ..	1,593,795 ..	563,745 ..	2,779,981 ..	5,466,468
Pennsylvania,	480,000 ..	264,600 ..	519,650 ..	561,650 ..	2,356,230 ..	4,132,130
New-Jersey,	4,500 ..	..	7,000 ..	685,500 ..	1,604,344 ..	2,231,344
Delaware, .....	..	..	..	..	1,800 ..	1,800
Maryland, .....	..	..	80,000 ..	..	800 ..	30,800
Dis't of Columbia, ..	..	..	..	..	15,950 ..	15,950
	\$ 1,473,470	\$ 479,672	\$ 2,394,105	\$ 3,742,580	\$ 10,964,303	\$ 19,554,590

According to the Treasury Report of 1861-'62, and other sources of information, there were in the vaults of the banks, as coin and bullion, on the 1st January, 1861, about..... \$ 37,000,000
 To which we should add the increased volume of 1861,..... 13,000,000
 And in the hands of the public,..... 50,000,000

Total in the country, December, 1861,..... \$ 150,000,000

Assuming the value of gold and silver existing in the various shapes of jewelry, family and other plate, trinkets, watches, &c., to be (as estimated, p. 170) at three or four times the amount of coin and bullion, it would result that of the latter there was, on 1st January last, at least \$150,000,000, and of the former, from \$450,000,000, to \$600,000,000.

TONNAGE OF THE UNITED STATES.

STATEMENT EXHIBITING THE FOREIGN AND DOMESTIC TONNAGE WHICH ENTERED THE PORTS OF THE UNITED STATES FROM FOREIGN PORTS, AND CLEARED TO FOREIGN PORTS, IN THE FISCAL YEAR ENDING JUNE 30, 1861.

STATES.	AMERICAN VESSELS.						FOREIGN VESSELS.						TOTAL YEAR 1860-1861.					
	Number.		Tons.	Crews.		Number.	Tons.	Crews.		Number.	Tons.	Crews.		Number.	Tons.	Crews.		
	Men.	Boys.		Men.	Boys.			Men.	Boys.			Men.	Boys.					
1. Maine.....	478	161,904	4,731	1	538	98,821	4,956	6	1,016	254,625	9,687	7	1,016	254,625	9,687	7		
2. New-Hampshire.....	6	2,069	53	3	40	2,640	209	2	45	3,689	282	5	45	3,689	282	5		
3. Vermont.....	193	10,193	430	..	261	21,884	968	..	464	32,077	1,393	..	464	32,077	1,393	..		
4. Massachusetts.....	1,363	446,349	15,957	98	2,325	452,221	19,702	77	4,188	896,570	36,359	105	4,188	896,570	36,359	105		
5. Rhode Island.....	78	16,489	622	10	106	18,973	641	..	179	35,112	1,263	10	179	35,112	1,263	10		
6. Connecticut.....	109	23,607	991	7	68	11,359	443	..	177	34,966	1,434	7	177	34,966	1,434	7		
7. New-York.....	6,071	3,250,586	89,801	323	5,606	1,317,497	66,580	620	11,677	4,568,983	155,831	943	11,677	4,568,983	155,831	943		
8. New-Jersey.....	1	184	5	..	20	2,928	119	..	21	2,757	122	..	21	2,757	122	..		
9. Pennsylvania.....	466	158,355	4,964	8	175	40,161	1,497	..	643	198,737	6,461	8	643	198,737	6,461	8		
10. Delaware.....	4	779	48	..	..	..	..	..	4	779	48	..	4	779	48	..
11. Maryland.....	434	169,555	5,115	4	180	55,555	2,122	..	614	225,110	7,237	..	614	225,110	7,237	..		
12. District of Columbia.....	1	168	4	..	2	231	12	..	3	399	16	..	3	399	16	..		
13. Virginia.....	141	82,144	2,091	1	45	13,894	449	..	186	95,538	2,546	..	186	95,538	2,546	..		
14. North Carolina.....	88	18,374	689	..	21	4,863	176	..	109	17,637	765	1	109	17,637	765	1		
15. South Carolina.....	60	84,297	988	..	67	22,074	841	..	127	56,371	1,829	..	127	56,371	1,829	..		
16. Georgia.....	11	8,508	186	..	17	8,156	228	..	28	16,664	409	..	28	16,664	409	..		
17. Alabama.....	52	48,350	864	91	25	23,696	620	47	80	87,646	1,484	188	271	50,525	2,585	1		
18. Florida.....	243	47,663	2,376	1	29	2,862	408	..	115	68,998	1,840	..	115	68,998	1,840	..		
19. Louisiana.....	86	58,724	1,437	..	29	10,269	408	..	115	68,998	1,840	..	115	68,998	1,840	..		
20. Texas.....	7	2,744	89	..	18	5,707	190	..	30	8,451	279	..	30	8,451	279	..		
21. Ohio.....	314	62,498	2,314	..	241	24,731	1,841	..	555	87,229	2,655	..	555	87,229	2,655	..		
22. Michigan.....	574	140,301	5,563	..	206	21,140	1,012	..	780	161,441	6,575	..	780	161,441	6,575	..		
23. Illinois.....	158	70,465	2,185	..	48	12,138	457	..	201	82,698	2,642	..	201	82,698	2,642	..		
24. Wisconsin.....	95	50,437	1,857	..	27	8,080	251	..	122	58,517	1,908	..	122	58,517	1,908	..		
25. California.....	212	162,131	6,735	..	120	43,481	1,739	..	332	205,603	8,474	..	332	205,603	8,474	..		
26. Oregon.....	11	7,122	385	..	2	388	18	..	13	7,505	353	..	13	7,505	353	..		
Total entrances 1860-'61,.....	11,251	5,023,917	149,236	468	10,709	2,217,654	103,173	752	21,960	7,241,471	254,409	1,220	21,960	7,241,471	254,409	1,220		
Total clearances 1860-'61,.....	11,079	4,889,313	146,271	929	10,636	2,362,042	104,059	780	21,605	7,151,355	250,330	1,659	21,605	7,151,355	250,330	1,659		

The States not enumerated have no ports of entry from foreign countries.

CENSUS RETURNS.

THE CENSUS OF NEW-YORK COMPARED WITH THE WHOLE UNITED STATES.

Comparative Population of the State of New-York, according to each Census of the United States, 1790-1860.

	Whites.	Free Colored.	Slaves.	Total.	Decennial Increase, per cent.
1790,.....	814,142	4,654	21,224	840,120	.....
1800,.....	556,089	10,874	20,248	586,756	72.51
1810,.....	918,699	25,288	15,017	959,049	68.45
1820,.....	1,822,744	29,279	10,088	1,872,111	43.14
1830,.....	1,878,668	44,870	75	1,918,608	29.76
1840,.....	2,378,890	50,027	4	2,428,921	26.60
1850,.....	3,048,825	49,069	.....	3,097,894	27.52
1860,.....	3,831,730	49,005	.....	3,880,735	25.81

Comparative Population of New-York and other portions of the United States, according to each Census, 1790-1860.

	Whites.	Free Colored.	Slaves.	Total Population.	Rate of Increase.
1790. State of New-York,.....	814,142	4,654	21,224	840,120	.....
Other portions,.....	2,858,822	54,812	676,578	3,589,707	.....
Total United States, 1790,.....	3,172,464	59,466	697,807	3,929,827	.....
1800. State of New-York,.....	556,089	10,874	20,248	586,756	72.51
Other States,.....	3,748,462	98,021	872,698	4,719,181	81.46
Total United States, 1800,.....	4,304,501	108,895	892,941	5,305,987	85.02
1810. State of New-York,.....	918,699	25,288	15,017	959,049	68.45
Other States,.....	4,948,205	161,118	1,176,847	6,285,765	83.09
Total United States, 1810,.....	5,866,904	186,446	1,191,864	7,239,814	84.45
1820. State of New-York,.....	1,822,744	29,279	10,088	1,872,111	43.14
All other States,.....	6,529,187	204,225	1,523,987	8,266,060	31.61
Total United States, 1820,.....	7,861,981	233,504	1,534,075	9,629,560	33.18
1830. State of New-York,.....	1,878,668	44,870	75	1,918,608	29.76
All other States,.....	8,668,715	274,729	3,008,968	10,947,412	32.44
Total United States, 1830,.....	10,587,378	319,599	3,009,043	12,866,090	33.49
1840. State of New-York,.....	2,378,890	50,027	4	2,428,921	26.60
All other States,.....	11,816,805	334,276	2,487,451	14,640,582	33.70
Total United States, 1840,.....	14,195,695	384,303	2,487,455	17,067,458	32.67
1850. State of New-York,.....	3,048,825	49,069	.....	3,097,894	27.52
All other States,.....	16,504,789	385,890	3,204,218	20,094,489	35.25
Total United States, 1850,.....	19,553,114	434,449	3,204,218	22,191,876	35.67
1860. State of New-York,.....	3,831,730	49,005	.....	3,880,735	25.81
All other States,.....	23,176,851	432,117	3,958,587	27,567,455	37.17
Total United States, 1860,.....	27,008,581	481,122	3,958,587	31,448,290	35.66

*Ratio of Increase of Population in the United States, by Census, 1790
-1860.*

Years.	Whites. Per cent.	Free Colored. Per cent.	Slaves, Per cent.	Total. Per cent.
1790-1800.....	85.08	82.28	27.97	85.09
1800-1810.....	86.18	79.00	33.40	86.45
1810-1820.....	84.11	25.23	23.79	83.13
1820-1830.....	84.08	26.87	30.61	83.49
1830-1840.....	84.73	20.87	23.81	82.67
1840-1850.....	87.74	12.46	23.82	85.87
1850-1860.....	83.12	10.97	23.38	85.56

COMPARATIVE RATIOS OF INCREASE.

The decennial rate of increase of population in New-York State, compared with that of the United States, 1790-1860 :

Years.		Whites. Per cent.	Free Colored. Per cent.	Slaves. Per cent.	Total. Per cent.
1790-1800.....	{ State of New-York,.....	77.50	122.09	*4.06	72.51
	{ United States,.....	85.08	82.28	27.97	85.09
1800-1810.....	{ New-York,.....	65.22	144.19	*28.18	63.45
	{ United States,.....	86.18	79.00	33.40	86.45
1810-1820.....	{ New-York,.....	45.06	15.57	*82.82	43.14
	{ United States,.....	84.11	25.23	23.79	83.13
1820-1830.....	{ New-York,.....	40.58	58.24	*99.25	39.76
	{ United States,.....	84.08	26.87	30.61	83.49
1830-1840.....	{ New-York,.....	26.96	11.49	*94.66	26.60
	{ United States,.....	84.73	20.87	23.81	82.67
1840-1850.....	{ New-York,.....	23.14	*1.91	.....	27.52
	{ United States,.....	87.74	12.46	23.82	85.87
1850-1860.....	{ New-York,.....	25.00	*0.13	.....	25.81
	{ United States,.....	83.12	10.97	23.38	85.56

The above table claims the attention, because it demonstrates that the progress of population in the State of New-York has been rapid, according to each census of the government, even down to the last decade (1850-1860,) when the rate of increase was over 25 per cent. The free colored population, which rapidly increased between the years 1790 and 1840, owing to the accession from slaves, may be said to be now stationary.

* Rate of decrease.

STATEMENT EXHIBITING THE COMMERCE OF EACH STATE, FROM JULY 1, 1860, TO JUNE 30, 1861.

STATES.	VALUE OF EXPORTS.				VALUE OF IMPORTS.				
	DOMESTIC.		FOREIGN.		In American vessels.		In foreign vessels.		Total.
	In American vessels.	In foreign vessels.	Total.	In American vessels.	In foreign vessels.	Total domestic and foreign.	In American vessels.	In foreign vessels.	
1. New-York,.....	\$100,778,486	\$42,765,897	\$143,568,888	\$9,404,889	\$5,687,796	\$15,042,685	\$180,412,719	\$106,980,007	\$227,409,726
2. Maine.....	2,581,816	1,738,809	4,320,125	123,268	84,066	207,334	1,812,060	619,945	1,982,905
3. New-Hampshire,.....	3,513	2,649	6,162	.....	.....	6,162	10,498	10,394	20,897
4. Vermont.....	244,657	.....	244,657	564,416	.....	564,416	3,459,811	.....	3,459,811
5. Massachusetts,.....	10,901,789	3,060,703	13,962,442	1,526,177	1,065,117	2,590,294	26,209,178	19,190,871	45,399,844
6. Rhode Island,.....	248,624	2,958	249,577	5,561	159	5,720	350,016	192,686	542,702
7. Connecticut,.....	408,063	5,573	413,636	7,484	250	7,734	733,848	19,666	753,514
8. New-Jersey,.....	89,885	6,232	96,117	.....	.....	96,117	1,170,665	5,182	1,175,847
9. Pennsylvania,.....	8,247,580	1,655,540	9,903,120	88,878	21,649	110,527	10,013,097	1,457,683	11,470,780
10. Delaware,.....	65,370	15,138	80,508	.....	.....	80,508	100,558	.....	1,004
11. Maryland,.....	8,556,879	4,392,746	12,949,625	188,605	103,118	291,723	8,150,702	1,298,408	9,449,110
12. Dist. of Columbia,.....	.....	.....	.....	.....	.....	.....	348	.....	1,385
13. Virginia,.....	2,869,971	791,353	3,661,324	.....	.....	3,661,324	699,899	91,908	791,807
14. North Carolina,.....	801,114	99,565	900,679	.....	.....	900,679	82,639	87,724	1,702
15. South Carolina,.....	3,888,403	1,567,178	5,455,581	.....	.....	5,455,581	730,416	76,064	806,480
16. Georgia,.....	243,140	88,400	331,540	.....	.....	331,540	159,351	15,977	175,328
17. Alabama,.....	6,917,345	1,554,655	8,472,000	.....	.....	8,472,000	356,936	11,371	868,357
18. Florida,.....	608,164	20,644	628,808	8,970	.....	8,970	153,041	2,010	155,051
19. Louisiana,.....	5,823,415	890,942	6,714,357	65,847	22,717	88,564	10,997,779	968,090	11,965,869
20. Texas,.....	805,734	339,618	1,145,352	.....	.....	1,145,352	106,984	118,780	225,764
21. Ohio,.....	429,668	234,629	664,297	688,195	.....	688,195	141,139	104,467	245,606
22. Michigan,.....	171,770	168,992	340,762	.....	.....	340,762	566,718	.....	566,718
23. Illinois,.....	2,825,379	696,964	3,522,343	.....	.....	3,522,343	38,550	88,798	77,248
24. Wisconsin,.....	545,968	239,864	785,832	.....	.....	785,832	5,456	2,774	8,230
25. California,.....	8,693,324	1,725,078	10,418,402	1,443,849	295,166	1,738,015	5,698,845	2,807,661	8,506,506
26. Oregon,.....	121,278	.....	121,278	.....	.....	121,278	8,180	.....	5,180
Total, 1860-1861,.....	\$166,546,339	\$62,153,147	\$228,699,486	\$13,436,894	\$7,219,083	\$20,655,977	\$201,544,055	\$124,106,098	\$325,650,153
Total, 1859-1860,.....	262,586,577	110,602,697	373,189,274	16,486,825	10,438,697	26,925,522	228,164,855	134,001,899	362,166,754
Total, 1858-1859,.....	234,322,727	101,571,658	335,894,385	15,295,228	5,598,861	20,894,089	216,128,428	122,644,702	338,773,130
Total, 1857-1858,.....	321,068,732	71,799,547	392,868,279	21,533,656	9,358,586	30,892,242	308,700,016	78,913,184	387,613,200

HISTORY OF THE BANK OF ENGLAND.

By JOHN FRANCIS.

[Continued from the August No., page 184.]

CHAPTER XVII.

THE year 1823 witnessed the early dawning of a prosperity,* which, regarded as solid by many, ended in an almost national ruin. In the previous year, with a view of reviving speculation, then dormant, the bank, at the instance of the State, had issued about four millions in advances to the government, and in enlarged discounts; but, in Mr. HORSLEY PALMER's opinion, the first step towards the excitement was lowering the interest on public securities, which was effected in 1822, by reducing the navy five per cents to four per cent., and a smaller stock to three and a half per cent. This reduction in the interest of upwards of two hundred millions caused some distress and great dissatisfaction. To meet the dissentients the bank advanced five millions, to be repaid in quarterly instalments. Many persons who had hitherto been contented with the dividend they had received, were compelled either to reduce their expenses to meet a diminished revenue, or endeavor to obtain a larger interest than was offered by government. A feverish feeling was thus excited, and as there are always plenty of schemes, which, if not safe, are specious, the discontented man embarked his capital in speculations, the great promises of which blinded him as to their insecurity. Unwilling to reduce his expenses, he thought he saw a safe mode of enlarging his income, and he "entertained any proposition for investment, however absurd, which was tendered." In the year 1822 another cause occurred, of which the entire responsibility must rest with the government. This was the act of Parliament extending the circulation of the small notes of country bankers till 1833, instead of ceasing at the period allotted to them by the bill of Mr. PEEL. That act, said Mr. CANNING, hedged the one pound note with a divinity which was never supposed to belong to it before. Only six opponents were seen arrayed against the bill. The bank had made a pro-

* A parliamentary debate occurred in 1817, on the state of the trade and manufactures of the nation, the scope and aim of which will at once appear from the resolutions which Mr. BROUQHAM moved, and which were negatived by a majority of 55, the numbers being 118 to 63. 1. That the trade and manufactures of the country are reduced to a state of such unexampled difficulty as demands the serious attention of this house. 2. That those difficulties are materially increased by the policy pursued with respect to our foreign commerce, and that a revision of this system ought forthwith to be undertaken by the house. 3. That the continuance of those difficulties is materially increased by the severe pressure of taxation under which the country labors, and which ought by every practicable means to be lightened. 4. That the system of foreign policy pursued by his majesty's ministers has not been such as to obtain for the people of this country those commercial advantages which the influence of Great Britain in foreign courts fairly entitled them to expect.—*Almon's Europe*, vol. 5, p. 107.

vision of bullion for the country notes, with the full conviction that the law would remain unaltered. In the memorandum delivered to the House of Commons the directors state, "the consequence of that measure was to leave in the possession of the bank* an inordinate quantity of bullion; £14,200,000 in January, 1824; and further to afford the power of extension to the country banker's issues, which it is believed were greatly extended from 1823 to 1825." Mr. RICHARDS, in his evidence before the committee of the House of Commons in 1832, bore testimony to the efforts of the bank in preparing to meet its outstanding engagements. "When it was determined that the country should return to cash payments, a vast deal of anxiety was created in the minds of the public. As the period approached that anxiety greatly increased, and many who had previously issued freely, and given fair and legitimate accommodation, were afraid to continue. The bank had put itself in a position faithfully and honestly to fulfil that law—that I assert most fearlessly—and succeeded in procuring a large quantity of bullion. They anticipated the period when, by law, they were bound to return to cash payments, and enabled themselves to assist the country bankers to meet their engagements in gold."

In 1822 the aggregate currency was low;† but no sooner was the country banker allowed to issue more small notes, than it began to increase, and with it an apparent prosperity as dangerous as it was delusive. In 1825 the issues of the country bankers were fifty per cent. more than in 1822. From the middle of the latter year to the commencement of 1825, prices of commodities improved, in some cases twenty-five, and in others fifty per cent. At the end of 1824 the stock of manufactures was shorter than usual. The whole country wore a promising‡ appearance, and every one became ready to embark his capi-

* The dividends of the bank, from 1807 to 1822, were at the rate of ten per cent. per annum.

† Mr. LEWIS LLOYD, a gentleman whose opinion on such subjects is entitled to the greatest deference, from his long experience as a partner in one of the first banking houses in the kingdom, (JONES, LLOYD & Co.,) estimated the reduction of country bank paper in 1816, as compared with its amount in 1814, at about a half; (*Commons' Report*, 1819, p. 170.) Perhaps, however, the estimate of Mr. SADOWICK, Chairman of the Board of Stamps, may be the most accurate, who reckoned, from computations founded on the number of stamps issued to the country bankers, that the amount of the notes in circulation from 1810 to 1818, both inclusive, had been as under:

1810.....	£ 21,819,000	1815.....	£ 19,011,000
1812.....	19,944,000	1816.....	15,096,000
1813.....	22,597,000	1817.....	15,898,000
1814.....	22,709,000	1818.....	20,507,000

This table sets the vicious nature of the existing system in the clearest point of view.—*Edinburgh Review*, vol. 43, p. 272.

‡ Only two years before, or on 7th March, 1821, Mr. GOOCH brought forward a motion for the appointment of a parliamentary committee to inquire into agricultural distress; and in the course of the debate Mr. CUZWEN observed, "In the flourishing days of the empire, the income of the nation was £400,000,000, and the taxation was £80,000,000 annually. At present the income is only £300,000,000, yet the taxation was nearly the same. In what situation was the farmer? The average of wheat, if properly taken, was not more than 62s., the consequence of which

tal in any thing which promised great profit. The people congratulated themselves on being wiser than their forefathers; and part of the press, at first, re-echoed their congratulations. Every one seemed smiling and satisfied. The shopkeeper sold his goods. The merchant made large profits. The manufacturer could not produce sufficiently fast. "Even country gentlemen, the most querulous of all classes," says a periodical, "the least accustomed to suffer, and the most incapable of struggling with difficulties, could no longer complain."

The South Sea bubble was a tradition about which many talked, who knew nothing but the name. Those who were familiar with the story little expected to see a repetition of scenes which had shaken the foundations of commerce. "The schemes so lately afloat," says a writer at the time, "carried with them a much greater mass of fraud and deception, in the aggregate, than the South Sea bubble." It is instructive to read the comments of a portion of the press. The following extract from the "*Annual Register*," as a calm survey of the events of the year, aspiring to the dignity of history, may be regarded as most important, from the time allotted it, to form an opinion:

"There was in the present year no diminution of that prosperity which the country had enjoyed throughout the whole of 1823. All agricultural produce was slowly but steadily on the rise. In the cotton trade there was a rapid increase; and the manufacturers of wool, iron and hardware were equally prosperous. The abundance of capital led to the formation of numerous joint-stock companies, directed, some of them, towards schemes of internal industry; others of them towards speculations in distant countries. The 'mines of Mexico' was a phrase which suggested to the imagination of every one unbounded wealth; and three companies, the Real del Monte Association, the United Mexican and the Anglo-Mexican, were formed for the purpose of extracting wealth from their bowels, by English capital, machinery and skill. Similar companies were formed in the course of the year for working the mines of Chili, of Brazil and Peru, and of the province of Rio de la Plata. In the month of March there were upwards of thirty bills before the House of Commons, for the purpose of giving legal existence to different companies. In all these speculations* only a small instalment, seldom exceeding five per cent., was paid at first; so that a very moder-

was, that the farmer lost 3s. by every quarter of wheat he grew. On the article of wheat alone, the agricultural interest had lost £15,000,000, and on barley and oats, £15,000,000 more. In addition to this, the value of farming stock had been diminished by £10,000,000; so that in England alone there was a diminution of £40,000,000 a year. The diminution on the value of agricultural produce in Scotland and Ireland cannot be less than £15,000,000; so that the total loss to the agriculturists of the two islands cannot be taken at less than £55,000,000.—ALBION'S *Europe*, vol. 5, p. 354.

* The doctrine of free trade, afterwards so largely acted upon by the British legislature, first began in 1820 to engross the thoughts not only of persons engaged in commerce and manufactures, but of the heads of the government. On 8th May, 1820, Mr. BARING presented a petition on this subject from the merchants of London; and on the 16th, Mr. KIRKMAN FINLAY, a Glasgow merchant, equally remarkable for the extent of his transactions and the liberality of his views, brought forward a petition from the Chamber of Commerce of Glasgow, which set forth, in strong terms, the evils arising from the restricted state of the trade with China and

ate rise in the price of shares produced a large profit on the sum actually invested. If, for instance, shares of £100, on which £5 had been paid, rose to a premium of £40, this yielded on every share a profit equal to eight times the amount of the money which had been paid. This possibility of enormous profit, by risking a small sum, was a bait too tempting to be resisted. All the gambling propensities of human nature were constantly solicited into action; and crowds of individuals of every description, the credulous and the suspicious, the crafty and the bold, the raw and the inexperienced, the intelligent and the ignorant, princes, nobles, politicians, placemen, patriots, lawyers, physicians, divines, philosophers, poets, intermingled with women of all ranks and degrees, spinsters, wives and widows, hastened to venture some portion of their property in schemes, of which scarcely any thing was known but the name."

The speech from the throne evidenced the general feeling of security and satisfaction. It congratulated the Commons and Lords on the "prosperous condition of the country. There never was a period in its history when all the great interests of the nation were in so thriving a condition. An increasing activity pervades almost every branch of manufactures." But another source of high profit appeared to offer through the acknowledgment of the independence of the South American States.*

Any petty commonwealth putting forth pretences to a popular government, had only to publish magnificent assertions, and yet more magnificent promises, and loans were made as freely as required. Upwards of thirty-two millions were thus subscribed by infatuated men, the principal of which will never be seen; while a pretence of keeping up the interest is scarcely made. The following will afford some idea as to the mode in which these loans were managed, and will yield an insight into the madness to which a state of monetary excitement will sometimes lead sober-minded men. This desire to invest capital in foreign loans amounted to a mania. The way in which the Peruvian loan was arranged, together with the circumstances which attended it, may serve as a specimen of others. No sooner was it understood that the State of Peru had consented to borrow, than the utmost anxiety prevailed to lend. The ostensible contractor was overwhelmed with applications. The reply was, that he would dispose of the scrip in the open market. At the time appointed, a crowd of speculators surrounded him, begging to know the terms, and pressing for an early delivery. All voices were lost in the

the East Indies, and the advantages over British subjects which the Americans enjoyed in that respect, and urged the repeal of the usury laws, and the reduction or removal of the duties on the importation of several foreign commodities. These views were so favorably received in both houses of Parliament that Lord LANSDOWNE was encouraged, a few days after, to bring forward a motion for the appointment of a committee to take into consideration the means of extending our foreign commerce. He dwelt, in an especial manner, on the inconveniences to which the trade of the country was now exposed by the numerous duties which restricted it in every direction, and argued, that "whatever brought the *foreign* merchant to this country, and made it a general mart for the merchandise of the world, was beneficial to our trade, and enriched the industrious population of our ports."—ALISON.

* Mr. CANNING announced January 1, 1825, as the period for recognition of the South American States.

confusion, and the agent calmly waited the bidding of the eager multitude. Various prices were vociferated, but the contractor maintained a reserved silence. By this it was understood that the point desired was not reached. After a pause, eighty-eight was named by him. This was known to be a premium of eight per cent. on the contracting price, and a storm of indignation arose at the idea of any one, but the assembly, making so large a profit. "Shame, shame!" "Gross extortion!" met the contractor's ears. Still there was an eager pressure to get near him, and those who could approach sufficiently close considered themselves fortunate in taking sums varying from £5,000 to £10,000. The practical reception of his terms appeared so satisfactory that the contractor soon advanced the price to eighty-nine; on which he was once more met with the same expressive language. Again, however, his acuteness proved correct, and some of the scrip was taken at the increased rate. The noise became so great, and the confusion so excessive, that few could be supplied; and though many applications were made, there was no answer. The attention of the crowd was soon diverted by the offer of a broker to supply any person, who required the scrip, at eighty-eight. The speculator was taken at his word, and very large amounts were sold. By this time the news had reached the stock exchange;* and in a short period a considerable number of the members assembled, and pressing round the contractor, with great indignation, moved him and his agents from one part of the edifice to another. The crowd soon became so exasperated, that they forced them out of the building. A desperate struggle followed, and at last they were allowed to re-enter. Being tumultuously called upon to name a price, one of them mentioned ninety as the minimum. Soon after this they left; with their departure the mania appeared to subside; and many of the purchasers, fancying their bargains were imprudent, actually sold on the spot at a lower price than they had given. Such was the anxiety to obtain a portion of the loan to be granted to Peru, a loan which now bears no interest whatever.

The year 1825, like its predecessor, was ushered in with a flourish of trumpets. The ancient golden age had revived. Gladness and gaiety were in the land. "The hum of successful industry was heard throughout the fields; every man was contented and happy; joy beamed in every face;" and, as Lord LEVISON GOWER expressed himself, his poetic spirit waxing warm within him, "distress had vanished from the face of the land." The delusion was general. The song of triumph universal. The Earl of Liverpool rejoiced in the success which had attended that great measure, introduced, with his sanction, by Mr. PERL. "The task had been accomplished; we were enjoying our reward." Lord DUDLEY said: "The country now reaped in honor and in repose all that they had sown in courage, in constancy and in wisdom." "Our prosperity extended to all orders, all professions, all districts, enhanced by those arts which ministered to human comfort, and by those inventions by which man seemed to have obtained a mastery over nature by the application of her own powers."

* Mr. JOSEPHS was expelled from the stock exchange for improper conduct, connected with shares in the *Lower Rhine Steam Navigation Company*, August, 1825.

The contagion spread to the Commons. No year had ever exceeded that of 1824* in its exports; and the chancellor of the exchequer, in an exultant tone of triumph, congratulated the house on the auspicious circumstances of the period, adding, "we may safely venture to contemplate with instructive admiration, the harmony of its proportions and the *solidity of its basis.*" Joint-stock companies of every conceivable description were put prominently forward.† In 1824 and 1825‡ six hundred and twenty-four new ones made their appearance. Royal and imperial mines; a mint company, to coin the gold when it should be procured from Mexico; associations to provide bread; with others, which rivalled one another in outrageous assertions and extravagant protestations, possessed the public mind. The upper classes found their representatives in the direction of these companies. A violent love of lucre was as prevalent among the higher as the lower ranks. Mr. GRENFELL asserted, in the House of Commons, that he had seen the prospectus of a new speculation, to which the name of a prince of the blood was attached. Another bore the title of the Archbishop of Canterbury. The highest mercantile names in the land were in the direction of others. All were confident, and all hoped to reap enormous profits. A Mr. PETER MOORE boldly said, in the House of Commons, "Upon his honor, he believed that not one of the companies with which he was connected had less probity or less stability than the Bank of England." Every description of property rose greatly. The artisan was in full employment. New buildings were in progress of erection. Men of enterprise, without capital, could command funds for any plausible undertaking.

When introducing his motion on the address to the king, Lord LEVE-SON GOWER said: "Such is the general state of prosperity at which the country has arrived, that I feel at a loss how to proceed, whether to give precedence to our agriculture, which is the main support of the country, to our manufactures, which have increased to a most unexampled extent, or to our commerce, which distributes them to the ends of the earth, which finds daily new outlets for their distribution, and new sources of national wealth and prosperity."

* The bank this year announced its intention of investing money on mortgages, and the security of public stock, April.

† The contemporary annalists have recorded facts which demonstrate that this glowing picture was not the creation of the orator's imagination, but the faithful portrait of the time in which he lived. "Agricultural distress," says the *Annual Register*, "had disappeared; the persons engaged in the cotton and woollen manufactures were in full employment; the various branches of the iron trade were in a state of activity; on all sides new buildings were in a state of erection; and money was so abundant, that men of enterprise, though without capital, found no difficulty in commanding funds for any plausible undertaking. This substantial and solid prosperity was stimulated to an additional extent by the operation of the many joint-stock banks and companies which had sprung into sudden existence in the former year. Some of them had put in motion a considerable quantity of industry, and increased the demand for various articles of consumption; and all of them, at their commencement, and for some time afterward, tended to throw a certain sum of money into more active circulation, and to multiply their transfers from one hand to another."—ALISON'S *Europe*.

‡ The anti-corn law agitation commenced this year.

CHAPTER XVIII.

BUBBLE COMPANIES—INCREASE OF PROSPERITY—VALUE OF SHARES—COMMENCEMENT OF THE PANIC—FAILURES OF COUNTRY AND LONDON BANKERS—SCENE AT THE DISCOUNT OFFICE—MR. BARING—GREAT DISTRESS—GENERAL DISCREDIT—ASSISTANCE OF THE BANK—DECLINE OF THE FUNDS—ISSUE OF ONE POUND NOTES—MANSION-HOUSE MEETINGS—ANECDOTES OF THE PANIC—RIOTS IN THE COUNTRY—JOINT-STOCK COMPANIES—OPINIONS AS TO THE CAUSE OF DISTRESS.

THE vast quantity of gold expected from the South American mines was so great, that many well-informed persons, according to Mr. TOOKE, "believed, and acted on the belief, of a diminished value in gold and silver in consequence." A journalist of the day, writing on what was evidently a feeling, if not a belief, founds on it an essay, of which the following is an extract: "The chancellor of the exchequer was obliged to give up his customary budget, and introduced a new system of duties in kind. I had an opportunity of hearing a right honorable gentleman, who filled that situation, very pathetically lament that the 'over-production of gold then was as great an evil as the over-production of grain had been formerly.' 'Once,' he added, 'the difficulty was how to get gold; then the question to be put was how to spend it; for the nation already resounded with the lamentations of sufferers, forming creditors of the State, but who had been paid off with gold.'"

It is in such things as these, which satirize popular opinion in the pursuit of public applause, that the real feeling of a people may often be discovered. The pages of the satirist are a vivid picture of society. As a confirmation of this frenzied desire, another writer of the period says, "The earth was to yield in such quantities of the precious metals, that fears began to be entertained of their becoming almost valueless."

The credulity of the British public was only surpassed by the impudence of the inventor. Men, without any capital but presumption, proposed and carried out companies; and when, by the aid of an important name or two, obtained perhaps under fraudulent pretences, and a prospectus full of specious phraseology and definite promises, they had arrived at a premium, the shares were sold, and the association abandoned. In a satirical novel of the day, a bubble, to be called "The Gold, Wine and Olive Joint-Stock Company," is proposed to be projected. From the writer's position, it is very probable that much of his presumed fiction was fact. "Why, you talk," says one of the characters, "as if we had any real business to transact. All we have to do is to puff our shares up to a premium, humbug the public into buying them, and then let the whole concern go to ruin." The history of the difficulty with which the first instalment of rent was met, amounting to £8 6s. 8d., is unquestionably a picture of the pauperism and poverty which often mingled with the shamelessness of the pretenders. The writer remembers to have seen, some time afterwards, the prospectus of a company, to drain the Red Sea in search of the

gold and jewels left by the Egyptians in their passage after the Israelites. Many similar jocularities were in circulation, some of which emanated from the members of the stock exchange, always alive to a sense of the ridiculous. But it is impossible, and the experience of every speculative era has proved it, to open the eyes of men who are making large profits. We are all prone to believe what is agreeable, and the movers in the mania of 1825 were no exception to the rule.

Every one appeared to get rich without trouble. The prices of all articles increased in value. Tenfold higher terms were paid for land, with the view of building on it, than it was worth.

"The wildness of speculation," says "КНИОНТ's History of London," "was not, however, confined to joint-stock projects; but at length reached to commercial produce generally. Money was abundant, and circulated with rapidity. Prices* and profits rose higher and higher, and, in short,

'All went merry as a marriage bell.'

The newspapers could scarcely contain the announcements which day after day poured from the prolific pens of the schemers. Shares were issued at high premiums; loan after loan taken at high rates; but high as they were contracted, the extravagant feeling of the period sent them all higher. The "REAL DEL MONTE MINING" shares, the value of which may be known from being quoted shortly after at 377 discount, reached

* The rise of prices consequent upon the inflation of this period, is indicated by the annexed summary of values in 1823 and in 1825:

	1823.		1825.	
	£	s. d.	£	s. d.
Brimstone, rough,	6	10 0	10	0 0
Butchers' beef,	0	0 4½	0	0 8
" mutton,	0	0 4	1	0 7½
Cochineal, Spanish,	1	0 0	1	6 0
Coffee, British plantation,	6	0 0	6	13 0
" St Domingo,	4	2 0	4	8 0
Cotton, Georgia, bowed,	0	0 8½	0	1 6½
" Bengal and Surat,	0	0 6½	0	1 1½
Flour, Yarmouth,	0	1 8	0	2 6
Indigo, East India,	0	9 9	0	16 0
Iron,	6	0 0	13	0 0
Lead,	22	10 0	30	10 0
Rum, Jamaica,	0	2 9	0	3 4
" Jamaica,	0	3 2	0	3 8
Saltpetre, East India,	1	4 0	1	16 0
Spices—Cinnamon,	1	6 8	0	13 6
Mace,	0	5 2	0	18 0
Nutmegs,	0	3 1	0	12 0
Pepper, black,	0	0 5½	0	0 9½
Spelter, (1824,)	20	10 0	41	15 0
Sugar, B. P. Gar., average,	1	10 0	2	5 2
" white, Havana,	2	4 0	2	17 0
Silk, Reggio,	0	11 6	0	17 0
" China,	1	0 0	1	8 0
Tallow,	1	11 0	2	3 0
Tobacco, Virginia, ordinary,	0	0 2½	0	0 6½
Tin block,	3	17 0	5	1 0
Wool,	0	6 6	0	9 6

1,400 premium, making a difference of £1,777 per share. The "BOLANOS," and other foreign mining companies, mounted to 525 premium. The less the place was known where the mine was to be sunk, the higher the premium reached, the bolder and the more exorbitant were the demands made on the public credulity. The "TLALPUXAHUA" was done at £299. Rumors and reports of veins of gold discovered, had only to be fastly propagated, to be freely credited.

The following table will give an idea of the height to which the madness of the period had raised the prices of mining shares in one month :

		Dec. 10, 1824.	Jan. 11, 1825.
Anglo-Mexican,.....	£ 10 paid.	£ 33 pm.	£ 158 pm.
Brazilian,.....	10 "	10s. dis.	70 "
Columbian,.....	10 "	19 pm.	82 "
Real del Monte,.....	70 "	550 "	1,350 "
United Mexican,.....	10 "	35 "	155 "

The shopkeeper ceased to toil, that he might become suddenly rich. The merchant embarked his capital and his credit; the clerk risked his reputation and his place to obtain a share of the broad golden stream, which waited to be drunk. The broker could scarcely find time to execute his commissions. The ordinary business of the funds were disregarded. The regions of the stock exchange wore an appearance of perpetual bustle.* But a great change was at hand. This desire of adventure, and the rising aspect of all markets, created an unfavorable foreign exchange,† which, together with the specie, sent to fulfil the loans made to foreign States, occasioned seven millions and a half of gold to be subtracted from the bank coffers by November, 1825.

* The following is a statement of the new associations that sprung up after the year 1823, and the nominal capital subscribed for their various undertakings:—
DOUBLEDAY'S Financial History of England :

74 Mining companies,	£ 38,370,000	67 Steam companies,.....	£ 85,555,000
29 Gas companies,.....	12,077,000	11 Trading companies,...	10,450,000
20 Insurance companies,..	35,820,000	26 Building companies, ..	13,781,000
26 Investment companies, .	52,800,000	23 Provision companies,..	836,000
54 Railway and canal co.'s,	44,051,000	202 Miscellaneous,	148,109,000

Making, in one year, a total of 532 companies, with a nominal capital of £441,649,600 sterling.

† It is almost unnecessary to explain, that the par of exchange is fixed on a comparison of the intrinsic value of the currencies exchanged, and that, upon this principle, in fixing the rate of exchange between Hamburg and this country, thirty-four Hamburg shillings are computed to be equal to a British pound sterling. But if the Hamburg currency should, by any accident, lose one-half of its intrinsic value, thirty-four Hamburg shillings would no longer be equal to a British pound sterling. The exchange with Britain would turn against Hamburg in proportion to the loss of value which its currency had experienced, and it would, of course, be necessary, in remitting from Hamburg to Britain, to pay sixty-eight Hamburg shillings for every British pound. Applying these principles to the British currency, we find, that as the price of bullion rose, or, in other words, as bank notes decreased in value, all our foreign exchanges became proportionally unfavorable; only, however, when remittances were made by means of paper. In that case, when the notes of the Bank of England were exchanged against the pure currencies of Paris, or of Ham-

In that month the alarm began. The directors of some of the companies consented to their being dissolved, on condition of retaining one-fourth of the deposits to meet contingent and past expenses. The banks where the deposits of others had been placed were besieged to procure a return. The lord mayor was applied to by many who, rejoicing at first in the prospect of profit, shrank from the chance of loss. From this period the tide turned. The eyes of the people opened to their marvelous absurdity. The sellers became more numerous than the purchasers; and by December had arisen a voice of alarm so loud that it reached to the remotest provinces of the empire, and so deep that it penetrated to the heart of the metropolis.

By the 23d of November, 1825, greater difficulty existed in obtaining commercial discounts than had been experienced for some years. The extreme caution of the directors of the bank, who, witnessing a decline in the exchanges, feared a fresh exportation of their gold, was the immediate cause. The applications of the highest houses, equal in stability to the bank, were only partially complied with. It may be supposed that the coming storm was little anticipated when the following remark was made by a high authority: "They contract the issue of their bank notes with more timidity than, perhaps, the real urgency of the case demands." "The distress occasioned by the limitation exceeds belief." These comments, occurring immediately preceding the panic, prove that it was but little expected. But if the directors were compelled to limit their accommodation, great care was evinced that credit should not be injured by it. The most eminent firms, the character and wealth of whom placed them beyond suspicion, were selected for reduction, so that no reproach could be attached to them.

In an interview which the bank authorities held with the chancellor of the exchequer, towards the end of November, some high words appear to have passed, in which the chancellor said the bank had brought themselves into a situation too serious to be treated with disregard, though the evil must work its own cure. The governor reminded him that they had undertaken the dead weight when no one else would do so. Past services are generally forgotten; and the chancellor replied that it was only a private contract, and had no connection with their corporate privileges. The following, from the "*Times*," will give some idea of the intense anxiety to obtain money: "Yesterday was the day for effecting discounts at the bank on London bills. It is customary to leave them the day before, and the answer is returned on Thursday. The decision

burg, it was necessary to pay a premium of about twenty per cent. on the sum remitted. But when bullion was exchanged against those currencies, the premium on the sum remitted was reduced to between five and eight per cent.; which premium, therefore, expresses the real amount of the exchange against this country; for if, when the paper currency of the Bank of England is exchanged against the pure currencies of the continent, a premium of twenty per cent. must be paid in addition to the sum remitted; and if, when bullion is exchanged, the premium is reduced to five or eight per cent., to what can this difference be imputed but to the inferior value of the paper. Holding this fact, therefore, to be conclusive as to the depreciation of the paper, the only question that remains to be considered is, the cause of that depreciation.—*Edinburgh Review*, Feb., 1826, p. 150.

is usually given before one, at the latest. Long before that hour had struck, the place was besieged; and when at last the expected time came, notice was given that the answers could not be announced till two. Two o'clock arrived, and the anxiety of those who waited was at the highest pitch; and then another notice was given, stating that a further delay must take place till half-past two. During the whole of the period the directors were in close deliberation in the bank parlor. By this time the assembly was immense; and, when intimation was made that the arrangements were complete, a rush, similar to that at a theatre, ensued, to gain access to the window at which answers were to be given. The confusion was so great that when four o'clock arrived the crowd had not dispersed, and it could not be ascertained whether the bills were discounted, or part discounted, or rejected. During the ministration of the clerk at the window he was frequently called away to receive fresh instructions. The directors did all in their power, but that power was limited."

So great was the emergency, that the principals of some of the first mercantile firms waited in person, in anxious expectation, to hear their fate.

The country banking houses were the first to fall. The important York house of WENTWORTH & Co. advertised that they were, "under the most painful circumstances, compelled to suspend payments." £200,000 in notes of their issue were said to be circulated; and the effect of this failure was severe. It was confidently believed at the time that if the London agent had honored WENTWORTH'S bills, all would have been well. Some curious statements were made concerning these transactions; but the probability is, that the London bankers were justified in their proceedings, and the fact that WENTWORTHS were unable to resume payment is some proof of their discretion. It was a time for caution, but it was a time also for kindness and sympathy.

The evil of an unlimited currency* being permitted to firms not sufficiently responsible, was fearfully felt. By an extraordinary anomaly, the bank was without the issue of a single one-pound note; while country bankers, many of whom were mere retail shopkeepers, deluged the provinces with millions. Terrible suffering was spread among the poorest families, with whom these notes circulated. The distress was as hopeless as extensive. Since the act of 1817, paper had almost supplied the place of gold throughout the provinces. If notes of that kind are to be circulated, wrote the "*Times*," the bank ought to do it; not hovels in the country, dignified by the title of "bank" being written over a dairy or a cheesemonger's shop. The notes of one house were openly sold at 15s. in the pound. To support credit, associations were formed, by the most opulent plugging themselves to take the paper of various firms.

* So long, therefore, as any individual, or association of individuals, may issue notes of a low value, to be used in the common transactions of life, without lodging any security for their ultimate payment, so long is it CERTAIN that those panics which must necessarily occur every now and then, and against which no effectual precaution can be devised, must occasion the destruction of a greater or smaller number of banking establishments, and, by consequence, a ruinous fluctuation in the supply and value of money.—*Edinb. Review*, Feb., 1826.

The stoppage of the bank* of Sir W. ELFORD, at Plymouth, while it added to the alarm in London, created a melancholy scene on the spot. The people were almost frantic. The holders of notes crossed and jostled each other in all directions. There was literally a whole population, with food in abundance staring them in the face, unable to procure it, as nothing but gold would be taken. Daybreak witnessed the bank surrounded by tumultuous mobs, and the civil power mustered in front. "A night of fearful omen succeeded to many an unfortunate family." The run on the Norwich bank was stopped by the notes of the Bank of England being given in exchange.

On the 12th of December, 1825, the crash which struck terror and alarm throughout London, commenced with the partners in the banking house of Sir PETER POLE & Co., which was said to have yielded £40,000 a year for the previous seven years, announcing their incapacity to meet the claims of their creditors. At nine o'clock this stoppage was known, and the exchange was resorted to, to ask the cause, and inquire if other houses were in danger. Forty-four country banks were connected with the firm, and the ruin of many was anticipated. The agitation of the city exceeded every thing that had been witnessed for a century. The funds fluctuated violently. Rumors of the failures of other firms spread rapidly. On the 13th an important house, possessed of half a million of undeniable securities, declared, after a most severe pressure, an inability to meet its creditors. On the 14th, a West-end banker advertised, that though compelled to pause for the present in his payments, he hoped to resume on the following Saturday; and in this he was successful. On the same day the distress was increased by the stoppage of two firms, known as SIKES, SNAITH & Co. and EVERETT, WALKER & Co. The confusion spread. Men ran in alarm and dread to draw the balances from the hands of their bankers. Lombard-street was crowded with persons waiting in anxious fear or idle curiosity. A few gazers around a door were sufficient to create the destructive rumor that a run was made upon the establishment. But there was no occasion for rumor. The people seemed to anticipate that the bankers kept all their deposits to answer unreasonable demands, and that the expense of a banking-house was

* Greatly as the destruction of private fortunes and the wide-spread mischief and ruin occasioned by the late crisis in the money market are to be lamented, it is no small satisfaction to know that they have not proceeded from any thing affecting the foundations of the wealth and prosperity of the country. The sails and rigging of the vessel of State have been torn and injured by the violence of the tempest, but her timbers are as sound and fresh as ever. The bankruptcy and distress in which so many have been involved have come upon us in the midst of profound peace, and at a period when all the great branches of industry—agriculture, manufactures and commerce—were in a state of rapid improvement, and when the public revenue was more than sufficient to meet all the wants of the State. No one, indeed, who has given the least attention to the subject, can suppose for a moment that the late crisis was either primarily occasioned, or in any degree aggravated by a falling off in any of the sources of wealth. It is admitted on all hands that it sprang from a totally different cause—from some defect in the system on which the business of banking is conducted in England; and, while the frightful extent of the evils experienced calls loudly for inquiry into their cause, it at the same time enforces the necessity of adopting some such system as may be fitted to guard effectually against their future occurrence.—*Edinb. Review*, vol. 43, p. 263.

maintained for the sole purpose of benefiting the public. Many a firm, of unimpeachable honor and unquestionable solvency, was compelled to bend before the storm. The merchant looked to his banker for support; but all the efforts of the latter were directed to save himself from destruction. The usual channels of credit were stopped, and the circulation of the country completely deranged. Checks came pouring in from all quarters; and it was remarked, that "the question would soon be, not who goes, but who stands?" On the exchange the names of other firms were openly mentioned; and no report, however absurd, failed to obtain implicit belief.

The "Times," in commenting upon the assistance granted to the house of POLK, THORNTON & Co., remarked, "It is not probable that gold, to a great amount, has been in the first instance transmitted to this house. An additional quantity of paper, convertible, no doubt, into cash, on application to the bank, to the amount of the sum advanced, has been sent into the market. We suppose that the funds possessed by this and other houses, not immediately convertible in the case of a run upon their credit, may consist of mortgages; and, if so, it is a public evil that bankers, the dealers in paper, should have seized so much of the real property of the kingdom, and not left themselves sufficient to meet an emergency. They resemble pike and other rapacious fish, who pursue and seize a gudgeon, which, when they are on the point of swallowing, a larger pike supervenes and appropriates the victim."

The members of the press generally performed their great duty. "It ought to be impressed on all who possess any influence at the present moment," said the "Morning Chronicle," "that a blind selfishness will soon bring its own punishment along with it; that if all persons rush to the banks to draw out their balances, which the bankers must pay instantly, while they cannot compel their debtors to pay the balances due to them, the consequences must be very serious indeed. We can hardly conceive any amount of capital equal to this conflict."

The rumor was spread that a firm in Mansion-House-street had stopped, and an immediate rush took place from the Royal Exchange and stock exchange to discover the truth. So great was the crowd that it was necessary to remove them by force. The clerks grew alarmed at the tumult outside, and rushed simultaneously to the outer desk, in apprehension of a more violent demand than their duty would allow them to meet. "Nefarious attacks," says one, "continue to be made on the credit of other banking houses, by collecting crowds of idle people round their doors, and reporting a run." The distresses of the country people, as day by day, and almost hour by hour, circulars were issued announcing fresh stoppages, baffle belief. Bills might be seen in many of the shops of the different localities, announcing that the banker's notes would be received for goods. One house took £2,000 in this manner. Another was so crowded that the sufferers could only be admitted one at a time. The doors were besieged, and men might be seen issuing burdened with drapery or grocery which they had bought, in preference to retaining the dishonored paper. A Cambridge bank advertised that "they would keep open an hour or two later, and open the next morning an hour earlier; that the holders of their notes, if there be any then in circula-

tion, may have them exchanged for gold or bank paper." The Messrs. GURNEY, at Norwich, by boldness in going beyond their usual line, saved many from ruin, and lost nothing, worthy of notice, through it. But it is to be feared that these are few, though honorable exceptions. An Oxford bank ostentatiously exhibited such a profusion of gold that every one was satisfied, and no person thought of demanding it.

Country bankers from all parts of England were in town, trying to secure cash. The heads of all the London houses were as regular in their attendance as their clerks. It was common to hear of men, worth £100,000, begging the loan of £1,000 as a personal favor, on unexceptionable security. The gloom spread to the exchange. Exchequer bills fell to sixty-five shillings discount, and the brokers closed their books, and refused to engage in any transactions whatever. The bankers from the provinces demanded gold, not to the extent of their circulation, but to the extent of all their engagements of every description, in anticipation of a run. Many packages of gold forwarded to these gentlemen came back unopened. Hundreds of thousands of sovereigns, said Mr. POULETT THOMPSON, were sent, which were returned unpacked and untouched, having been provided only to meet the chance of a run. The Bank of England were called on to supply gold for all the notes of these banks, and post-chaises and four were regularly stationed in Lombard-street all the day. The principal stock was closed at the bank, but transfers were allowed on this occasion up to the last possible period before making out the dividend. One hundred, an unprecedented number, were effected in one day. The partners of London banking-houses were called out of church to answer the expresses of their correspondents; and the latter often carried off a reserve of gold of fifty per cent. more than they were likely to require. The governor and deputy-governor, with many of the directors, were constantly at their post. "They came early and they left late." The guards also remained all day in the building, in case their exertions should be required.

On the 14th December, 1825, a meeting of merchants and traders, only of London, was convened at the Mansion-House, to devise mitigating measures for this calamity. It was stated that the distress arose from want of confidence in men able to pay 40s., 50s. and 60s. in the pound. That those who had any confidence in their bankers ought to continue to pay in their money as usual; and were this done, the whole difficulty would be met. The governor and deputy-governor of the bank* officially communicated to the lord mayor that they would do

* It may easily be conceived what, in a great mercantile community, deeply engaged in the most extensive and onerous engagements, must have been the effect of such a sudden contraction of the currency, at the very time when its expansion was most loudly called for; but imagination itself can hardly conceive the consternation and distress which followed. The country bankers, whose issues had nearly doubled in the preceding year, having reached the enormous amount of £14,000,000, were the first to be assailed. They were besieged with applications from their numerous customers to make advances; but the demand for gold was so excessive that their stock of specie was soon exhausted, and they had no resource but to apply to the Bank of England for assistance. It was the magnitude and constant increase of this demand which constituted the source of embarrassment to that establishment. Very natu-

everything in their power to alleviate the city and country bankers, Mr. ALEXANDER BARING, afterwards Lord Ashburton, in a speech, which, from its energy and insight into business, was calculated to produce a great effect, demanded, after an elaborate picture of the panic, "confidence;" and so great was the impression that the assembly, almost simultaneously, re-echoed the word. After a series of resolutions, in which they determined to support the banking interest to the utmost extent of their capacity, the meeting separated. "One establishment," wrote the "Courier," "falls after another. The fabric of our credit is in flames around us. Five great houses have already been sacrificed to panic; three or four others have suffered immense losses. To withstand a pressure, aid must be given largely and liberally. In the words of Mr. BARING, let us follow general principles in ordinary cases, but in an extraordinary emergency, like the present, let us resort to an adequate, though extraordinary, remedy."

The distress continued to increase. Trade was at a stand. Doubt brooded everywhere. No one knew who was trustworthy. The millionaire of yesterday might be the bankrupt of to-day. It was almost impossible for any man, engaged in business, to know his own position. An order was issued to the officers of the mint to expedite, with all possible dispatch, a coinage of sovereigns; and one hundred and fifty thousand a day were made for the space of a week. Gold coin was sent to every town in the kingdom. Then was the mischief felt of the country bankers having been allowed to continue and increase the circulation of their notes of one and two pounds. There was a constant demand for their gold; and this demand affected the bank, which was, indeed, the only resource; and every house in London found itself under the necessity of meeting the demands made by its depositors, through the medium of the former. Nor were they backward in affording assistance. In a few weeks their discounts rose from five to fifteen millions. Advances were made upon the simple deposits of title-deeds, often without even an examination. Exchequer bills, to an enormous amount, were sold to meet the demand from the mercantile interests. Gold from abroad, and coin from the mint, were constantly arriving at the bank.

Mr. HARMAN said, in his examination before the Parliamentary Committee, "we took stock in as security; we purchased exchequer bills; we not only discounted outright, but we made advances on deposits of bills of exchange to an immense amount; and we were not, on some occasions, over nice, seeing the dreadful state in which the public were."

rally, and, indeed, unavoidably, the bank contracted their issues, which, in the first week of December, were down to £17,000,000. The effect of this was to bring a great number of the private bankers to an immediate stop. In the end of November, the Plymouth Bank failed; this was followed, on the 5th December, by the failure of the house of Sir PETER POLK & Co., in London, which diffused universal consternation, as it had accounts with forty country bankers. The consequences were disastrous in the extreme. In the next three weeks, seventy banks in town and country suspended payment. The London houses were besieged from morning to night by clamorous applicants, all demanding cash for their notes; the Bank of England itself had the utmost difficulty in weathering the storm, and repeated applications were made to government for an order in council suspending cash payments.—*Alexander's Europe*, vol. 6, p. 248.

The course which the directors adopted, though opposite* to that of 1797, appears to have been correct. Within three weeks they doubled their discounts. From the 11th to the 17th December, 1825, the demand for gold was urgent, incessant and insatiable. A suggestion was made to government for an order in council to restrain the payments in specie, under the apprehension that it might be exhausted. Mr. CANNING is reported to have replied, in one of his emphatic sentences, that "he would never consent to a thing of that sort." But the most extraordinary features of the application was the advice of Mr. HUSKISSON to place a paper against their doors, stating they had not gold to pay with, but expected it shortly. It is, perhaps, more extraordinary that the bank deliberated upon it; but allowances must be made for the agitation and anxiety of the time. That which, ordinarily, is looked upon as unreasonable, assumes a new form under an almost insupportable pressure. For two or three days the most unquestionable security would not procure money; nor could the public funds be said to have a price. There was no market for bank,† there were no buyers of East India stock. It was

*The amount of country notes in circulation, in 1825, was at least from THIRTY to FORTY PER CENT. greater than their amount in 1822. *It was this excessive addition to the currency that rendered it redundant, and caused a drain for bullion.* And this drain having forced the Bank of England to narrow her issues, a shock was in consequence given to credit; the currency of the metropolis became more valuable than that of the country, and the difficulty of obtaining accommodations in London being increased at the very moment that the notes of the country bankers were beginning to be returned upon them, their embarrassments and ruin inevitably followed. A few isolated failures in different parts of the country served to excite a general panic, and so rapid and sweeping was the destruction, that in the short space of five or six weeks, from sixty to seventy banking establishments were compelled to stop payment.—*Edinburgh Review, Feb., 1826.*

† Bank of England stock, which, in 1825, had brought 299, had at one time this year declined to 193. Consols had declined from 96½ to 73½; the changes from 1821 to 1827 being as follows:

	BANK SHARES.		CONSOLS.		Bank Dividends.
	Lowest.	Highest.	Lowest.	Highest.	
1821,....	221	240	68½	78½	10 per cent.
1822,....	235	252	75½	83	10 "
1823,....	204	246	72	85½	8 "
1824,....	227	245	84½	90½	8 "
1825,....	196	299	75	94½	8 "
1826,....	193	223	73½	84½	8 "
1827,....	200	217	76½	89½	8 "

"The annals of Great Britain, from 1819 to 1825, are fraught with the most important lessons to the reflecting, on which the attention of statesmen in future times should constantly be fixed. They demonstrate at once the all-importance of the currency upon the fortunes of the country, and illustrate, in the most striking manner, the double set of dangers to which a monetary system, based entirely upon the retention of the precious metals, is exposed. From the first introduction of the metallic system in 1819, to the extension in 1822, the history of the country is nothing but the narrative of the dreadful effects produced by the contraction of the currency to the extent of above a third of its former amount, and the social distress and political agitation consequent on the fall in the price of every article of commerce to little more than the half of its former level. Its annals, from the extension of the currency, in July, 1822, to the dreadful crash of December, 1825, illustrate

the opinion of Mr. HUSKISSON that in forty-eight hours all dealings would have been stopped between man and man, except by way of barter. Owing to the difference in the money and account prices of consols, those bankers, who were compelled to sell stock to raise cash, paid at the rate of 72 per cent. for the necessity. On the 13th the bank raised the discount to five per cent.

A morning journal remarked, "that to inspire confidence in houses which can at last only repay it by insolvency, is to increase a direct wrong, and dreadfully to enhance a great commercial evil. If a house fails, and pays 15s. in the pound, a foolish cry is raised that a little reasonable help would have saved it. Saved what? A house that was, in relation to its debts, one-quarter worse than nothing. Ought such a house to be left standing in a condition where it was every hour made the depository of other people's money? Even if a banker pays 20s. in the pound, and has no surplus afterwards, he is not a legitimate banker; he is trading without a capital, and the least mishap, or the least fall in the public funds, if he buy into them with other men's money, may, in one day, make him an insolvent."

The energy of the direction was great in administering relief to worthy applicants. An eminent country banker was some days in town imploring a loan of £50,000, for which he offered double the security. During his stay a neighboring bank stopped payment; the alarm of the townspeople grew so strong lest his own should follow the example, that they assembled to force, if possible, the payment of their notes; nor could they be dispersed without the aid of the military. On this intelligence reaching London, the 50,000 sovereigns were supplied, with which the banker immediately departed to the scene of confusion. "The town was swept of cash," says one writer, "and such a dearth of this neces-

the opposite set of dangers, with which the same system is fraught when the precious metals flow in in abundance, from the undue encouragement given to speculation of every kind by the general rise of prices for a brief period. To make paper plentiful when gold is plentiful, and paper scarce when gold is scarce, is not only a dangerous system at all times, and under all circumstances, but is precisely the reverse of what should be established. It alternately aggravates the dangers arising from over-speculation, and induces the distress consequent on over-contraction. The true system would be the very reverse, and it would prevent the whole evils which the preceding pages have unfolded. It would be based on the principle of making paper a supplement to the metallic currency, and a substitute for it when required, not a representative of it; and plentifully issued when the specie is withdrawn, it should be contracted when it returns."—ALISON'S *Europe*, vol. 6, p. 249.

Mr. ALISON'S theory would not work well. The only sound principle as to currency is to adapt the volume of paper to the volume of gold; let them fall or rise together. The latter should always bear a true relation to the former, and thus, when the earliest indications are given of a decline in the basis, (by foreign export, for instance,) then is the time to discourage that over-trading which an undue expansion of paper is sure to create. This was clearly exhibited in England in 1822-1824, (bringing about the revulsion of 1825,) and in the United States in 1834-1836, (producing, beyond question, the revulsion of 1837,) and again in New-York, from 1849-1857, when the bank circulation was rapidly increased fifty-five per cent., or from \$21,912,000 to \$32,300,000; the latter upon a declining specie reserve and an unfavorable condition of the foreign exchanges, thus producing the revulsion of 1857, by which the property of that State became suddenly depreciated fully three hundred millions of dollars.—*Am. Ed.*

nary commodity ensued, that few persons had five pounds to spare for any purpose whatever." Pawnbrokers and money-lenders were resorted to, till their capitals were exhausted. Scarcely a sovereign was to be seen throughout London which was not new; so active had the authorities been at the mint, and so eagerly had the old coinage been carried from the metropolis. The deficiency in sovereigns was said at one time to be so great at the bank that applicants were compelled to receive half sovereigns in payment.

The gloom which pervaded the metropolis was universal.* A vague feeling of uncertainty as to the issue ripened into an indefinite dread of consequences almost as harassing as the worst reality. A general bankruptcy seemed impending. The impression—for it scarcely amounted to a conviction—that the bank itself, hitherto regarded as almost sacred, was sharing the danger of the time, added to the general anxiety. Up to this period, with the single exception of 1797, the term bank had been synonymous with safety. When, therefore, it was believed that, amid the general wreck and ruin, even the Bank of England was in danger, the great hall of the establishment witnessed an eager proffer of notes in exchange for gold, which, however, was met as promptly as it was made. No attempt was offered to withhold, as in 1797; no attempt to delay, as in 1745. It was, probably, partly owing to the unhesitating readiness with which the gold was paid as fast as it could be demanded, that the confidence of the public was so quickly restored. Had the holders of the notes felt that there was any thing like hesitation, the alarm would have spread indefinitely, and the bank must have suffered in proportion.

The energy displayed in the bank parlor led to the same activity in the executive department. The labor of the clerks was trebled in the discount office; and in others many were kept working long after the ordinary hours. The counters were besieged, and the attendants were wearied with the constant demand for sovereigns. The drain of notes and specie for the country continued to be prodigious. One provincial banker carried with him £300,000; and there was scarcely an establishment throughout the empire which did not apply for help. As it has been in most panics, the country bankers took more than they required, and assisted in bringing on many of the town failures. Counterfeit sovereigns, which rivalled in brightness the new issue, were numerous, as any thing which looked like gold was taken without hesitation. The manufacturers rivalled the mint in activity.

* This melancholy and lamentable revulsion may, we think, be clearly traceable to the unwise expansion of the banks, which, in the first place, encouraged the mania of 1824-5, for speculation, and superinduced the extravagances of that day. The Bank of England had necessarily contracted its circulation from £27,261,600, in 1815, to £18,172,000, in 1822-3. The country banks, at the same time, had reduced their circulation from £19,611,000 to £8,416,000, a total reduction of from £46,272,000 to £26,588,000, or more than forty-two per cent. But instead of gradually increasing this again, there was an expansion, in 1824, more rapid than the late curtailment; paper money thus giving a sudden and violent impulse to our trading, speculation and gambling. Between 1823 and 1825 the Bank of England unwisely enlarged its circulation to £26,069,000, and the country banks to £14,980,000, making an aggregate of £41,049,000, against £26,588,000, as above stated.—*Am. Ed.*

The danger of a run upon any bank cannot be measured. The beginning of a demand for gold may be very trifling; but no sooner is it known that a run is occurring on any establishment, however unquestionable its solidity, than it is indefinitely increased, each man only anxious that the supply should hold out until his claim be satisfied. So great was the demand for one week, that a doubt was seriously entertained by all parties that the bank would scarcely be able to stem the torrent. They had, however, determined to pay to their last guinea. "Another such week," said Mr. RICHARDS, emphatically, "and the bank could not have stood it. Gold was expected; but we were subject to the winds and the waves."

Fortunately, on the last day of the week, the tide turned. It must have done so decidedly, for Mr. RICHARDS to have been "able to call out that all was well," when, reeling with fatigue, he sought Lord LIVERPOOL, with the other members of his majesty's government, on the afternoon of Saturday, the 17th of December, 1825.

The following description of the position of the governor and directors of the bank at this period is from the mouth of its deputy-governor:

"In autumn the bank very seriously began to contemplate what would be the result of the speculations. Not only the bank, but every man's mind connected with the city, was in an extreme state of excitement and alarm. I think I can recollect on the first Saturday in December having come home, after a very weary and anxious day, from the bank, receiving a visit from two members of the committee, and one of our bankers of that class, at my own house, stating the difficulty in which a banker's house near the bank was placed. The object was to ascertain my views. I was called upon in consequence of the governor being connected with the house of POLK & Co. by marriage, and other circumstances. I ventured to encourage these gentlemen, that upon any thing like a fair statement the bank would not let this concern fall through. It was agreed that on the following morning (Sunday) we should meet as many directors as I could get together, with the three gentlemen who had called upon me, and that some eminent merchants, friends of the house, should be called to the meeting, to assist with their opinion. The result was, that the directors authorized their chairs to say, that assistance should not be wanting. It was agreed that £300,000 should be placed at the disposal of POLK & Co. the next morning, on the security of a number of bills of exchange and notes of hand, and over and above a mortgage on Sir PETER POLE's property, which was to ride over the whole. During that week, I believe, the attention of every man was directed much more to the state of that house than to any thing else. They fought through it till Thursday or Friday pretty manfully, and about that time, from a conversation I had with a partner in the house, I was led to fear that it might fail; however, it fought on till Saturday evening. Sunday passed, and on Monday the storm began, and till Saturday night it raged with an intensity* it is impossible for me to describe. On the Saturday night it had somewhat abated. The bank had

* "We were (said Mr. HUSKISSON) within twenty-four hours of barter." (See APPENDIX, for a copious review of this important period.—*Am. Ed.*)

taken a firm and deliberate resolution to make common cause with the country, as far as their humble efforts would go. On Saturday night it was my happiness, when I went up to the cabinet, reeling with fatigue, to be able just to call out to my Lord LIVERPOOL, and to the members of his majesty's government, then present, that all was well. Then, in the following week, things began to get a little more steady, and by the 24th, what with the one pound notes that had gone out, and other things, people began to get satisfied. Then it was, for the first time in a fortnight, that those who had been busied in that terrible scene could recollect that they had families who had some claim upon their attention. It happened to me not to see my children for that week."

The incidental mention to one of the directors that there was a box of one pound notes ready for issue, turned the attention of the authorities to the propriety of attempting to circulate them; and the declaration of Mr. HENRY THORNTON, in 1797, probably occurred, that it was the want of small change, not a necessity for gold, that was felt; and as the pressure on the country banks arose from the holders of the small notes, it was suggested to the government that the public might, perhaps, receive one pound notes in place of sovereigns. The government approved of the idea, and the panic was at its height, when, on Saturday, the 17th of December, 1825, the bank closed its doors, with only £1,027,000* in its cellars.†

It has been frequently stated, that by a mere accident the box of one pound notes was discovered. But such was not the case. Mr. RICHARDS

* The changes in the circulation and coin of the bank were as follows, from February, 1823, to December, 1825:

	<i>Circulation.</i>		<i>Coin and Bullion.</i>
1823, Feb. 28,.....	£ 18,392,000	....	£ 10,384,000
1824, Jan. 28,.....	19,786,000	....	14,200,000
“ April,.....	19,200,000	....	13,800,000
1825, Feb. 28,.....	20,758,000	....	8,779,000
“ Aug. 31,.....	19,398,000	....	3,584,000
“ Dec. 3,.....	17,477,000	....	2,167,000
“ Dec. 24,.....	25,709,000	....	1,024,000

On the part of government it was argued, by Lord LIVERPOOL, the chancellor of the exchequer, Mr. HUSKISSON and Mr. CANNING: "The monetary crisis which this country has recently undergone is evidently owing to the mad speculation of the last two years; and that speculation has been mainly fostered by the vast increase in the issues of country banker's notes, which took place during that period of delusive prosperity. In 1823, before the mania of speculation began, the stamps issued for country bank notes were about £4,200,000 annually; in 1824, when the mania set in, it rose to £6,000,000; and in 1825, when the mania was at its height, it amounted to no less than £8,000,000 annually. This was the amount of stamps usually issued for new notes. The amount actually in circulation was in general about fifty per cent. more at each period, and in 1825 amounted to £14,000,000. The notes of the Bank of England had also increased during the same period, but in a much less degree. The increase in that quarter was only £3,000,000—from £19,000,000, in round numbers, to £22,000,000. The great increase in the currency, therefore, has been in the country bankers' notes; and they are chargeable with all the disasters which have ensued. The only way to prevent a repetition of the evil, is to lay the axe to the root of the cause from which it sprung.—ALISON'S *Europe*.

† In the pamphlet lately published by Lord ASHBURTON is the following remark-

said, "he did not recollect that there were any one pound notes; they were put by. It was the casual observation that there were such things in the house, which suggested to the directors that it would be possible to use them." Application was made to government for permission to issue them; and this was granted, subject to the following stipulations:

"If, for the purpose of meeting the temporary exigency, occasioned by the sudden withdrawal of the country banks' small notes, the bank are disposed to avail themselves of the power which they have, by law, to issue one pound notes, the government will not object to it, provided it is understood to be strictly temporary; and provided that the bank shall take the opportunity of the present state of the exchange to procure a greater fund of treasure, and to promote a more extensive circulation of gold in the country."

The delight with which these notes were received in the country, proved that the want of a secure small currency alone was felt. The knowledge that the provincial banks were constantly breaking, that the parent banks in London were stopping almost as frequently, the fear that universally prevailed with regard to those that were really solvent, brought in the country notes with that rapidity which produced the fearful failures of so many of the body. But that the holders only required to be safe, and that they considered the notes of the corporation eminently so, is proved from the fact of the run suddenly stopping after their introduction.

In Norwich, the Messrs. GURNEY are said to have staid the plague by merely placing a thick pile of one pound notes of the Bank of England on the counter.

"They worked wonders;" said Mr. HARMAN; "as far as my judgment goes, they saved the country." In most of the provinces they were received with acclamation. Within a week from their issue the peril and the panic had passed away, and the moneyed interest had time to look around and count the terrible cost of the yet more terrible dangers to which they had been exposed. Seventy-three town and country bankers had failed in one month; of these, ten resumed payment, their difficulties arising solely from the extraordinary alarm of the time.

It is gratifying to add the opinions of such men as the late Mr. ROTHSCHILD, Mr. GEORGE GROTE and Mr. GEORGE CARR GLYN, upon the conduct of the bank during the emergency. Mr. ROTHSCHILD said, "At the time of the last panic, I think, there was a great deal of credit due to the governor of the bank." On another occasion, he remarked, "I think the bank discounted all the bills sent in as liberally as possible. They discounted everything." Mr. GEORGE GROTE described their conduct "as liberal and daring; but as judicious as proper." Mr. GEORGE CARR GLYN asserted that "the commercial public were exceedingly indebted to them

able paragraph. After saying, "I was called in to counsel with the late Lord LIVERPOOL, Mr. HUSKISSON and the governor of the bank," his lordship proceeds: "The gold of the bank was drained to within a very few thousand pounds; for although the published returns showed a result rather less scandalous, a certain Saturday night closed with nothing worth mentioning remaining."

at that time; they rendered every assistance in their power." Mr. Atwood "gave great praise to the bank for a remarkable degree of moral firmness during this panic, in throwing its notes out into circulation, which prevented a catastrophe so distressing that he would not attempt to describe it."

As a proof of the justice of these opinions, it may be mentioned, that on the 8th December, the discounts amounted to £7,500,000, on the 15th they were £11,500,000, and on the 29th, £15,000,000.

In looking over a list of the joint-stock companies formed during this eventful period,* the names which appear in the lists of directors are remarkable. The greatest, the richest and the most honorable in the city, in some; in others, persons who were borne by the bubbles to the surface, but have now sunk to their original nothingness. Mines were proposed in all parts of the world. One was issued at a premium avowedly for the benefit of the projector. Another was celebrated "for having a vein of tin ore in its bottom, as pure and solid as a tin flagon." A third was pronounced by the directors as "no speculative undertaking—no problematic or visionary scheme—it was founded on a sure and permanent basis, adopted after months of mature consideration, after inquiry, surveys, investigations and reports;" and this was dissolved almost immediately. Another declared that "lumps of pure gold, weighing from two to fifty pounds, were totally neglected," and that its mines alone would yield "considerably more than the quantity necessary for the supply of the whole world." The romantic aspect of the land was described in a fifth; while a sixth, proposing to supply England with granite, lamented, in plausible and poetic strain, the "soft and perishable materials" of the buildings of "the mighty head of a mighty empire." Innumerable laborers and artisans were to be employed, "and," continued the prospectus, "perhaps to the efforts of this company the dingy brick fronts, the disgrace of the metropolis, may give way to more durable and magnificent elevations, worthy of the throne of the queen of isles."

An utter ignorance was shown of the capability of the countries in which many of the mines were to be worked. Expensive machinery was exported. Liberal salaries were given to every individual connected with

* Parliament aided in giving a tone to the mania of the year 1824. At the opening of Parliament, Lord Dudley, in his response to the king's speech, said, "Our present prosperity is a prosperity extending to all orders, all professions and all districts; enhanced and invigorated by the flourishing state of all those arts which minister to human comfort. * * * We have now been fully taught that the great commercial prosperity of England has arisen, not from our commercial restrictions, but grown up in spite of them."

"Agricultural distress (said the *Annual Register*) had disappeared. * * * This substantial and solid prosperity was stimulated to an additional extent by the operations of the many joint-stock banks and companies which had sprung into sudden existence in the former year. * * * As these speculations still retained their popularity, the apparent prosperity arising from their artificial stimulus presented an imposing aspect, and augmented the general enchantment."

Even the "*Quarterly Review*" became a convert to the belief that this sudden prosperity was real, not visionary. "The increased wealth of the middle classes is so obvious, that we can neither walk the fields, visit the shops, nor examine the workshops and storehouses, without being deeply impressed with the changes which a few years have produced."—See *Quarterly Review*, 1824.

the speculations, and Cornish miners, tempted by high wages and higher promises, wandered across the Andes, or tried a fall with the gigantic condor on the "wide, desert plain of Villa Vicencia," as Captain HEAD, sent out on some such expedition, amusingly relates.

But other companies besides mining ones found support. When the bubble burst it was made manifest that an extensive plan of gambling and fraud had been carried on. The old system—for even in defrauding there is nothing new—was adopted. Newspaper puffs, reports and prospectuses, raised many of the companies to a high premium. When the shares were sold the company dissolved, and the projectors sought new schemes and new dupes. One member of Parliament was stated to have been the director of nine companies. "The press," says the editor of the "*Morning Chronicle*," "for the most part by taking shares in these schemes when at a premium, (and we blush to say few editors of newspapers in the metropolis are not to be found in the list of those who benefited by them,) had, at all events, no particular interest in opening the eyes of the public." In one company, the two principal charges were the payments of newspaper puffs and legal expenses.

To read many of the prospectuses, it appeared only necessary to cut a canal, and it would be laden with barges, bearing the industrial produce of the country; and only necessary to send miners to some place with an unpronounceable name, and gold would attend every touch of the laborer's implements. "The Mississippi scheme," says a writer of the day, "was a rational project compared with the extravagance of the expectations held by whole armies of speculators. The sea was to contribute its proportion, and treasures, which had been buried for ages, were called from 'the vasty deep' by the magic and resistless power of steam. In this universal mania men hazarded the savings of a long life of industry; they gazed only on the bright side of the future; they shut their eyes to the reverse. In their region the sun never set."

Mr. HUGHES, in his "History of England," says that the joint-stock companies which, in the plenitude of their imaginary power, would have contracted to throw a bridge across the channel, or make a tunnel to the antipodes, were, for the most part, in the *Gazette*, without a single subscriber, or an available shilling. "They fixed the public gaze," said Mr. CANNING, in one of his brilliant orations, "and excited the public avidity so as to cover us, in the eyes of foreign nations, if not with disgrace, at least with ridicule. They sprung up after the dawn of the morning, and had passed away before the dews of the evening descended. They came over the land like a cloud; they rose like bubbles of vapor towards the heavens, and, destroyed by the puncture of a pin, they sunk to the earth and were seen no more."

It was openly declared that a member of Parliament received £500 a year from each of two companies, for the protection of their rights. Some senators, for supporting gas companies, had their houses lighted for nothing, while shares which bore a good premium were allotted to others, for their assistance in the Commons.

From the pamphlets of Mr. ENGLISH, published in 1827, the following list of companies are copied, that the reader may form some idea of the enormous nature of the proposed speculations:

History of the Bank of England.

EXISTING.	Capital.	Amount paid.	Present value.	Amount liable to be called.	Amount of shares.
44 Mining com's,	£ 26,776,000	£ 5,455,100	£ 2,927,350	£ 21,320,900	358,700
20 Gas do.	9,061,000	2,162,000	1,504,625	6,899,000	152,140
14 Insurance do.	28,120,000	2,247,000	1,606,000	25,873,000	545,000
49 Miscellaneous,	38,824,600	5,821,850	3,265,975	33,502,750	562,500
127	£ 102,781,600	£ 15,185,950	£ 9,303,950	£ 87,595,650	1,618,840

ABANDONED.	Capital.	Amount paid.	Number of shares.
16 Mining companies,	£ 5,585,000	£ 400,900	98,200
9 Investment do.	8,550,000	746,000	78,500
20 Canal, rail-road, &c., companies,	19,135,000	393,875	246,000
30 Steam companies,	2,927,500	79,900	35,650
43 Miscellaneous companies,	20,409,000	799,500	390,250
118 Companies,	£ 56,606,500	£ 2,419,875	848,600

PROJECTED.	Capital.	Number of shares.
14 Mining companies,	£ 6,009,000	80,300
9 Gas do.	3,018,000	48,800
19 Investment do.	44,050,000	608,000
6 Insurance do.	7,700,000	106,000
11 Trading do.	10,450,000	85,000
26 Building do.	13,781,000	164,900
18 Dock, canal, &c., companies,	13,851,000	164,410
16 Rail-road do.	11,065,000	131,800
37 Steam do.	5,628,000	89,570
23 Provision do.	8,860,000	674,000
57 Miscellaneous do.	19,700,000	382,600
236	£ 143,610,000	2,535,380

GENERAL SUMMARY.	Capital required.	Amount actually advanced.	Number of shares.
127 Companies now existing,	£ 102,781,600	£ 15,185,950	1,618,840
118 do. abandoned,	56,606,500	2,419,875	848,600
236 do. projected,	143,610,000	.....	2,535,380
143 do. projected, (No. 2,) not particularized,	69,175,000	.....	959,000
624	£ 372,173,100	£ 17,605,825	5,961,820

Nor will the accompanying list of foreign loans, contracted for in 1824 and 1825, be less interesting to the reader :

FOREIGN LOANS CONTRACTED FOR

In 1824.	Nominal capital.	Contract price.	Money advanced.
Austria, five per cent.,	£ 3,500,000	82½	£ 2,887,500
Brazil, do.	1,200,000	75	900,000
Portugal, do.	1,500,000	87	1,305,000
Greece, do.	800,000	59	472,000
Columbia, six per cent.,	4,750,000	88½	4,203,750
Buenos Ayres, do.	1,000,000	85	850,000
Mexico, five per cent.,	3,200,000	58	1,856,000
Peru, six per cent.,	750,000	77	577,500
Naples, five per cent.,	2,500,000	92½	2,312,500
	£ 19,200,000		£ 15,364,250

In 1825.	Nominal Capital.	Contract price.	Money advanced.
Brazil, five per cent.,.....	£ 2,000,000	.. 85	.. £ 1,700,000
Mexico, six per cent.,.....	3,200,000	.. 89½	.. 2,872,000
Greece, five per cent.,.....	2,000,000	.. 56½	.. 1,130,000
Denmark, three per cent.,.....	3,625,000	.. 75½	.. 2,718,750
Peru, six per cent.,.....	618,000	.. 78	.. 480,480
Guatemala, six per cent.,.....	1,428,571	.. 73	.. 1,042,988
	£ 12,869,571		£ 9,944,218
SUMMARY.	Capital.		Amount advanced.
Foreign loans of 1824,.....	£ 19,200,000	....	£ 15,364,250
Do. do. 1825,.....	12,869,571	....	9,944,218
Total,.....	£ 32,069,571	....	£ 25,308,468

At the time, the panic was generally traced to the issues of the country bankers. The fact is unquestionable that their circulation was enormously increased; and it is equally so that the misery of the provincial population was painful in the extreme, from the failure of so many of the body. It is impossible to imagine the aggregate wretchedness which this must have occasioned. Domestic distress, ties broken, families disunited, these were the individual fruits which resulted from houses being permitted to circulate to any extent notes which, in many instances, proved only valuable as waste paper. The cause which had operated to increase the country circulation was the first departure from the principles of Mr. PEARL'S currency bill, and whether it occasioned or not, it at least aggravated the evil to an enormous degree.

It was a further proof that the currency of the country should have been in the hands of a bank, the solidity of which, says ADAM SMITH, is equal to that of government.* To preserve our social system we levied taxes, declared war, chose senators, held courts of justice, and yet, up to 1825, any person calling himself a country banker, though in some instances not rising above the level of a small trader, was allowed to issue, to an illimitable extent, the very notes which penetrated through and influenced every grade of social life. The great bank of the empire was constantly called on for returns, lest its governors should be too liberal with their paper, while the pottiest banker in the provinces was only self-

* Ministers carried their measures by an overwhelming majority; Mr. BARRING'S amendment, that "it is not expedient, in the present disturbed state of public and private credit, to enter upon the consideration of the banking system of the country," having been lost by a majority of 193, the number being 232 to 39. In the House of Lords the preponderance was equally great, the numbers being so decisive that the matter was not pressed to a division. The prohibition to issue £2 and £1 notes was at the same time extended to the Bank of England, by a majority of 66 to 7, in the face of a protest by Mr. GURNEY, that "if government destroyed all the country bankers' notes, and at the same time stopped the issue of small notes by the Bank of England, they would leave the country in a state of destitution of which they could form no adequate conception." This observation produced no sort of impression, and it passed into a law that stamps for £2 and £1 notes should no longer be issued either to the Bank of England or country banks, and that, at the expiration of three years from March, 1826, that is, in March, 1829, their circulation should be prohibited altogether in England.—ALISON'S *Europe*.

controlled. The result is evident. Seventy country banks failed, and the poor man, whose time is money, was told in the House of Commons, with a refinement of cruelty, that he ought to have deposited his earnings in a savings bank, "when," said Mr. PEELE, in a few indignant words which spoke volumes for the inefficiency of the present system, the "savings bank was perhaps twenty miles from his home."

The following opinions, as to the cause of the panic, are important in proving the difficulty of arriving at a just conclusion, or interesting, as they evince the bias of each speaker, springing either from his predetermined notions, or from the natural prejudices of his position. Three out of the four unfavorable to the corporation were country bankers, or directors of joint-stock banks. To Mr. WILKINS, a provincial banker and an issuer of paper, great praise is due for the honesty which produced an avowal contrary to his own advantage; and so much at variance with the general opinions of the interest he represented.

Mr. GURNEY considered it impossible to define the whole of the causes of that very remarkable crisis; but it certainly was not the over-issue of the country bankers. He believed that every thing which caused great facility in money transactions tended that way; and that the great reduction in the duties on many foreign articles of production, contributed to it. Mr. STUCKEY thought that it arose mainly from an over-issue of the Bank of England paper, while Mr. WILKINS gave it as his opinion that the distress and failures of the period were owing to the excessive issue of the country bankers.

Mr. ROTHSCHILD thought it might be assisted by the great speculation in different articles; an immense amount of bills had been drawn upon this country from almost every quarter, of which he received, in two months, from a million to a million and a half sterling. An immense deal of specie had been sent to the continent to take up those bills. When the bank found that gold was going away, they would not discount. There was an immense deal of speculation in corn, and the bank refused to discount the corn and other bills. Mr. DYER believed that the bank had been the cause of the panic, and of a constant succession of little panics, continually annoying the commerce of the country. Mr. BURR was of opinion that the crisis was first caused by the Bank of England; and afterwards the bank remedied it in the best way it could. The opinion of Mr. PALMER is presented at length, because it enters more calmly into the question, and because, from his position, he could best afford to regard it in a dispassionate light:

"I have always considered that reduction of interest, one-fifth in one case and one-eighth in the other, to have created that feverish feeling in the minds of the public at large, which prompted almost every body to entertain any proposition for investment, however absurd, which was tendered. The excitement of that period was further promoted by the acknowledgment of the South American republics, by this country, and the inducements held out for engaging in mining operations, and loans to those governments, in which all classes of the community in England seem to have partaken. Almost simultaneously with those speculations arose general speculation in commercial produce, which had an effect of disturbing the relative values between this and other countries, and cre-

ating an unfavorable foreign exchange, which continued from October, 1824, to November, 1825, causing a very considerable export of bullion from the bank—about seven millions and a half. The bank were, even at the latter period, sufficiently provided with bullion for their own purposes; and had it not been for the internal demands to which I have alluded in the former part of my evidence, would have weathered the storm."

Mr. RICHARDS thought that the reduction of interest by the government, and that the statements made in the royal speech of the unbounded prosperity of the country, had buoyed up the public mind, and that "the bank had continued then, as it always invariably did, as steady a course as it was possible for a body of that magnitude, moving, at best, but slowly, as, from necessity, it must move, to have done."

To the judgment of the reader must be left the task of reconciling these conflicting views. They have been presented at some length, because the importance of the period demands an extensive inquiry.

From the failure of so many private bankers, a great number of accounts were transferred to the Bank of England. Up to 1826, £10 had been the lowest sum allowed to be drawn; but this was reduced to £5, to facilitate business. On the 17th December government raised the interest on exchequer bills to 2d. per cent. per diem. A message was forwarded to the India house requesting a postponement of the indigo sale for three or four months; and, at the desire of some influential gentlemen, one public sale was actually delayed on the plea that, however responsible the buyers might imagine themselves, it was impossible to know whether they would be able to pay for the goods they bought. While all the other banking houses were in a state of trepidation, the "*Courier*" remarks, that Messrs. Courts & Co. had not a single check drawn upon them more than was warranted by the ordinary demand of business.

The manufacturing and trading interests felt the depression long after the cause had ceased. Money was so scarce with the former, that large orders, which arrived from Germany, were unable to be executed. One house, carrying on an extensive business, sent an agent to collect debts in the north, to the amount of £80,000. After an absence of six weeks he returned from his tour with no more than £500. An application for assistance, founded on this distress, was made to government. Mr. Wilson, member for the city, said, that the difficulties demanded attention. The relief he asked for might be granted with safety. Cotton had fallen from 12d. to 6d. per pound, and no sales could be effected. What risk would there be in advancing 3d. per pound? Yet such an advantage would save many a merchant from ruin, and prevent hundreds of operatives of being thrown out of employment, and would be, therefore, of the utmost importance.

The reply of Mr. ROBINSON, chancellor of the exchequer, was that a compliance with this proposition would be attended with consequences more prejudicial than the relief would be serviceable. "But," he added, "if government, by administering any relief in the money market, could tender any effectual assistance, it would be found most ready and willing to do so." If, for instance, in the absorption of the exchequer

bills, by the purchase of them by the bank, any pressure of that kind could be removed, government would be most happy in forwarding such a measure." After some negotiation between the Bank of England and the ministry, the following was addressed to the governor and deputy-governor :

"Gentlemen,—Under all the circumstances of the present distress in the city and country, it appears to us that it would be advantageous, with a view to public and private credit, if the bank were to give directions for the purchase of exchequer bills to the amount of £2,000,000. If the bank shall agree to this proposal, we engage to submit to Parliament the necessary measures for the repayment of the same between this period and the 14th June next.

"We have the honor to be, gentlemen,

"Your most obedient servants,

"LIVERPOOL,

"FREDERICK JOHN ROBINSON."

It was therefore resolved, "That the governor be authorized to purchase exchequer bills to an amount not exceeding £2,000,000, on condition that the repayment be made within four months."

As a conclusion to this chapter, and as, perhaps, the true origin of the crisis is here stated, the following, from the pen of one who, if he had not had riches "thrust upon him," would, in all probability, have been a great man, instead of being simply a great banker, is well worthy an attentive perusal. There is the finest of all philosophies, the philosophy of nature, in the remark. "The history of what we are in the habit of calling the 'state of trade' is an instructive lesson. We find it subject to various conditions which are periodically returning; it revolves apparently in an established cycle. First we find it in a state of quiescence—next improvement—growing confidence—prosperity—excitement—over-trading—convulsion—pressure—stagnation—distress—ending again in quiescence."

NOTE.—It was not proposed, in the first instance, (1825–1826,) to extinguish small notes in Scotland, but the known opinions of government, and the course of examination by the adherents of administration of the witnesses who were questioned on the subject in committees of both Houses of Parliament, left no room for doubt that, in the next session at latest, the law would be made the same in both ends of the island, and that the fate of Scotch and Irish notes would be sealed. In this extremity was seen what can be effected by the vigor and patriotism of one man. As soon as it was known in Edinburgh that the Scotch notes were seriously threatened, there appeared in the columns of the *Weekly Journal*, a paper conducted by the Messrs. BALLANTYNE, a series of papers on this subject, signed "MALACHI MALAGROWTHER," in which the public soon recognised the vigor, sagacity, and fearless determination of Sir WALTER SCOTT. Albeit, closely connected both by political principle and private friendship with the administration, that great man did not hesitate a moment to break off from them on this momentous question, and to sacrifice both a sense of past obligations and the hopes of future preferment on the altar of patriotic duty. His efforts were crowned with entire success. Scotland rose as one man at the voice of the mighty enchanter; petitions against the threatened change crowded in from all sides and the most influential quarters. Ireland followed in the wake of its more energetic and far-seeing rival; and in the end ministers gave a reluctant consent. The decisive words were at length wrung from Mr. HUSKISSON, "Well, let them keep their rags, since they will have them."—ALISON'S *Europe*.

CHAPTER XIX.

EFFECTS OF THE PANIC OF DECEMBER, 1825—ALTERATION IN THE CHARTER—PARLIAM-
ENTARY DEBATES—OPINIONS ON THE CURRENCY—ASSISTANCE TO THE MERCHANT
INTEREST—TABLE OF ADVANCES—LEGAL DECISION—EXTENSION OF THE BRANCHES—
JEALOUSY OF THE COUNTRY BANKERS—NEW 3½ PER CENT.—USES OF BANK NOTES—
DANGER OF THE BANK—ITS ORIGIN—RUN UPON THE BANK IN 1832—POLITICAL CAUSES
—DUKE OF WELLINGTON.

THE crisis of 1825, which, it has been seen, produced an effect so extraordinary as to be paralleled by no personal recollection, induced a searching inquiry into the cause. Many opinions were published, and almost every man had his theory. The Bank of England was denounced by a few; and the over-issue of the country bankers by many. By some the company was considered the shield, by others as the destroyer of national credit; and a most important effect was produced to the corporation through the panic, as a negotiation was opened by the government in which they expressed their desire of establishing the banking system on a firmer foundation. In January a correspondence, of which the following is an analysis, passed between the governor and deputy-governor with the first lord of the treasury and the chancellor of the exchequer. After stating that the principal cause of the recent distress was to be traced to the rash spirit of speculation, supported, fostered, and encouraged by the private banks, the paper proceeds:

"The remedy for this evil must be found in an improvement of the circulation of the country paper; and the first measure that has suggested itself to most of those who have considered the subject, is a recurrence to gold circulation throughout the country, by a repeal of the act which permits country banks to issue one and two pound notes until the year 1833, and by the immediate prohibition of any such issues at the expiration of two or three years from the present period." After saying, "we believe that much of the prosperity of the country for the last century is to be attributed to the general wisdom, justice and fairness of the dealings of the bank," they proceeded to state, "There appear to be two modes of obtaining a sound system of banking throughout the country. 1st. That the Bank of England should establish branches of its own in different parts of the country. 2d. That the bank should give up its exclusive privilege as to the number of partners engaged in banking except within a certain distance of the metropolis. With regard to the first, it would be quite impossible, under present circumstances, for the bank to carry into execution such a system to the extent necessary for providing for the wants of the country. There remains, therefore, the other plan—the surrender by the bank of their exclusive privilege, as to the number of partners beyond a certain distance from the metropolis."

It was indicated that if the bank should demand a renewal of their charter from 1833 as the price of this concession, it would not be allowed. "Such privileges," was the ominous remark, "are out of

fashion." "It is to be hoped that the bank will make no difficulty in giving up their exclusive rights, in respect to the number of partners engaged in banking, as to any district ——— miles from the metropolis."

The reply of the directors was to the point; and the last paragraph, containing the result, was as follows:

"Under the uncertainty in which the court of directors find themselves with respect to the details of the plans of government, and the effect which they may have on the interests of the bank, this court cannot feel justified in recommending to their proprietors to give up the privilege which they now enjoy, sanctioned and confirmed as it is by the solemn acts of the legislature." In return to this, the government said, "that they were quite willing to remove this uncertainty, but against any proposition for compensation they formally protested. If the bank, however, should be of opinion that this ought to be accompanied with other concessions, and that it should not be made without them, it was for the bank to bring forward such conditions."

On this point the bank committee came to a resolution of which the following is an abstract: "That the committee of treasury of the Bank of England had taken into consideration the paper of the 23d instant, from the Earl of Liverpool and the chancellor of the exchequer, and, finding that ministers persevered in the restriction of their exclusive privileges, and also that it did not seem likely they would call upon Parliament to renew these privileges after the present term of their charter, as well as that the application was founded upon a generally received notice of its public benefit; finding all these matters, the committee of treasury declared their readiness to recommend to the court of directors a negotiation for the proposed surrender of their privileges, founded upon the basis of the act of Parliament, which stipulated that the Bank of Ireland should have an extension of its charter after the time at present assigned by law; relinquishing the claim, however, to a prolongation, upon the condition that the new partnership privilege for private banks should not be available within sixty-five miles (fifty miles was the Irish act) of the metropolis, and should make proper arrangements for individual responsibility of the partners." The proposition contained in the above resolution was accepted, and the government concluded by recommending the establishment of branch banks, being decidedly of opinion that, under proper regulations, they would be highly advantageous to the bank and the community.

A general meeting of the proprietors was called to confirm or reject the proposed arrangement. Opinions were very much divided. One party strongly maintained that the proposition had nothing equal; that all the benefit would accrue to the country at the expense of the bank, and that it was unjust to call upon them to lay open their charter for the public good, without an adequate recompense. By others it was urged, that it would not hurt the real interests of the bank; and that all the exertions of the directors to obtain compensation would be unavailing. The agreement was confirmed almost unanimously; and the following tribute paid to the management of the corporation during the panic: "That this court desire to express the grateful sense they entertain of the decision, liberality and judgment with which the directors

came forward in support of public credit in a late crisis of unexampled pressure and commercial difficulty."

On the 10th February,* 1826, the chancellor of the exchequer moved, "That all promissory notes payable to the bearer on demand, issued by the Bank of England, or by any English bankers, and stamped on 5th February, 1826, or previously, should not be allowed to circulate beyond the 5th February, 1829." This motion was carried in the lower house, the members of which entered warmly into the question; but the government was determined to prevent, or at least lessen the chance of panics for the future. A varied and eager debate ensued. It was asserted that in all great commercial countries commercial crises like that of 1825 had occurred. That where there were great enterprises there must be great occasional reverses. "It would be impolitic and unsafe to await returning prosperity," said Mr. PEELE, "which would make the country banks more reluctant to agree to it, and more able to oppose it. It appears to me that the time has arrived when we can carry the measure into effect; that we are upon the brink of the river, that the ford is passable, and that if we permit the opportunity of taking our passage to pass by, we shall imitate the folly of the rustic, who waited on the bank expecting the stream would pass away."

During one of the debates,† Mr. BARING argued, that the result of the measure would be "an immediate, sudden and precipitate withdrawal from circulation of one pound notes of the country banks." It was, undoubtedly, the interest of these gentlemen and of the country to spread the diminution over as great a space of time as was practicable. "But," said Mr. CANNING, "reports have reached her majesty's ministers from various parts of the country, that many of the country bankers, in violation of the good faith which persons in their situation ought to keep with the public, have begun to act upon the principle of a sudden contraction of their circulation." This gentleman contended, that if such a practice should become general, and the Bank of England be deprived of the power of issuing one pound notes, the same species of crisis would ensue as occurred in December. To meet this evil it was arranged that "during the three years, when the notes of country bankers should not be issued, unless stamped prior to 5th February, the notes of the Bank of England should continue to be circulated, though stamped up till the 10th October."

The question of a mixed currency was mooted, and denounced with great force by many of the members. It was said that "all experience

* By the act passed in February, 1826, regarding small notes, it had been provided, that though no new stamps were to be issued for small notes after its date, the notes already in circulation were to continue to circulate, and be received as a legal tender for three years longer. These three years expired in March, 1829, and all notes in England below £5 immediately disappeared from the circulation. Great was the effect of this decisive change upon the fortunes and well-being of the industrious classes, both in town and country, over the whole nation.—ALISON'S *Europe*, vol. 6, p. 318.

† To be convinced of the decisive effect which the destruction of small notes, and entire founding of the currency on gold, has had on the future destinies of Great Britain, we have only to cast our eyes on the table below, which shows the

proved, the restoration of a metallic issue could not be effected so long as small notes were permitted; that wherever there was a paper circulation of the same denomination as the metallic currency, the coin was sure to be expelled by the paper; and it was argued, again, by others, that a mixed issue would be more beneficial, in many respects, than a purely metallic one. In a pamphlet, published some years afterwards, entitled, "The Currency, its Laws, Evils and Remedies," which attracted considerable attention at the period, it was said, that by the system then in operation, "whilst money was becoming scarce, the Bank of England sold securities to make it scarcer; and when money was decreasing in value, and becoming plentiful, the Bank of England bought securities to make it more so." "Now, however much that is to be regretted," continued the writer, "yet the bank directors are absolutely obliged to entail upon the commercial community all the evils resulting from this course, so long as the legislation compel them to pay their notes, always on demand, for gold.

"For should they not sell securities when the exchanges are adverse, they would not be able sufficiently to lower the price of goods, nor would they be able to turn the exchanges before the stock of gold was exhausted. But if the bank directors are obliged to sell securities on an adverse exchange, they must be compelled to purchase the securities back again, when the exchanges are favorable. Because if they did not,

immediate effect of these changes on the prices of commodities, and the speedy result of their decline or rise in inducing or preventing political change.—*ALISON'S Europe*, vol. 6.

Amount of Paper in circulation, the Exports, Imports and Revenue, with the great changes in Great Britain in every year from 1818 to 1832, both inclusive:

Yrs.	Bank of England Notes.	Country Banks.	Total.	Commercial Paper discounted at bank.	Exports, declared value.	Imports, official value.	Revenue.
1818,	£26,202,150	.. £30,507,000	.. £56,709,150	.. £5,113,748	.. £46,112,900	.. £26,885,182	.. £28,747,705
Bank Restriction Act passed July 7, 1819.							
1819,	25,252,800	.. 15,701,828	.. 40,958,928	.. 6,821,402	.. 34,881,727	.. 30,776,810	.. 52,648,847
1820,	24,299,940	.. 10,576,245	.. 34,875,785	.. 4,672,128	.. 36,126,322	.. 32,483,650	.. 54,282,958
1821,	20,295,900	.. 8,256,160	.. 28,551,460	.. 2,772,587	.. 36,333,102	.. 30,792,760	.. 53,894,192
1822,	17,464,790	.. 8,416,430	.. 25,881,220	.. 3,622,151	.. 36,650,039	.. 30,500,094	.. 55,668,650
Small notes prolonged for ten years, July 7, 1822.							
1823,	19,231,240	.. 9,920,074	.. 29,151,314	.. 5,624,698	.. 36,375,842	.. 35,798,707	.. 57,672,999
1824,	20,182,120	.. 12,881,352	.. 32,963,472	.. 6,255,848	.. 38,422,312	.. 37,552,985	.. 59,302,403
1825,	19,398,540	.. 14,980,168	.. 39,379,008	.. 7,691,464	.. 38,870,861	.. 44,187,453	.. 57,378,369
Small notes limited to three years, February 26, 1826.							
1826,	21,563,560	.. 8,656,101	.. 30,219,661	.. 7,869,749	.. 31,536,724	.. 37,636,118	.. 54,894,989
1827,	22,747,900	.. 9,985,800	.. 32,732,900	.. 8,889,725	.. 36,860,376	.. 44,887,774	.. 54,382,518
1828,	21,357,510	.. 10,121,476	.. 31,478,986	.. 8,822,754	.. 36,483,828	.. 45,023,805	.. 55,187,142
Catholic emancipation passed April 13, 1829.—Small notes extinguished February 26, 1829.							
1829,	19,547,880	.. 8,180,187	.. 27,877,517	.. 4,589,370	.. 35,622,627	.. 43,981,317	.. 50,736,683
1830,	21,464,700	.. 7,841,896	.. 29,306,696	.. 3,654,071	.. 37,927,561	.. 46,245,241	.. 50,056,616
1831,	18,583,680	.. 7,914,216	.. 26,453,846	.. 5,848,478	.. 36,359,738	.. 49,718,889	.. 46,424,440
1832,	18,542,000	.. 8,321,595	.. 26,768,895	.. 3,247,169	.. 36,183,098	.. 44,536,741	.. 46,968,755
Reform Bill passed July, 1832.							

—PORTER, third edition, pp. 356, 359, 360, 475. TOOKER "On Prices," vol. 2, pp. 382, 383, 387, 389.

on the next adverse exchange they would have less power, for they would have less securities to sell, and there must ultimately come a time when the bank shall have got rid of all its marketable securities, and then, as a manager of the circulation, it would exist no longer. As a remedy for this, at once simple and effectual, it is proposed that the legislature allow the bank, at its discretion, to issue one and two pound notes.

"This will enable the bank to act as bullion merchants. When the stock of bullion has decreased by five millions, for example, the bank directors can say to the merchant, as they do now when he comes for discount, 'Bullion is much in demand; we are purchasers rather than sellers, but you can have it, if necessary to you, at £3 18s. per ounce.' Or, in other words, they can ask such a price for gold that it cannot be exported for profit, whilst no impediment is offered by the price charged to the legitimate transactions of trade."

Such are the varying opinions of clever men upon the subject of the circulation.* But the difference of creeds on the topic of the currency cannot be more explicitly expressed than in the following commencement of Mr. WARDE NORMAN's pamphlet: "Of all the great questions that have for many years occupied public attention, there is not one on which opinions have prevailed more discordant, or less reconcilable, for the most part, to sound principles, than the important subject of currency and banking. The discussions in the periodical press, which on other matters have so greatly tended to enlighten and instruct, upon these seem calculated almost universally to darken and mislead."

Mr. ROBINSON left to Lord Liverpool, in the upper house, the task of proposing the clause by which the Bank of England were to establish branches in various parts of the empire, and submit to the throwing open their charter by the establishment of joint-stock banks with more than six partners; and the following paragraph expressed the feeling which was so general at the period. Those only who had witnessed the failures of the country banks could appreciate the distress occasioned by them. "I must enter my protest," said his lordship, "against the present system, where you allow liberty to all that is rotten and bad, while your restrictions apply only to what is solid and good. Where you permit any shoemaker, grocer, or cheesemonger to establish a bank, but where more than six respectable persons are joined, they may form no establishment, if the crown cannot grant them a charter." "There is one consolation," he added, "that, if we are to be liable to crises of great difficulty, it will not fall exclusively upon those least able to support them—the poorer classes of society. I am drawing no imaginary picture, for

* What the legislature should have done in 1826 on this all-important question is sufficiently obvious, and had been so clearly pointed out by experience, that, had not a small but influential portion of the community, who, from their wealth got the command of the public press, been interested on the other side, it was impossible that the proper remedy could have been mistaken. What brought on the crisis was the entire dependence of the circulation on gold, which inflamed speculation as much in 1824 and 1825, when the precious metals were plentiful, credit high, and prices of every thing were rising, as it starved industry and ruined credit in the end of 1825, when twelve millions of sovereigns were drawn away to South America.—ALISON'S *Europe*.

I have witnessed many such scenes, when I say, conceive these poor creatures, who, in return for their labor, have received these worthless bits of paper, obliged to hawk them about, and part with them for whatever they can get, to purchase the necessaries of life for them and their starving families."

The following is a summary of the bill for the better regulation of copartnerships of certain bankers in England:

"Bodies politic, corporate, or partnerships consisting of any number of partners, may carry on business as bankers, anywhere not within sixty-five miles of London, provided none of them have banking establishments in London; that they are all individually liable for the issues and debts of the copartnerships; they must neither issue nor pay any bill within the prescribed limits at a shorter date than six months, nor for a less sum than £50.

"The names of the firm, and the names of the partners, are to be duly registered, of which registration they are to receive a certificate from the stamp office. The names of those who cease to be partners and enter as partners, during the course of each year, must also be registered."

That a check on country bankers was necessary, may be gathered from the fact that, previous to the act of 1775, notes for sums as small as ten and five shillings were issued by some, while others circulated them to the value of sixpence.

An unanimous feeling pervaded all parties that it was necessary to provide some relief for the mercantile interest. The force of public opinion, the increasing agitation of the commercial world, petitions from the most important persons in the city, and deputations from all the great trading and manufacturing interests, convinced the government that the period had arrived when something must be done to mitigate the prevailing agitation. After some consultation with the directors, the following memorandum was forwarded by the first lord of the treasury and the chancellor of the exchequer:

"1. In the event of the bank consenting to advance money upon the security of goods, under the present circumstances of the country, it is understood that these advances should not exceed the sum of three millions in the whole.

"2. That, assimilating the principle of these advances to advances made in the ordinary course of discount upon bills of exchange, they shall be subject to repayment in three months.

"3. The government to propose to Parliament that the provisions of the act respecting merchant and factor, which will be in force in October next, shall be brought into immediate operation in respect to any goods which may be pledged to the bank under the proposed arrangement.

"4. If the bank should think proper to make advances in conformity with these suggestions, the government engage to submit to Parliament the necessary measures for enabling them to reduce the present amount of the advances of the bank to the government, by a repayment of six millions; such repayment to be made as soon as may be practicable, and at all events before the close of the present session of Parliament."

The directors of the Bank of England, therefore, feeling that this dis-

treas* was harassing to the public interest, determined to do all in their power to relieve it, and agreed to make advances to private individuals on the deposit of goods, merchandise, and other securities, to the amount of three millions; and in the principal commercial districts commissioners were appointed to carry the arrangement into execution.

But the very fact that such an intervention had taken place was almost sufficient to prevent the want of it. When the capitalist who had hitherto held timidly aloof saw a proverbially cautious company advancing its funds, his fears were dissipated, his own coffers became unlocked, and, with a renewed confidence, he followed in the same path, and returned to his ordinary sources of gain.

The bank found that the sums required fell far short of the three millions set apart to this object, and in some of the provincial towns the commissioners were in the enjoyment of sinecures. The most honorable moderation was used in asking for advances, and those parties who were compelled to apply, are stated to have shown an earnest desire to receive only the smallest sum which would suffice to meet their immediate wants.

The following is a list of the places, with the total advance to the manufacturers in each :

Manchester.....	£ 115,490
Glasgow.....	81,700
Sheffield.....	59,500
Liverpool.....	41,450
Huddersfield.....	30,300
Birmingham.....	19,600
Dundee.....	16,500
Norwich.....	2,400

To carry out the various measures resulting from the panic, different acts of Parliament were passed, one of which was to facilitate the loan of money on deposits and pledges, by which all persons in possession of bills of lading were to be regarded as owners of the property represented, to secure to the bank a legal claim on the deposits. By the act, also, which prohibited the circulation of small notes after 1829, a weekly return was to be made to the treasury by the Bank of England, of the notes in circulation under £5; and after 1829, all notes below £20 were to be made payable at the place from which they were issued.

In February, 1826, a stock-broker was robbed of two notes, one of

* On the one hand, it was maintained by Mr. ATTWOOD and Mr. BARING: "It was in the power of the legislature to inflict upon the country such a metallic currency, and in such circumstances as they chose, but it was not in their power to control the effects of such a change. Introduced in 1819, rendered more stringent in 1826 and 1829, it had altered the nature of all contracts, and, for the great profit of capitalists and fund-holders, spread ruin through the industrious classes in the country. During former periods there had been, it is true, many instances of some local or temporary distress, but they had been passing only, and the general career of national prosperity had been upon the whole uninterrupted. But, when the act of the legislature forced us back to a metallic currency, distress, universal in its extent, and deplorable in its effects, followed upon the change; and such distress had regularly occurred whenever we approached, even, the ruinous measure of setting up an exclusive gold currency."

£500 and another of £50. The necessary information was given at the police-office, and the notes stopped at the bank. In May, one of these was presented for payment through Messrs. JONES, LLOYD & Co., and the directors refused to give credit for it, on the ground that it was stolen, and that they had been directed to retain it until the right owner could be discovered. Messrs. JONES, LLOYD & Co. next requested that it might be returned, but this was also declined. A question then arose whether it had been received in the regular transactions of business. The character of the gentleman who had sent it, a M. DE LA CHAUMETTE, was indisputable, but beyond this the question seemed doubtful. The law had long since decided that if a proper consideration were given for a note, the holder was entitled to recover its value, although it might have been stolen before it came into his possession. But if it should have been lost by felony, fraud or accident, no property in it passed to the thief or finder, or to any other person having a knowledge of the circumstances, or who did not receive it in the customary way of business. In summing up the evidence, Lord TENTERDEN said, the only question to decide was, whether the note had been obtained according to the usual mode of dealing, in the place where it had been purchased. The jury immediately decided against the bank, and from this period they have ceased to detain stopped notes.

The extension of the branches of the Bank of England was not viewed with favor by the country bankers, whose influence, importance and profits were, in many instances, depreciated by them. The great trust with which these branches were viewed, attracted many of the customers of the private establishments, although a further advantage was to be procured by remaining with the latter, in an allowance of interest on deposits. In addition, they had previously charged five per cent. discount, and in some places even an extra per centage as commission; the branches, by performing the same business at four per cent., had reduced these profits, and compelled them to lower their terms. The country bankers, therefore, in 1827,* alarmed at what they regarded as a dangerous increase of the branch banks, endeavored to organize a system of opposition to that which they termed an undue extension of influence. Nor is this to be wondered at. Men rarely argue calmly when their interests are at stake, and are often most partial when they plume themselves upon their impartiality. Meetings were held in London by the leading provincial bankers, and a natural regard for their private interests made them believe their own welfare an inseparable part of the prosperity of the nation, which was, in their opinion, endangered by the establishment of the branch banks. A deputation was appointed to wait on the first lord of the treasury, (Lord GODERICH,) and Mr. HERRIES, then chancellor of the exchequer. The following are the most important points urged by the deputation, and principally affect the corporation of the Bank of England:

“That the late measures of the Bank of England, in the establishment of branch banks, have the evident tendency to subvert the general banking system that has long existed throughout the country, and which has

* The death of Mr. CAMMING, premier, occurred August 8, 1827, aged 57.

grown up with, and been adapted to the wants and conveniences of the public.

"That it can be distinctly proved that the prosperity of trade, the support of agriculture, the increase of the national revenue, are intimately connected with the existing system of banking.

"That the country bankers would not complain of rival establishments founded upon equal terms; but they do complain of being required to compete with a great company, possessing a monopoly and exclusive privileges.

"That should this great corporation, conducted by directors who are not personally responsible, succeed by means of these exclusive advantages, in their apparent object of supplanting the existing banking establishments, they will thereby be rendered masters of the circulation of the country, which they will be enabled to contract or expand according to their own will; and thus be armed with a tremendous power and influence, dangerous to the stability of the property and the independence of the country."

The reply made by Lord GODERICH, as first minister of the crown, and by Mr. HERRIES, as chancellor of the exchequer, was polite and diplomatic, but unsatisfactory. "They were fully sensible of the great importance of the subjects which were brought before them by the deputation, and although it was obviously impossible they could undertake, on the part of the government, to express upon that occasion any opinion upon the matters under consideration, they could assure the deputation that all that had been communicated should receive the most deliberate and serious attention." Other topics of complaint arose from time to time, one of which was, that the branch banks refused to take the notes of the country bankers, unless an account had been previously opened with them.

Twenty years have passed, and the above resolutions are all answered by the simple fact, that the number of branches of the Bank of England throughout the entire kingdom amounts to thirteen. To prove that objections which are really tenable, are met by government, it may be stated that another very fair subject of complaint was, that the issue of the branch banks was subject to a less amount of stamp duty than that of the country bankers, who claimed a right of being included in the composition of the parent bank of £3,500 for every million circulated. The bankers of Birmingham and its environs proved that, for a twenty-one days' bill on London, they paid three shillings and six pence, while the branches paid but five pence; and that for a yearly circulation of £10,000 in bills of exchange of £20 each, the former would pay £650, while to the latter the cost would be but £35. The claim made by the country bankers was equitable, and they were, by 9 GEO. IV., c. 23, allowed to compound for their notes on the same terms as the bank. The composition also included bills drawn on London at twenty-one days' date.

The objections of the provincial bankers to the branches of the Bank of England are interesting, proving, as they do, the jealousy which springs from small causes, and the difficulty which generally exists in the establishment of a new principle.

In this year* the directors commenced a system which has been found of great benefit to the monetary interest. The period during which the stocks were closed to prepare for the payment of dividends, prevented many persons from availing themselves of those funds to which they looked for support, and occasioned a pressure on the money market. For the relief of this, a notice was issued to the effect, that the directors would be ready to receive applications for loans, on the security of bills of exchange, exchequer bills, and East India bonds, at three per cent. These loans, which were proposed to commence on the 5th December, 1829, were to be for sums of not less than £2,000, for a period of not less than ten days, and were to be repaid on or before the succeeding 15th of January. On the same day, also, the 3d December, 1829, notice was given that, from and after that day the bank would be ready to receive applications for loans on the deposit of gold bullion, to be valued at 77s. 9d. per ounce, at £2 per cent. per annum.

In 1830, the interest on the new four per cent. stocks, which had already been reduced from five per cent., was again reduced to three and a half, from which operation they derived their name of the "New 3½ per cents."

The uses of bank notes are manifold; but the following is a novel mode of rendering them serviceable. One of these for £5 came in the

* The leading commercial and financial events of the ten years, 1821–1830, were as follow:

1821.—Gold sovereigns were issued from the mint. Cession of Florida by the Spanish government to the United States. Captains PARRY and LYON'S expedition to the Arctic Ocean, left England 30th March. Bank of England resumed specie payments. 1822.—Funeral of COURTS, the London banker, 4th March. Bank of England advanced their rate of discount to four per cent., June 20. The first cotton-mill in Lowell erected. 1823.—Revival of business in the English factories. 1824.—Advance in the prices of agricultural produce in England. Act passed for the Thames Tunnel, 24th June. FAUNTLEBOR, banker, hung for forgery, 30th November. Champlain Canal, New-York, completed. Speculation rife in England. 1825.—Panic in the English money market, December. Failure of numerous country banks. Departure of FRANKLIN and LYON'S Arctic Expedition. Erie Canal completed. 1826.—Mr. HUSKISSON'S free trade policy advocated in the House of Commons by vote of 223 to 40. Coin in Bank of England reduced to £2,460,000, 28th February. Lotteries suppressed by act of Parliament, October 18th. 1827.—Commercial confidence restored in England, and employment for the poor. "Society for the Diffusion of Useful Knowledge" established, at the instance of Lord BROUGHAM. Anti-slave trade law passed in France. Union Canal, Pennsylvania, completed. Quincy Rail-Road completed. 1828.—Branches of the Bank of England established. Delaware and Hudson Canal, Syracuse and Oswego Canal, New-York, completed. India-rubber goods manufactured in Connecticut. Sliding scale duties on corn adopted. The National Bank of Greece founded. 1829.—Increase of silk manufactures in England, and reduction of duty on raw silk. Prize awarded to Mr. STEPHENSON for his locomotive engine on the Liverpool and Manchester Railway. Subscription by Congress to the Chesapeake and Ohio Canal, May 3. Departure of Captain Ross on his Arctic voyage of discovery. Chesapeake and Delaware Canal opened, 17th October. 1830.—Opening of the Liverpool and Manchester Railway, 15th September. Sudden death of Mr. HUSKISSON. Free navigation of the Black Sea opened to the United States by treaty, 7th May. CHARLES X. fled from Paris, 31st July. West India trade with the United States opened to British vessels. Independence of Belgium acknowledged. Pennsylvania State Canal finished. Four per cent. bank annuities reduced. Stoppage of the Bank of Lisbon.

course of business to a mercantile house in Liverpool. On the back of it was written: "If this note gets into the hands of JOHN DEAN, of Longhill, near Carlisle, his brother ANDREW is a prisoner in Algiers." The circumstance was interesting and appeared in a newspaper, in which the paragraph was perused by a person in Carlisle, who had known in past years one ANDREW DEAN, and was still acquainted with his brother JOHN DEAN, of the place named in the note. The son of the latter happened to be in Carlisle, and hearing the intelligence, gave such a report of his uncle that there was every reason to believe he was the ANDREW DEAN whose captivity became thus singularly known to his friends in England. Of these things are formed the romance of life; and the impossibility of assisting the Algerine slave must often have been a painful remembrance to the prisoner's brother.

The danger which has always threatened the bank, when large bodies of disaffected men are drawn together, was renewed in November, 1830.* The period was one of doubt and dread. An impulse had been given to all Europe; and France had again taken the initiative in spreading a desire for change. The tenth CHARLES proved a true Bourbon; the spirit of the people burst forth in opposition to the tyranny of the monarch and his ministers, and Great Britain once more sheltered the royalty of France. The spirit spread over Europe. Belgium was separated from Holland. Saxony taught her indolent monarch that there was a limit to human endurance. The free city of Hamburg felt the influence; and Switzerland in her beautiful canton of Berne, responded to the cry. Poland once more re-asserted her ancient rights, expelled the garrison of her despotic monarch from Warsaw, and proclaimed herself free. England felt that mighty and revolutionary spirit. The demands for reform grew earnest and incessant. Ireland was told by the liberator "to look at France and Belgium." Kent, the garden of England, witnessed the first disturbances. Night after night, conflagrations were lighted up by bands of incendiaries. Mills were attacked. Machinery was demolished. All protection for property seemed at an end. Rioters spread terror and alarm throughout the day; night was the signal for blazing fires, which excited a fearful shudder in those who beheld them. London felt the desire of change and clamored for an improved representation. The Duke of Wellington indicated his intention of resisting any measure of reform which might be produced; and he grew as unpopular as a statesman as he had been popular as a soldier.

On Tuesday, the 9th of November, the sovereign was expected to dine

* With this mournful catastrophe, (the death of Mr. HUSKISSON, September 15th, 1830,) and thus baptized in blood, did the railway system arise in England. Rapid beyond all human calculation was the progress which it made, and boundless beyond all human ken are the effects which it has produced. Like most of the discoveries destined to produce great and lasting changes on human affairs, its introduction owed little to science, by which it was distrusted, and its effects did not immediately develop themselves. But ere long they were fully made manifest, and they have now in a manner changed the whole face of society in the civilized world. Before the year 1850, no less than eleven hundred and eleven acts of Parliament had been passed to form new lines or extend old ones; and the capital authorized to be expended on them amounted to the enormous sum of £348,012,188.—*Edinb. Rev.*

with the civic authorities, but the prevalent feeling of discontent rendered this visit not advisable in the eyes of the lord mayor elect, who had received various letters, stating that it was the intention of a set of desperate men to attack the duke, and believing himself justified by the various symptoms of disaffection, which were visible to all, he addressed a communication to his grace, which, from its alarming character, prevented the projected visit. There was cause for apprehension, and even alarm. Private information had been received by the ministry of an attack upon the residence of the Duke* of Wellington. Inflammatory hand-bills were circulated. "Not written papers," said Sir ROBERT PEEL, "drawn up by illiterate persons and casually dropped in the streets, but printed hand-bills, not ill-adapted for the mischievous purpose they were intended to answer." Under these, and various other circumstances, the government advised his majesty to defer the visit.

"As soon as this determination became known," says Mr. ПУГНА, "consternation pervaded all ranks. Men believed that some atrocious conspiracy against the royal person had been discovered, or even that a revolution was at hand. The public funds fell, and mercantile confidence was generally interrupted. The entertainment at Guildhall was deferred, and instead of civic festivities the city was disturbed with the rumbling of artillery, and the passage of troops. The tower ditch was filled with water, and other precautions taken to put that fortress into a state of security. Extra guards were placed at the bank, and at the magazine, in Hyde Park; while large bodies of troops were billeted in the neighborhood of the metropolis."

The effect of this upon the minds of the citizens was instantaneous. Arms were purchased and doors were fastened, as if the banner of rebellion had been displayed in the streets. In an hour and a half consols fell three per cent. The bank directors felt the danger of their position. The public thoroughfares were crowded with earnest and anxious countenances. Questions were asked concerning the approaching danger, which no one could answer. Every one seemed to expect some strange and mysterious calamity. Small bodies of men, pouring from their suburban localities, passed the depository of the wealth of the country, and no one knew with what intention. The rumor spread that Temple bar and the

* "When I find," said Sir F. BURDETT, "the Prime Minister of England (the Duke of Wellington) so shamefully insensible to suffering and distress, which are painfully apparent throughout the land; when, instead of meeting such an overwhelming pressure of necessity with some measures of relief, or some attempt at relief, he seeks to stifle every important inquiry; when he calls that a partial and temporary evil, which is both long-lived and universal, I cannot look on such a mournful crisis, in which public misfortune is insulted by ministerial apathy, without hailing any prospect of change in the system which has produced it. What shall we say to the ignorance which can attribute our distresses to the introduction of machinery and the application of steam, that noble improvement in the inventions of man, to which men of science and intelligence mainly ascribe our prosperity? I feel a high and unfeigned respect for that illustrious person's abilities in the field; but I cannot help thinking that he did himself no less than justice when he said, a few months before he accepted office, that he should be a fit inmate for an asylum of a peculiar nature, if he ever were induced to take such a burden on his shoulders."—*Mirror of Parliament*, vol. 1, p. 67.

bridges were to be barricaded, the gas cut off, and the plunder of the city to follow. It was felt that the populace would have discriminated sufficiently for their own interests to have pillaged the bank. A tri-colored flag was borne by the mob. By six o'clock in the evening all shops were closed, and every appearance of business at an end. All the assistants were required to remain at the Bank of England, as the possibility of attack was feared. Some casks of biscuits were ordered in to provide against the wants of a siege, in case the mob should be sufficiently desperate, or sufficiently strong to attack it. But the civil authorities were able to meet the rioters. A few broken heads cooled their courage; and after venting their disapprobation in groans and hisses for the unpopular ministry, and destroying the windows of a police station, for which their occupation gave them an especial dislike, they dispersed, without committing any of the dreaded enormities. The bank directors were relieved from fear, and the clerks released from the civic garrison. "Scarcely were twenty-four hours passed over," said a writer of the day, "when men were laughing at the foolish trepidation into which they had been betrayed, and wondering where any feeling of alarm could have arisen." If their rejoicings were in proportion to their fears, they were, doubtless, very hearty. It is the nature of mankind to laugh at past, and magnify future fears.*

From the pamphlet of Mr. PALMER, the following is given as a clear, succinct account of the financial position of the bank from 1830 to 1832. Nor can a better or sounder authority be taken: "It was shown, in evidence," says this gentleman, in his "Causes and Consequences of the Pressure on the Money Market," "that the policy pursued by the bank, subsequent to the withdrawal of the £1 and £2 notes in England and

* Sir JAMES GRAHAM made the following remarks, which, however true at the time, were, perhaps, more to be admired for their oratorical power than their statesmanlike wisdom: "Sir, I have heard something of the luxury of the present times. I do not know whether the example was drawn from the gorgeous palaces of kings or the rival palaces of ministers, splendidly provided for them by the public, or from the banquets of some East India director, gorged with the monopoly of the China trade, or from some Jew contractor, who supplies hostile armies with gold, drawn from the coffers of the Bank of England, and lends money to France, arising out of profits or loans contracted here in depreciated paper, but which must be paid in gold. But I must take leave to remark, that we ought not to draw our notions of the state of the country from scenes such as these.

'Ye friends to truth, ye statesmen who survey
The rich man's joys increase, the poor decay,
'Tis yours to judge how wide the limits stand
Between a splendid and a happy land.'

"Where, I ask, are all the boasted advantages of this once happy country? Where are all the blessings which once distinguished her? Where are all the comforts which her children enjoyed for ages? Alas! with deep regret I witness that all, all are gone. Pinching hunger and gloomy despair now usurp their station. The weavers throughout the country are only earning 4s. 2d. a week, and their food is oat-meal, water and potatoes. They work fourteen or sixteen hours a day, and yet they can only earn this scanty pittance to support their wives and families. It is an extraordinary fact, that by dint of labor the power-looms (which were supposed to have caused their distress) are absolutely underwrought by these almost starving people."—*Mirror of Parliament*, vol. 1.

Wales, had been to maintain their securities, as nearly as possible, at a fixed amount, and to allow the contraction of the currency, effected by the return of bank notes for bullion, gradually to proceed until the value of the paper money, remaining in circulation, was so far increased as to occasion the return of that specie to the bank which might have been exported, and thus to replace the currency upon a level with that of other countries. That system had appeared to work satisfactorily, and without any forced action, on the part of the bank, in contracting its circulation. It was tried upon the change of government in France, in July, 1830, when credit throughout that kingdom was shaken to its foundation. At that period the Bank of England was possessed of twelve millions of bullion. Immediately on the events referred to taking place, the currency of England exhibited an excess compared with France and other parts of Europe. The consequence of that derangement between the currencies of this and other countries was a continued diminution of the bullion held by the bank, from July, 1830, to February or March, 1832, when the increased value of money in England, and the gradual restoration of credit on the continent, gave a favorable turn to the foreign exchanges, which continued in our favor till the autumn of 1833, at which time the bullion, in deposits, amounted to nearly eleven millions. At this period an exportation of the precious metals again commenced, from causes that will hereafter be explained, as well as the reason why that system, which appeared to adjust itself so satisfactorily from 1830 to 1832, failed from 1833 to 1836; for, although during the former period the bullion in the bank was diminished from twelve to five millions, yet, in the progress of this reduction, as there was no excitement and no undue credit given by the bank in the interior of the country, the interest of money gradually rose from two and a half to four per cent. per annum for first-rate commercial paper, and then, without discredit or distrust of any kind, the bullion returned into the coffers of the bank, and money nearly resumed its former value, having gradually fallen from four to two and three-quarters per cent. in July, 1833."

The causes alluded to by Mr. PALMER were the over-issues of the joint-stock banks, of which forty-two were established in eleven months. The principal number of these were banks of issue, and whether they caused the difficulties hereafter to be related, or not, they must have had a direct influence on the circulation.

By a revision and melting of the silver coin in 1831, the bank lost on the sixpenny pieces £4,601 1s. 3d., and on other denominations £62,982 19s. 2d., making a total loss of £67,584 0s. 5d.

In 1832 occurred the last run upon the bullion of the bank, occasioned by political causes. The Reform Bill, introduced by Lord JOHN RUSSELL, had stirred party feeling to its very depths. The powerful owners of what were termed pocket boroughs, saw their property attacked, and their influence depreciated. The measure was negatived by a majority of eight. The king went down to the House of Lords, "and, in the midst of one of the most extraordinary scenes that ever occurred in that place," prorogued Parliament until the 10th of May. The excitement was increased by a general election, and popular feeling triumphed; but the license exceeded any thing ever witnessed under similar circumstances.

Life and property were no longer secure to those candidates who opposed the measure. An opponent of the bill was stoned before the altar. Conscientiousness was regarded as obstinacy, and the only hope for opposing candidates was to be found in flight or concealment.

In the lower house the bill was again introduced, and passed by a large majority. The speech made by Lord BROUGHAM in the upper, was so extraordinary in its varied sarcasm, learning and great earnestness, that one of the public came down to the Bank of England, and transferred £200 into his lordship's name, as a testimony of his appreciation. The measure was rejected in the House of Lords. A strange feeling of excitement spread throughout the country. Meetings were held all over England, by all classes, pledging themselves to the support of government. The lord mayor and corporation, attended by 50,000 followers, presented an address to the throne. The principal opponents of the bill were marked with the disapprobation of the populace. The residence of the Duke of Wellington was attacked. A shower of stones bore the Marquis of Londonderry from his horse, as the most unanswerable of all arguments. The Duke of Cumberland was dragged to the ground, and would probably have been killed but for the interference of the police. The mansion of the Duke of Newcastle, the head of the borough proprietors, was fired. The Archbishop of Canterbury was insulted; and Bristol emulated the London riots of 1780. In the following December, the same scenes, but with increased violence, recurred. The ministry resigned.

Lord LYNTHURST was sent for, and on communicating with the Duke of Wellington, "I should be ashamed to crawl about this metropolis if, under such circumstances, I did not go to the king," were the first words of the "Iron Duke."^{*}

The knowledge that the great opponent of the bill was likely to be recalled, spread throughout the metropolis. Staves, with the tri-colored device painted on them, and sticks, with concealed swords, were sold in great quantities, while the demand for bludgeons could scarcely be supplied. A speaker of the Birmingham Political Union, amidst the shouts of assembled multitudes, called on his hearers to pay no taxes until the bill should be passed, while a forest of hands sprung up in answer to his solemn but most misguided appeal. The small speakers of their neighborhoods—men who electrified their families with the force of their lungs,

^{*} In truth, the Duke of Wellington's position as prime-minister, so far from being an enviable one, was among the most critical and painful that could be imagined. Like Mr. BURKE, after his secession from the Whigs in 1793, he might have said, "There is a severance which cannot be healed; I have lost my old friends, and am too old to make new ones." He had no party in the House of Commons, no real colleagues in the Cabinet. The Duke's speech on the distresses of the country met the question boldly and openly, in his usual straightforward way; but nothing can be more evident than that it involved the most obvious fallacies. He said that the currency, including gold and silver, was as large as it had been at the highest period during the war; forgetting that, since its termination, the nation had advanced a fourth in numbers, and a half in industry and commerce, and that, to render the currency commensurate to its necessities, it should not have remained the same, but advanced in a similar proportion. Probably the Duke would have given a sharp answer to his Commissary-General, in 1818, if he had proposed the same amount of rations for his army, then 75,000 strong, which had sufficed for it in the preceding year, when it was 45,000 only.—ALISON'S *Europe*.

and called themselves orators—were in great requisition; and the burden of their song was the favorite one of “pay no taxes—pay no taxes.”

A terrible excitement was exhibited throughout England. “Preparations,” says one writer, “were made for a great public tragedy.” Warrants were prepared; the leaders of political unions were to be apprehended; troops began to march on disaffected places; and the monetary interest felt the shock. On every wall throughout the metropolis the significant words of—“Stop the Duke! Go for gold!” were boldly placarded. For a week the corporation sustained a run upon its specie, which was reduced to £4,919,000. In one day £307,000 were paid. It soon became very questionable whether the run for gold would not drain every banker in the kingdom; and the writing on the wall spake to those having authority with a power far exceeding the most brilliant oratory. Lord LYNDBURST found it impossible to form a ministry; and Earl GREY was recalled.

That the demand was political was proved from the trifling nature of the applications from the country bankers. “I never saw the hall of the bank,” said Mr. RICHARDS, in his evidence in 1832, “except in 1825, so crowded with applicants tendering their notes. They had not, in general, the appearance of being people from the country.” One person who had money with JONES, LLOYD & Co. to the amount of £20,000, drew it out from them in the form of notes, and then went to the bank and demanded gold. The London bankers found that the claims extended to their establishments. Several refused to pay in gold, but, on giving notes, said, “You may go and get gold for them at the bank.” The stockholders took alarm, sold their government securities, and demanded specie in return. The funds were low; and when the panic had subsided and confidence re-appeared, the same persons brought back their sovereigns and repurchased their stock at a heavy loss. It is impossible to say how far the panic would have spread, had the one pound notes been in existence. But it is far from improbable that out of the extensive organization which then existed, some deeply rooted scheme for a simultaneous demand might have arisen, and produced consequences as unforeseen as terrible. As it was, £1,500,000 were paid in a few days, but no further evil occurred to the Bank of England.*

* What rendered the great increase in the expenditure and taxation of France in 1830 still more exasperating, was its advent at a time when the industrial resources of the kingdom, so far from increasing, were rapidly diminishing, and the general misery of the country was, in consequence, at its height. Statistical facts, of unquestionable authenticity, which the government of LOUIS PHILIPPE itself has adduced, prove this beyond a doubt. The commercial paper, under discount at the Bank of France, which, in 1829, had been 129,000,000 francs, (£5,400,000,) had sunk in 1832 to 29,000,000 francs, (£1,140,000.) The sums advanced by the Bank of France to the public exchequer, which in 1828 had been 78,000,000 francs, (£2,700,000,) had risen in 1830 to 291,500,000 francs, (£11,800,000.) The five per cents which, in 1829, had been all 109.85 cents, sunk in 1831 to 74.75 cents. The exports in the former year had been 504,247,000 francs, (£20,200,000,) in the latter, they had sunk to 455,000,000 francs; (£18,200,000;) the imports, which, in the first year, had been 483,000,000 francs, (£19,200,000,) had sunk in the last to 374,000,000 francs, (£15,570,000.) So great a diminution of receipts, and increase of burdens in so short a time, indicated in the clearest manner the calamitous action of the revolution on the industry and resources of the nation.—ALISON'S *Europe*, vol. 6, p. 480.

THE MANUFACTURING INDUSTRY OF THE U. S.

STATISTICS OF PRODUCTS OF INDUSTRY PRODUCED IN THE UNITED STATES DURING THE YEAR ENDING JUNE 1, 1860.

STATES AND TERRITORIES.	No. of Establishments.	Capital Invested, in real and personal estate, in the business.	RAW MATERIAL USED, INCLUDING FUEL.		AVERAGE NUMBER OF HANDS EMPLOYED.		ANNUAL PRODUCTS. Value.
			Value.	Mats.	Female.	Value.	
Maine.....	3,562	\$ 23,000,000	\$ 20,861,459	25,000	14,710	\$ 36,078,000	
New-Hampshire.....	2,582	25,900,000	24,400,000	19,900	16,900	45,500,000	
Vermont.....	1,501	9,500,000	8,110,000	8,940	1,860	16,000,000	
Massachusetts.....	7,766	183,000,000	141,000,000	148,800	68,800	266,000,000	
Rhode Island.....	1,160	23,800,000	23,400,000	21,900	12,000	47,500,000	
Connecticut.....	2,923	45,720,000	40,140,000	44,160	21,620	53,000,000	
In New-England...	19,514	\$ 269,490,000	\$ 257,911,452	267,800	185,890	\$ 494,076,000	
New-York.....	23,226	\$ 175,449,306	\$ 209,899,890	174,059	47,429	\$ 379,623,000	
Pennsylvania.....	21,100	189,000,000	145,300,000	185,141	33,000	235,500,000	
New-Jersey.....	4,060	40,000,000	42,600,000	114,660	13,044	81,000,000	
Delaware.....	564	5,800,000	5,375,000	5,323	860	9,920,000	
Maryland.....	2,980	51,500,000	12,900,000	20,800	20,100	42,576,000	
District of Columbia.....	424	2,650,000	2,801,000	2,556	403	5,512,000	
In Middle States...	52,864	\$ 464,259,306	\$ 427,875,890	502,548	179,829	\$ 804,131,000	
Ohio.....	10,710	\$ 53,000,000	\$ 70,000,000	69,800	11,400	\$ 125,000,000	
Indiana.....	5,120	18,375,000	27,360,000	20,600	710	43,350,000	
Michigan.....	2,580	24,000,000	19,000,000	22,860	1,260	35,900,000	
Illinois.....	4,100	27,700,000	33,800,000	23,500	670	56,750,000	
Wisconsin.....	3,120	16,580,000	17,250,000	16,320	770	23,500,000	
Minnesota.....	565	2,400,000	2,060,000	2,215	15	3,600,000	
Iowa.....	1,790	7,500,000	8,500,000	6,475	102	14,900,000	
Missouri.....	2,900	20,500,000	24,000,000	20,130	1,200	43,500,000	
Kentucky.....	3,160	20,000,000	21,330,000	20,590	1,460	36,330,000	
Kansas.....	299	1,063,000	669,269	1,719	.....	2,800,000
Nebraska.....	107	271,475	283,225	331	8	532,000	
In Western States...	34,301	\$ 196,839,475	\$ 224,257,494	204,580	17,795	\$ 390,412,000	
Utah.....	153	\$ 412,126	\$ 393,523	348	9	\$ 823,000	
California.....	3,505	23,632,563	16,556,636	23,803	463	59,500,000	
Oregon.....	300	1,233,000	1,452,000	996	10	3,133,000	
Washington.....	52	1,226,700	505,000	886	4	1,405,000	
New Mexico.....	86	2,061,900	432,000	949	30	1,165,000	
In Pacific States...	4,095	\$ 28,766,319	\$ 19,346,164	26,923	516	\$ 66,081,000	
Virginia.....	4,890	\$ 26,640,000	\$ 20,880,000	33,050	3,540	\$ 51,300,000	
North Carolina.....	2,790	9,310,000	9,860,000	11,760	2,130	14,450,000	
South Carolina.....	1,050	5,610,000	3,820,000	6,000	800	6,800,000	
Georgia.....	1,724	11,160,000	10,000,000	9,910	2,130	12,700,000	
Florida.....	180	6,675,000	965,000	2,310	170	2,700,000	
Alabama.....	1,117	3,260,000	4,400,000	6,620	1,140	9,400,000	
Louisiana.....	1,710	7,110,000	7,380,000	7,610	80	15,500,000	
Texas.....	910	2,860,000	2,770,000	3,360	110	6,250,000	
Mississippi.....	860	3,740,000	2,460,000	4,540	150	6,000,000	
Arkansas.....	375	1,040,000	909,000	1,520	35	2,150,000	
Tennessee.....	2,420	17,270,000	9,365,000	11,960	1,135	17,100,000	
In Southern States...	18,096	\$ 100,665,000	\$ 82,809,000	98,840	11,470	\$ 145,850,000	
Total.....	123,300	\$ 1,050,000,000	\$ 1,012,000,000	1,100,000	285,000	\$ 1,900,000,000	

THE BANKS OF CONNECTICUT, JANUARY, 1862.

Capital, Deposits, Circulation, Loans, Real Estate, Specie, &c., of the seventy-five Banks of the State of Connecticut, January, 1862. Compiled for the BANKERS' MAGAZINE, from the Annual Report of the Bank Commissioners.

	LIABILITIES.										RESOURCES.					Total.
	Capital.	Deposits.	Circulation.	Bankers.	Due other	Loans.	Stocks.	Real Estate.	Due by other Bks.	Specie.	Items, &c.	Cash				
1. Ansonia Bank,.....	\$ 78,070	\$ 24,056	\$ 88,564	\$ 4,098	\$ 105,402	\$ 9,531	\$ 4,500	\$ 24,356	\$ 4,668	.....	\$ 148,118				
2. Hatters' Bank, Bethel,.....	60,000	8,484	14,851	1,730	62,290	4,978	6,500	7,804	1,551	.....	89,564				
3. Manufacturers' Birmingham,	808,700	70,069	123,758	94,778	839,868	46,988	17,844	71,875	38,590	.....	1,048,066				
4. Bridgeport Bank,.....	311,650	75,243	107,566	11,667	333,419	54,516	11,500	90,587	20,476	.....	441,909				
5. Bridgeport City Bank,.....	226,170	167,750	92,780	17,041	850,160	14,877	21,684	118,898	12,710	.....	1,288,068				
6. Connecticut B., Bridgeport,	882,100	180,097	308,871	40,723	465,419	5,510	15,406	164,898	30,868	.....	788,900				
7. Farmers' Bank, " " " "	310,000	81,746	80,818	21,108	292,010	40,614	25,500	89,984	15,113	.....	399,448				
8. Pequotnack Bank, " " " "	200,000	81,856	113,416	96,887	360,658	10,000	38,048	54,261	38,647	.....	392,650				
9. Windham Co., Brooklyn,.....	104,400	18,628	89,788	.....	155,944	5,000	2,900	7,079	9,878	.....	196,416			
10. Clinton Bank,.....	75,000	13,050	84,823	130	89,778	4,500	1,695	18,936	5,990	.....	152,966				
11. Danbury Bank,.....	326,300	88,700	62,142	12,276	325,498	70,738	14,129	30,588	9,071	.....	464,288				
12. Fahigue Bank, Danbury,	290,800	22,488	66,381	15,470	307,090	3,968	8,575	37,560	8,490	.....	368,290				
13. Deep River Bank,.....	150,000	19,215	28,000	6,604	166,202	9,350	2,480	19,170	4,968	.....	208,964				
14. Et. N. England, E. Haddam,	180,900	60,848	45,992	6,594	196,890	950	3,800	89,832	9,018	.....	265,549				
15. East Haddam Bank,.....	64,450	18,645	27,708	.....	104,076	.....	2,900	4,195	4,388	.....	117,969		
16. Saybrook Bank, Essex,.....	88,900	30,668	89,019	418	107,045	600	24,108	10,168	6,254	.....	156,908				
17. Iron Bank, Falls Village,.....	200,000	69,168	98,208	4,868	318,264	60,747	4,540	79,675	11,328	.....	392,066				
18. Zeina Bank, Hartford,.....	514,900	46,908	145,888	7,890	668,848	.....	.....	49,806	40,773	.....	764,564		
19. Bk. of Hartford Co., Hartf'd,	300,000	64,258	64,908	540	316,788	58,070	60,958	31,448	9,688	.....	478,969				
20. Charter Oak Bank, " " " "	588,800	164,090	108,388	8,306	668,177	189,400	55,780	81,478	81,844	.....	864,184				
21. City Bank of " " " "	640,000	71,798	186,899	25,378	668,127	90,800	16,197	115,400	39,460	.....	894,006				
22. Conn. River Bank, " " " "	250,000	75,420	50,914	26,580	317,480	85,000	9,586	88,860	25,091	.....	480,414				
23. Exchange Bank, " " " "	518,100	288,811	244,288	36,902	879,045	83,450	81,480	48,441	84,280	.....	1,048,717				
24. Farmers & Mechanics', " " " "	1,170,800	221,991	909,197	78,168	1,642,188	8,786	15,000	164,418	111,709	.....	1,860,990				
25. Hartford Bank, " " " "	1,123,800	368,317	491,708	94,070	1,866,118	100,608	15,000	233,178	67,168	.....	2,205,728				

24. Mercantile Bank, Hartford, ..	517,000	112,667	223,676	22,310	687,548	30,955	59,058	105,941	57,664	2,087	888,884
25. Merchants and Manuf, "	200,000	95,590	171,566	1,154	656,160	31,966	...	50,008	23,408	81,780	801,996
26. Phoenix Bank, "	1,317,100	490,438	804,857	64,983	1,413,668	42,550	905,430	411,950	64,645	72,043	2,164,930
28. State Bank, "	440,000	410,587	245,015	81,292	848,708	59,333	8,380	376,983	85,854	18,492	1,360,975
30. Jewett City Bank,	68,160	8,406	19,921	...	49,990	30,000	4,395	6,685	1,486	510	83,960
31. Meriden Bank,	300,000	33,686	47,673	4,770	336,378	6,070	4,400	7,396	16,954	855	436,164
32. Central Bank, Middletown, ..	112,500	19,554	21,687	8,540	90,788	37,100	6,900	17,600	9,160	188	159,408
33. Middlesex Co. Bk., "	347,800	56,773	82,896	13,356	355,033	104,998	8,400	51,016	29,481	6,568	555,070
34. Middletown Bank,	362,300	103,319	93,817	9,450	442,868	19,400	10,000	118,300	53,083	1,078	651,906
35. Mystic Bk.,	25,450	11,638	16,351	976	77,985	3,022	3,900	7,518	2,225	1,798	98,070
36. Mystic River Bank,	100,000	37,074	63,384	5,690	179,960	18,556	4,431	17,397	6,161	4,618	229,938
37. New Britain Bank,	95,180	42,977	43,389	333	131,300	10,075	...	38,538	11,339	10,560	198,425
38. City Bank, New-Haven,	500,000	155,646	78,857	21,338	378,888	112,222	126,492	37,371	51,942	18,088	786,750
39. Elm City Bank, New-Haven, ..	683,900	180,738	165,373	9,398	736,970	92,500	34,000	164,674	49,297	13,645	1,046,311
40. Mechanics' Bank, "	300,000	142,795	72,338	59,613	393,643	33,000	14,000	160,590	14,505	953	623,988
41. Merchants' Bank, "	500,000	184,728	65,796	2,215	433,699	30,000	140,026	63,788	14,080	627	749,083
42. New-Haven Bank, "	464,800	121,706	91,900	9,790	383,597	91,097	9,200	96,197	26,373	1,358	564,431
43. New-Haven Co. Bank, "	350,000	73,890	54,338	6,740	390,045	33,500	35,995	33,090	11,084	19,436	466,398
44. Quinnipiac Bank, "	500,000	147,930	64,618	4,336	518,776	115,500	10,500	71,434	26,170	2,540	745,188
45. Tradesmen's Bank, "	390,000	114,967	91,306	6,193	493,306	1,700	...	54,908	10,620	2,233	599,398
46. Bk. of Commerce, N. London, ..	292,000	57,603	66,504	693	313,959	74,886	...	54,733	10,525	2,968	337,693
47. New-London Bank, "	150,000	49,262	44,398	4,248	283,104	...	2,500	31,588	5,068	6,398	388,438
48. Union Bank, "	150,000	90,693	62,395	1,624	117,504	122,591	6,000	27,090	11,093	22,663	315,121
49. Whaling Bank, "	164,250	62,570	43,513	58	161,599	63,440	788	36,198	10,366	3,064	375,663
50. B. Litchfield Co., New Milfd., ..	125,000	44,838	69,710	7,178	93,471	88,123	3,500	55,390	13,313	2,394	269,465
51. Norfolk Bank,	100,000	3,313	35,541	1,370	116,010	9,213	3,545	14,390	3,645	1,916	143,080
52. Bank of Norwich,	300,000	32,085	31,634	17,063	331,634	14,800	8,000	30,263	13,724	5,963	400,961
53. Fairfield Co. Bank, Norwalk, ..	300,000	67,608	124,939	13,574	388,309	36,500	6,000	98,490	20,470	8,315	553,373
54. Merchants' Bank, Norwich, ..	308,168	90,696	62,433	3,131	373,749	24,640	4,153	14,466	13,013	6,395	346,993
55. Norwich Bank,	320,000	82,336	51,673	4,310	232,136	73,526	10,718	7,907	32,558	91	388,951
56. Quinnseung Bank, "	350,000	81,085	54,888	6,268	396,300	6,230	19,351	13,800	10,219	2,550	449,675
57. Shetucket Bank, "	100,000	29,616	23,354	...	122,908	...	6,097	15,568	13,301	2,694	159,988
58. Thames Bank, "	592,000	170,268	161,249	9,140	753,903	85,763	7,600	59,670	44,818	5,750	1,000,303
59. Uncas Bank, "	300,000	21,027	52,715	6,740	279,671	119,164	3,984	6,046	8,563	2,436	423,642
60. Rockville Bank,	390,573	64,163	155,033	13,981	431,406	43,184	23,615	36,650	15,980	6,813	555,223
61. Southport Bank,	113,400	33,247	72,336	3,013	107,351	71,414	5,743	41,050	7,924	4,673	243,901

BANKS OF CONNECTICUT, JANUARY, 1863.—(Continued.)

LIABILITIES.

RESOURCES.

JANUARY, 1863.	LIABILITIES.				RESOURCES.				Total.		
	Capital.	Deposits.	Circulation.	Due other Banks.	Loans.	Stocks.	Real Estate.	Due by other F'ls.		Cash.	
62. Stafford Bank,.....	\$158,000 ..	\$11,857 ..	\$68,817 ..	\$ 978 ..	\$ 217,994 ..	\$ 1,000 ..	\$ 5,900 ..	\$ 20,051 ..	\$ 7,184 ..	\$ 2,598 ..	\$ 855,894
63. Stamford Bank,.....	202,090 ..	59,988 ..	105,494 ..	12,566 ..	254,264 ..	78,760 ..	2,478 ..	52,183 ..	27,284 ..	6,578 ..	423,960
64. Ocean Bank, Stonington,...	103,000 ..	29,460 ..	29,770 ..	.....	124,049 ..	23,250 ..	3,900 ..	17,623 ..	3,908 ..	4,916 ..	182,300
65. Pawcatuck Bank, "	75,000 ..	7,869 ..	26,568 ..	1,768 ..	90,319 ..	1,800 ..	3,196 ..	7,984 ..	8,509 ..	6,908 ..	113,798
66. Stonington Bank, "	60,000 ..	84,189 ..	41,080 ..	7,548 ..	193,969 ..	.....	891 ..	1,966 ..	18,001 ..	4,876 ..	144,658
67. Thompson Bank,	70,000 ..	23,153 ..	48,086 ..	3,513 ..	115,979 ..	.....	1,700 ..	19,706 ..	5,941 ..	458 ..	142,777
68. Tolland County Bank,.....	86,600 ..	87,518 ..	17,945 ..	1,014 ..	99,980 ..	.....	27,927 ..	27,680 ..	5,800 ..	1,680 ..	163,507
69. Citizens' Bank, Waterbury, ..	304,100 ..	55,988 ..	70,905 ..	2,757 ..	380,060 ..	49,945 ..	9,900 ..	41,948 ..	9,996 ..	5,518 ..	451,567
70. Waterbury Bank,.....	510,000 ..	118,876 ..	103,493 ..	22,533 ..	483,915 ..	147,098 ..	37,596 ..	57,040 ..	36,868 ..	464 ..	706,099
71. Home Bank, West Meriden, ..	281,511 ..	28,748 ..	48,198 ..	5,845 ..	380,290 ..	12,000 ..	6,997 ..	21,807 ..	10,180 ..	1,928 ..	384,051
72. Saugatuck Bank, Westport, ..	200,000 ..	37,203 ..	92,650 ..	5,991 ..	240,976 ..	27,676 ..	6,078 ..	50,864 ..	11,284 ..	8,890 ..	347,193
73. Huribut Bank, W. Windsted, ..	200,000 ..	61,190 ..	85,371 ..	1,373 ..	213,174 ..	23,610 ..	2,100 ..	19,737 ..	101,176 ..	4,794 ..	365,740
74. Windsted Bank,	265,475 ..	29,866 ..	60,889 ..	3,464 ..	249,525 ..	.....	6,738 ..	49,315 ..	6,471 ..	2,987 ..	375,699
75. Windham Bank,.....	104,700 ..	11,990 ..	54,998 ..	866 ..	124,228 ..	8,550 ..	1,938 ..	31,789 ..	8,851 ..	1,147 ..	174,913
Totals, Jan., 1863,	\$21,794,987	\$6,162,754	\$6,918,018	\$964,759	\$27,066,826	\$2,528,612	\$1,281,519	\$4,389,577	\$1,599,855	\$438,222	\$88,117,595

Some apprehension having existed that the banks would not show, in the report for the present year, that degree of strength which they had heretofore maintained, the following abstracts are made for the three past years:

	1860.	1861.	1862.
Whole amount of capital,.....	\$21,626,167	\$21,838,029	\$21,794,987
" " circulation,.....	7,703,996	6,661,989	8,023,681
" " deposits,.....	5,463,540	6,023,928	6,079,203
" " specie,.....	960,188	1,004,881	1,518,316
Total loans and discounts,	\$30,518,784	\$29,864,626	\$27,694,212

REPORT OF THE BANK COMMISSIONERS OF CONNECTICUT.

(Extracts.)

The commissioners, upon a careful review of the quarterly statements, herewith annexed, and the memoranda taken at their examinations during the past year, are happy to announce that the banks of this State are, with a few exceptions, in a healthy, safe, and, for the times, highly prosperous condition. It is a duty we owe to the officers of the banks in the State to report, that in our intercourse with them during the past year, we have met with uniform courtesy, and a manifest desire on their part to assist us in our labors. It is no less a pleasure to say, that in the progress of our examinations we have discovered an increased disposition on their part to comply with the general laws of the State regulating their institutions.

Circulation.—During the summer of 1861, the circulation of the banks was reduced to a very low figure. Exchange on eastern funds, during that period, being uncommonly high at the West, their issues were eagerly sought for there, to cancel obligations maturing in the eastern markets, and the result was that their bills were returned upon them with great rapidity. Thus their circulation was retired to a nominal amount, it being barely sufficient to meet the wants of their several localities. How readily and successfully the banks met and responded to this sudden redemption of their bills, appears in the fact, that no one of them failed promptly to maintain its obligations therefor, either in Boston or New-York.

Immediately after the serious derangement in currency, which took place in Illinois and other Western States, their bills found a ready demand in that part of our country as a circulating medium, and increased so rapidly that, at the present time, their aggregate circulation exceeds that of any other period since 1857.

Although this increase has taken place within a comparatively short time, the commissioners are assured, by the officers of the banks, that their circulation has not been forced upon the market in the slightest degree; that a demand for currency has naturally, and without any effort on their part, brought about this unexpected and sudden expansion.

By the statements hereto annexed, it will be seen that although the aggregate circulation is so largely increased, all the banks have conformed to the law limiting the amount for each. During the past winter, exchange in Boston being against New-York, the Suffolk Bank gave notice to the banks of this State, of its intention to charge them a moderate rate of exchange on New-York city funds sent to Boston for the redemption of their circulation.

The extreme difficulty of procuring an adequate amount of Massachusetts funds wherewith to make their redemption, and the more intimate business relations existing between them and New-York, has resulted in the fact, that several of the banks in the southwestern part of the State have withdrawn their deposits from the Suffolk Bank, and now make their redemptions mostly in the city of New-York, keeping but a small balance in Boston to provide for such inconsiderable amounts as now find their way there for redemption.

Deposits.—All the banks in the State now report the discontinuance of paying interest on their deposits, except the Exchange Bank at Hartford, which, having the deposit of the Hartford, Providence and Fishkill Rail-Road Company, is permitted to pay interest on the same by a special act of the legislature.

It will be seen, by reference to their statements herein contained, that the Bank of Hartford County, to the amount of \$20,000, and the Charter Oak Bank at Hartford, to the amount of \$57,000, pay interest on what are termed "loans," and the officers assert that there is no law to restrain them therefrom.

The commissioners, however, differ with them in their opinion. The fact that the legislature, by the terms of their charter, fixed a specific limit to the amount of their capital stock, and beyond which they cannot rightfully receive moneys to be used as such capital, and that the law expressly denies them the right to pay interest indirectly on deposits, are sufficient evidence to us that they cannot legally borrow capital, or hold out inducements to depositors to loan them funds, whereby they may enlarge their active business means.

Certain it is, if this practice should prevail to any considerable extent, the banking capital of the State would be increased indefinitely; and the wise policy of the past, in distributing, by charter, to different parts of the State, such limited amounts of banking capital as the wants of localities from time to time require, would be thwarted.

We trust that the bank committee will take notice of these facts, and if found improper, we shall expect that these liabilities will entirely disappear in their statements for the coming year, and the necessity for special legislation be avoided.

Specie.—The amount of specie reserve has generally been well sustained throughout the year, and in many of the banks has averaged much above the requirements of the law. That the law requiring that "the amount of specie actually kept in the vault of the bank shall not be less than one-tenth of the circulation," proved practically beneficial to the banks, while their circulation was being so rapidly reduced, is unquestionable.

The public having become assured that the banks of our State keep in their vaults an amount of specie sufficient for all ordinary purposes of redemption, and having full confidence in the ability of the banks to pay both bill holders and depositors, and although during the month of December last it was expected from day to day that the New-York banks would suspend specie payments, and thus compel those of this State to do the same, there was no perceptible "run" made upon the banks in any quarter. Thus the people paid a well-merited and quiet compliment to the banks.

The banks of the city of New-York, finding that the large amount of specie previously held by them had been withdrawn nearly or quite one-half, partly for exportation, and largely for speculating purposes, announced the suspension of specie payments on the 30th day of December, 1861. While the banks of this State were compelled to adopt the same expedient, for self-protection, it was, on their part, only a nominal suspension.

Having made particular inquiries both in and out of the banks, we are satisfied that they have continued to furnish the people with whatever specie has been required for their convenience and usual business purposes, refusing only parties who applied for it in considerable amounts, or for speculating purposes.

Loans and Discounts.—The law requiring the several banks to loan to parties in this State an amount equal to their capital stock, before it shall become lawful for them to loan to parties out of this State, has not been fulfilled by very many of the banks, on account of circumstances entirely beyond their control.

The uncertain condition to which a considerable portion of the mercantile and manufacturing interests in the State has been brought by the political, and consequent financial, disturbances in our country the past year and a half, has caused a sudden check in the general business operations of the people. A far less amount of local or domestic business paper has been offered to lenders, and thus the banks have been deprived of their usual supply from that source.

The banks now hold comparatively a small amount of business paper, matured south of Philadelphia or Baltimore. In anticipation of the financial embarrassment which has come upon us, they began gradually to diminish their loans during the winter of 1860-'61, and, as far as possible, declined to discount business paper maturing in the disaffected States, preferring to take the accommodation paper of parties offering the former, with such home endorser or collaterals as they could procure. A course which has proved of greater safety to the banks, and relief to the borrower, enabling the manufacturer to procure the means to continue his business, and making new markets for his productions to provide for his obligations.

In this connection it is but justice to say, that the officers of the banks generally have shown a commendable disposition to discount all such offerings as were worthy of the accommodation; and the commissioners can testify that the complaint often made, that the banks do not adequately and justly accommodate their home customers, has no foundation in fact at the present day.

The ready and frequent payments received by many manufacturers who have contracts for the supply of goods to the general government, have also, to a very considerable degree, diminished the offerings of both business and accommodation paper in certain localities.

The banks, therefore, must seek for loans out of the State, or suffer their surplus means to lie idle at home. A favorite mode of loaning their unemployed capital, and one which, for a variety of reasons, we cannot seriously object to, particularly at the present time, is the practice of buying first-class business paper, made and maturing in the city of New-York. No paper in the possession of the banks is so uniformly and promptly met at maturity.

On no other can the cashier anticipate with greater certainty what his means for discount will be at any future day; and it may be said, with a considerable degree of truth, that this class of paper at maturity is equivalent to specie funds in the city of New-York. It is on this account that

many of the conservative and careful bank officers buy this paper at a rate of interest lower than our own.

Another mode common to our banks, but not approved of by the commissioners, is to loan for accommodation, or circulation at the West. We are sorry to say that quite a number of the banks are not disposed to heed the experience of the past. We do not mean to assert that good paper is not made at the West, and that our banks have not, in some instances, made money on accommodation loans made there.

Safe banking, however, requires that the borrower should be within a convenient distance of the lender, that the latter may have a constant knowledge of the business interests, habits and reputation of the former.

The bills of our banks, as a class, enjoying a good reputation, find a profitable circulation at the West; and, allured by the high rates of interest there obtaining, several of our banks, with too little scrutiny oftentimes into the character of the securities offered, continue to discount Western paper for the express purpose of increasing their circulation in that part of our country.

Large profits and quick returns too often blind the otherwise quick-sighted financier; and the fact that these institutions hold by far the largest amounts of past due paper and unproductive securities, convinces us that this practice is attended with great risk and ultimate loss.

Dividends.—The directors of a bank cannot legally make or declare any dividend except from the earnings of such bank, which shall remain after deducting therefrom all losses.

The practice of over-estimating suspended paper for the purpose of making dividends, or keeping up an apparent surplus, exists in not a few of our banks. Affording no income, and oftentimes based upon names only, it cannot justly be considered an asset on which to predicate a dividend. The passage of a general bankrupt act, which is now contemplated, (and in justice required by a large and respectable class of business men who have suffered heavy losses at the South,) would inevitably reduce a large proportion of such paper to a nominal value, if not extinguish it altogether; and it well becomes the officers of banks holding any considerable amounts of the same, to prepare for the emergencies of the times by charging it off from their books as rapidly as their earnings will allow. * * *

It will also be seen, by the annexed statements, that dividends have been passed during the past year by the following banks, to wit: The Central Bank at Middletown, the Farmers' Bank at Bridgeport, the Merchants and Manufacturers' Bank at Hartford, and the Norfolk Bank at Norfolk, which banks are applying their earnings to a surplus account; the Merchants' Bank at New-Haven, the Quinnebaug Bank at Norwich, and the Winsted Bank at West Winsted, to recover former losses.

Exchange.—By a statute law of the State, no bank is allowed to charge for exchange an amount exceeding the standard rates of charge in the cities of New-York and Boston. It becomes the duty of the commissioners to report, that few banks in the State have complied with this law for some time past. The evasion of it has become so common, that to find an institution conformable to law in this respect, in all cases, is an exception to the general rule.

Stockholders are clamorous for, and the officers of the banks are equally ambitious to declare, large dividends, and, as a convenient means to this end, resort is had to a high rate of exchange on the city of New-York; in some cases the charge being $\frac{1}{2}$ per cent. on 30, $\frac{1}{4}$ per cent. on 60, and $\frac{3}{4}$ per cent. on 90 day paper; and, as the opportunity may offer, still higher rates of exchange.

This custom amounts to nothing less than the taking a rate of interest higher than that by law allowed, and thus at once is the fruitful source of demoralization to the officers of the banks, of discontent and wrong to the borrower.

The borrower has thus, if he continues to the end of a year, paid not less than nine per cent. for the use of his money.

It has been said that "the greater the supply, the less the exchangeable value." As applied here, it is far from the truth; for, while the banks have held, during the past year, uncommon large balances in their favor in New-York, these high rates of exchange have been uniformly maintained.

The evident intent of the law applicable to this subject, was to confine the banks to six per cent. interest, and the cost of the redemption of their bills. Thus construed and observed, the law would deprive them of a very considerable source of profit. The banks, however, establishing a rate for themselves, and the New-York banks adopting similar rates for collections made here, claim that they do not violate the letter of the law, or rather, that they *adopt* the standard rates of charge in New-York. The trouble hinges upon the words "standard rates of charge."

It being conceded that banks accomplish important functions for the business community, and, when properly managed, are institutions beneficial to the people at large, and therefore have by charter received certain privileges, on the faith of which stockholders have invested their money therein; and the fact that the State has, in repeated instances, taken a bonus for charters granted, and supposed to contain such privileges, they have a right to expect that the laws regulating their business, when made or amended, will guard *only against the abuse* of the privileges so granted.

We therefore recommend the amendment of this law, so as to give the banks a satisfactory rate of exchange, and one which the buyer can afford to pay.

National Loan.—Too great praise cannot be awarded to the banks of this State, for the patriotic and prompt manner in which they, in concert with the banks of the other loyal States, in a time of general anxiety and distrust, came to the assistance of the general government, in making its loans for the prosecution of the present unhappy war.

Individual capital had not the facilities, if the disposition, to make the result effectual or successful, and shrank from the risk involved; and it was not until the banks, with commendable zeal and patriotism, responded to the call, that adequate relief was had.

Their example assured the minds of the people with faith in the strength of the government and the justice of its cause; and stimulating private capitalists to share with them the responsibility of the crisis, they fulfilled a mission of incalculable good to the people.

THE SAVINGS BANKS OF CONNECTICUT.

Abstract of the Reports of the Savings Banks for 1862.

SAVINGS BANKS.	No. of Depositors.	Amount of Deposits.	Loans on Real Estate.	Loans on Personal Security.	Loans on Stocks and Bonds.	Invested in Bank Stocks and Bonds.	Invested in R. R. Stocks and Bonds.	Real Estate Securities.	Cash on hand.	Total Assets.
Bridgeport Savings Bank,.....	4,988	\$ 1,316,616	\$ 842,186	.....	\$ 84,454	\$ 49,946	\$ 28,500	\$ 188,170	\$ 69,686	\$ 1,386,507
Chelsea Savings Bank,.....	874	285,711	175,480	\$ 26,408	5,000	14,401	.....	12,255	5,581	240,285
City Savings Bk. of Bridgeport,	670	118,181	80,185	.....	15,000	.....	.....	14,125	7,010	116,800
Collinsville Savings Bank,....	584	98,087	71,160	15,867	2,128	2,094	.....	.....	3,668	101,547
Connecticut Savings Bank,....	8,000	888,713	588,175	45,116	.....	79,913	.....	66,670	845,645	1,015,447
Savings Bank of Danbury,....	1,760	860,900	217,887	61,190	.....	18,864	19,647	59,587	10,548	876,649
Deep River Savings Bank,....	600	98,738	65,967	11,681	.....	19,183	.....	1,414	1,545	99,680
Derby Savings Bank,.....	1,094	186,648	147,868	13,800	.....	29,315	4,400	1,689	5,258	195,681
Essex Savings Bank,.....	968	178,078	94,617	20,247	5,700	21,176	82,065	4,690	854	179,160
Falls Village Savings Bank,....	294	42,885	36,802	5,450	.....	.....	2,000	.....	7,664	44,488
Farmers' and Mech's Sav. Bk.,	479	78,475	43,090	860	8,240	9,198	.....	15,075	2,091	80,557
Farmington Savings Bank,....	1,286	316,241	227,284	7,891	400	28,698	15,754	27,092	11,796	338,928
Groton Savings Bank,.....	1,011	195,004	124,404	8,875	9,000	38,945	.....	18,650	3,048	194,989
Litchfield Savings Society,....	1,081	285,974	184,193	16,557	28,751	50,988	7,687	20,950	1,450	244,596
Manchester Savings Bank,....	5	50	.....	.....	.....	.....	.....	.....	.....	50
Mechanics' Savings Bank,....	58	5,899	3,826	670	.....	1,110	.....	.....	948	6,004
Meriden Savings Bank,.....	1,286	205,009	163,868	22,907	.....	15,758	.....	.....	3,865	210,288
Middletown Savings Bank,....	6,389	1,668,721	1,107,888	76,202	168,861	194,019	101,196	114,000	6,558	1,700,489
New-Canaan Savings Bank,....	264	29,276	28,298	1,800	.....	3,000	.....	.....	3,018	30,715
New-Haven Savings Bank,....	9,207	1,985,585	1,440,850	173,150	57,919	29,000	78,100	89,881	89,373	2,069,790
Savings Bank of New-London,	4,000	1,249,845	643,599	78,299	8,688	284,865	242,050	10,900	28,643	1,285,895
New-Milford Savings Bank,....	387	52,737	37,373	8,780	2,892	1,800	.....	1,028	4,165	54,119
Newtown Savings Bank,.....	350	61,784	39,768	3,108	.....	6,938	1,790	7,371	3,666	68,485
Norfolk Savings Bank,.....	111	9,750	5,813	1,818	.....	998	.....	993	141	9,889
Norwalk Savings Society,....	1,468	808,065	205,766	8,989	20,620	86,028	35,500	10,199	2,809	890,728
Norwich Savings Society,....	9,278	3,152,448	1,890,956	56,598	289,370	220,565	188,176	685,768	88,110	3,270,169
People's Savings Bank,.....	887	101,988	73,865	6,889	.....	11,278	.....	.....	6,880	108,075
Plymouth Savings Bank,....	59	7,508	3,000	700	.....	3,028	.....	.....	89	7,741
Savings Bank of Rockville,....	851	140,809	73,370	54,788	1,440	8,460	.....	1,900	6,481	144,785

Savings Bk. of Stafford Springs ⁴	606	100,969	45,500	20,161	.....	11,400	16,500	8,545	102,459
Saltbury Savings Bank.....	615	79,678	15,441	15,441	.....	1,928	6,880	7,721	283,107
Savings Bank of Poland.....	1,075	261,743	318,137	28,884	9,800	18,100	.....	60	269,461
Society for Savings Bank.....	119	5,931	719	.....	.....	.....	.....	188	6,158
Southport Savings Bank.....	19,461	8,961,925	2,821,556	209,698	495,059	196,700	108,888	41,209	4,048,200
Southington Savings Bank.....	68	6,615	5,040	1,075	8,000	9,998	15,803	284	7,040
Southport Savings Bank.....	910	164,500	111,280	.....	.....	.....	.....	80,739	172,077
Staffordville Savings Bank.....	509	68,045	84,204	22,864	.....	5,100	1,500	1,019	64,680
Stamford Savings Bank.....	1,119	896,618	150,294	9,000	25,908	6,567	49,365	6,296	298,860
State Savings Bank.....	1,576	402,153	814,375	9,000	43,510	7,250	.....	90,845	404,180
Springton Savings Bank.....	850	267,376	.....	86,281	.....	17,748	52,005	2,400	276,256
Townsend City Savings Bank.....	4,910	878,759	895,000	59,416	51,510	88,998	90,500	91,781	596,900
Waterbury Savings Bank.....	1,700	865,066	223,486	7,900	8,065	25,250	.....	88,565	890,571
Westport Savings Bank.....	50	6,578	2,900	.....	.....	2,085	.....	1,241	6,774
Willimantic Savings Institute.....	1,451	281,312	145,406	23,768	16,500	86,900	.....	18,100	247,008
Winsted Savings Bank.....	198	26,737	14,957	.....	.....	1,500	.....	8,400	26,761
Total of 45 savings banks,	88,373	\$ 19,968,959	\$ 18,065,901	\$ 1,209,693	\$ 1,844,796	\$ 1,404,198	\$ 989,501	\$ 1,790,176	\$ 516,081
Building associations,	2,568	692,753	.....	.....	.....	.....	.....	.....	90,589,766
Total,	90,941	\$ 20,676,712	\$ 18,065,901	\$ 1,209,693	\$ 1,844,796	\$ 1,404,198	\$ 989,501	\$ 1,790,176	\$ 516,081

BANK COMMISSIONERS OF CONNECTICUT, MAY, 1862.

Extract from the Report on the Savings Banks of Connecticut.—The nature of these institutions, and the important functions they perform, having been fully commented upon in our previous reports, and the subject being now so well understood, we do not deem it necessary to repeat what has been said, or materially add thereto. There were, January 1st, 1862, forty-five savings banks transacting business in this State, whose aggregate deposits, at that time, amounted to the sum of \$19,988,999. The whole amount of deposits in the savings banks in this State, January 1st, 1861, was \$19,377,670. Increase during the year, \$606,289. The whole number of depositors in said banks, January 1st, 1862, was 87,373. The average amount due each depositor, therefore, is nearly \$230.

Their investments are as follows :

Loans on real estate,.....	\$ 13,065,901	●
“ stocks and bonds,.....	1,344,796	
“ personal security,.....	1,209,632	
Bank stock,.....	1,404,198	
Rail-Road stock and bonds,.....	989,501	
Real estate and other securities,.....	1,790,176	

The General Assembly, at its last annual session, incorporated two savings banks, viz. :

The Manchester Savings Bank, at Manchester; the Mechanics' Savings Bank, at Hartford. The former went into operation prior to January 1st, 1862, and its first annual statement is included hereafter; the latter commenced business subsequent to that time, but has not furnished to us a written report of its doings. We learn, however, from its officers, that they have received, up to the present time, somewhat over \$10,000 on deposit, nearly all of which has been loaned on real estate.

The fears entertained a year ago that the deposits in these institutions would be greatly reduced on account of the general decrease in mercantile and manufacturing operations, and the suspension of labor upon public and private works, progressing in the State at the beginning of the war, and that the issue of the new government loan, bearing a greater rate of interest, would induce depositors to withdraw their funds to such an extent as to seriously embarrass their operations, have not been realized.

We therefore take peculiar pleasure in calling your attention to the fact, that their aggregate deposits are still increasing, and that their affairs generally are all in a well-managed and satisfactory condition.

The establishment of these institutions in our country has been well termed benevolent. In their practical workings they reach not only the material wealth, but affect greatly the moral condition, of the people. Of mutual benefit to depositor and borrower, they afford a safe and convenient depository for the earnings of the poorer classes, and place within the convenient reach of private enterprise capital otherwise scattered or hoarded, with which to add to the general productiveness of a community. They encourage a spirit of industry, economy and thrift, in a class too often disposed to part with hard earnings in idleness and dissipation; they open a way to the man of small means to add thereto until he shall have become possessed of a sufficient maintenance in time of sickness or of old age. They generate, often, the principle of a savings' bank in the breast of the depositor. Thus far they fulfill the object of their creation.

Like all other public institutions, however, savings banks are liable to abuse, and to be used for purposes foreign to their establishment. Their immunity from taxation has induced many persons of considerable means, and for whose use they were not intended, to deposit in them as rapidly as the law allows; and seldom, if ever, withdrawing either principal or interest, this class of depositors, by addition and the compounding of interest, will soon represent the larger amount of the deposits. There is no good reason why any man, or class of men, enjoying the numberless blessings of law, order and good government, should not participate in the expenses necessary to maintain the same. We have in

mind an institution, which has to the credit of one depositor the large amount of \$15,000, independent of considerable sums in the names of the several members of his family, but in reality controlled and owned by the former. It evidently was not anticipated that savings banks should accommodate with such intent this class of depositors.

We have heretofore suggested the propriety of a system of discrimination, by which the smaller should be allowed a greater rate of interest than the large depositor; but this would not seem to meet the wants of the times.

Considering the fact, that the very considerable sum of \$230 is the average amount due each depositor, and the certainty that hereafter the tax-gatherer will make his demands upon various kinds of property, and employments even, heretofore exempt from the direct burdens of government, we suggest whether the time has not come to consider the propriety of including this very large property in the list for taxation, whether a depositor representing the sum of, say \$250, should not in justice contribute in this manner his share to the general welfare.

We propose, therefore, that a law be passed, making it the duty of the treasurers of the savings banks, and savings banks and building associations in this State, to return a list of the names of all depositors of \$250 and over, with the amount deposited by each, and residing in this State, to the assessors of the town where they severally reside, and that the same be subject to taxation as other property.

NEW-HAMPSHIRE.—It has been stated that there were two kinds of Dover Bank notes in circulation, one of which was redeemed and the other was not. A statement from the President of the Dover Bank explains the matter. There was an institution in operation some years ago, entitled the Dover Bank, which expired by limitation in 1844. The officers at that time were A. PERCIE, President; JONATHAN DAME, Cashier. They gave the legal notice of its expiration, and continued to redeem its bills for four years after the time required by law. The bank was then permanently closed by dividing its capital among the stockholders. Since then a new bank was chartered, (the present Dover Bank,) of which JOSEPH H. SMITH was chosen President, and has remained such to the present time—no bills ever having been issued without his signature as President. The present Dover Bank exists under a different charter, and was never in any way connected with the old institution of the same name, and, of course, is under no obligation to redeem the bills of that bank. Mr. SMITH being President of the new bank, all bills bearing his signature will be redeemed. Others must be presumed to belong to the old bank, which has closed.

TENNESSEE.—It is expected, as it is hoped, that the Union and Planters' Bank of Nashville will, at an early day, re-establish branches of their respective institutions in Memphis. The Cashier and President of the Union Branch are still here; they are both worthy gentlemen and faithful and capable officers—receiving public confidence, which they have so richly deserved, from the people and from the stockholders and managers of the bank. The President of the Planters' Bank is still here, and what we have said of the officers of the branch of the Union Bank, we may justly apply to him. These banks are needed. All the produce of the country has not been destroyed, and without the instrumentality of these institutions, we do not see how our trade and commerce can prosper and be well conducted. It is an important subject, and merits the consideration and timely action of our merchants, mechanics and traders. We trust the officers of those banking institutions will look properly for their re-establishment.—*Memphis Avalanche.*

THE BANKS OF CONNECTICUT.—1837—1862.

Abstract from the Bank Commissioners' Reports for the last twenty-six Years.

YEAR.	Capital.	Circulation.	Specie.	Loans and Discounts.	Total Resources.	Deposits.
1837,.....	\$ 8,744,697 ..	\$ 8,993,325 ..	\$ 415,886 ..	\$ 13,246,945 ..	\$ 15,691,285 ..	....
1838,.....	8,754,467 ..	1,920,552 ..	535,447 ..	9,769,236 ..	12,302,631 ..	....
1839,.....	8,382,223 ..	3,987,815 ..	502,190 ..	12,366,946 ..	14,942,779 ..	....
1840,.....	8,378,245 ..	2,325,589 ..	499,082 ..	10,428,630 ..	12,950,572 ..	....
1841,.....	8,373,927 ..	2,784,791 ..	454,299 ..	10,944,678 ..	13,866,273 ..	....
1842,.....	8,376,317 ..	2,555,688 ..	471,238 ..	10,638,418 ..	13,465,052 ..	....
1843,.....	8,580,398 ..	2,379,947 ..	493,752 ..	9,798,892 ..	12,914,124 ..	....
1844,.....	8,292,238 ..	3,490,968 ..	455,430 ..	10,842,955 ..	14,472,631 ..	....
1845,.....	8,359,743 ..	4,102,444 ..	453,658 ..	12,447,196 ..	15,243,235 ..	....
1846,.....	8,475,680 ..	4,565,947 ..	481,367 ..	13,082,600 ..	15,892,635 ..	....
1847,.....	8,605,742 ..	4,437,631 ..	462,162 ..	12,781,837 ..	15,784,773 ..	....
1848,.....	8,796,381 ..	4,891,265 ..	517,700 ..	13,424,653 ..	16,306,829 ..	....
1849,.....	8,985,916 ..	4,511,571 ..	575,676 ..	13,740,591 ..	16,947,002 ..	....
1850,.....	9,907,503 ..	5,253,384 ..	640,622 ..	15,607,314 ..	19,122,309 ..	....
1851,.....	10,575,657 ..	6,689,384 ..	774,861 ..	18,190,512 ..	21,999,949 ..	....
1852,.....	12,509,307 ..	7,118,625 ..	825,379 ..	20,552,498 ..	25,226,509 ..	....
1853,.....	13,950,944 ..	11,217,630 ..	1,259,373 ..	25,633,650 ..	32,093,329 ..	....
1854,.....	15,641,397 ..	11,207,996 ..	1,304,940 ..	27,397,796 ..	34,716,399 ..	\$ 4,868,343
1855,.....	17,145,451 ..	6,833,338 ..	812,133 ..	23,999,035 ..	31,333,592 ..	3,065,335
1856,.....	13,852,130 ..	9,197,359 ..	1,006,658 ..	27,201,750 ..	36,202,061 ..	4,564,331
1857,.....	20,505,730 ..	9,690,969 ..	1,121,120 ..	32,639,030 ..	39,123,660 ..	5,736,725
1858,.....	21,017,473 ..	4,249,133 ..	1,064,326 ..	25,610,179 ..	32,276,331 ..	4,463,653
1859,.....	21,539,356 ..	7,555,369 ..	993,134 ..	29,639,354 ..	37,494,620 ..	5,238,169
1860,.....	21,624,167 ..	7,703,996 ..	950,133 ..	30,513,734 ..	33,155,527 ..	5,463,540
1861,.....	21,533,029 ..	6,661,939 ..	1,004,331 ..	29,364,626 ..	37,004,652 ..	5,023,923
1862,.....	21,790,337 ..	8,022,631 ..	1,513,316 ..	27,694,213 ..	39,211,642 ..	6,079,303

MISSOURI.—The following table will show the immediate liabilities and resources of the St. Louis banks on the first July, 1862:

Banks.	Circulation.	Deposits.	Coin.	Other Assets.
Western,.....	\$ 244,070 ..	\$ 244,055 ..	\$ 276,044 ..	\$ 101,335
Union,.....	460,566 ..	121,588 ..	246,604 ..	47,690
Southern,.....	662,432 ..	440,155 ..	426,958 ..	303,569
Mechanics',.....	647,317 ..	471,632 ..	497,374 ..	250,463
St. Louis,.....	259,656 ..	237,761 ..	269,784 ..	148,956
Merchants',.....	608,215 ..	836,239 ..	529,107 ..	611,060
Exchange,.....	24,880 ..	630,471 ..	436,637 ..	443,439
State,.....	1,043,662 ..	702,309 ..	1,039,735 ..	629,751
	\$ 3,956,298 ..	\$ 3,784,790 ..	\$ 3,992,793 ..	\$ 2,536,313

NEW-YORK STOCK BOARD.	YEAR 1860.		YEAR 1861.		FEB., 1862.		MARCH, 1862.		APRIL, 1862.		MAY, 1862.		JUNE, 1862.		JULY, 1862.		1 Mos., '62.	
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.
	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.	est.
United States six per cent. 1868,....	95	109½	80	100	90	99	95	95	94	97	97½	108	107½	96½	100	85	107½	
United States six per cent. 1861,....	..	..	85½	95½	88½	98	92½	94	92½	93	97½	105½	107½	96½	108	87½	107½	
U. S. five per cent. 1874, coupon,...	85	104½	76	97	78½	85	86	88	86½	90	89½	96	95½	97½	85	91	78	97½
Indiana State five per cent.,.....	88	98	75	93	75	..	78½	79	77	79	75	84½	..	..	..	75	84½	
Virginia six per cent. bonds,.....	78	95	86	81	61½	60	69½	68½	65½	68	60	60½	66	69½	59	57	49	63½
Tennessee six per cent. bonds,.....	64	98	84½	77	43	65	66½	63	63½	68	58½	61	68½	61	47½	49	61	61
Georgia six per cent. bonds,.....	109	105	88	94	..	..	..	..	75	..	75	..	..	..	75	66½	75	75
North Carolina six per cent. bonds,	76	100	44	82½	68	78	68½	70	68	67½	78½	73	74	64½	79	60	74	74
California seven per cent. bonds,...	88	95	85	71½	88	80	87	86	87½	85	89	96½	98½	91	96	76½	98½	98½
Missouri six per cent. bonds,.....	61	84½	85	73½	40½	56½	51	54½	48½	63	50½	54	51	68½	45	51	40	66½
Canton Company shares,.....	14	28½	8	15	10½	13	14	14	..	..	18½	15	15	..	..	10	15	15
Cumberland Coal Co., preferred,...	8	17½	4	9½	6	9	7½	8½	8	8	8½	9½	8½	9½	7½	7½	6	9½
Pacific Mail Steamship Company,...	70	107½	60	100	91	99½	98	98	97½	111	108	119	115	118	104½	116½	91	119
New-York Central Rail-Road,.....	70	92½	68	88½	79½	84	89½	84	88½	85½	84	85½	88½	90½	87½	86½	79½	90½
Erle Rail-Road shares,.....	8½	48	17	40½	38	35½	39½	34	38	36½	37½	36½	40	36½	38	37	31½	40½
Hudson River Rail-Road,.....	86	66	81½	49½	35½	39½	35	37½	35	36½	36	45	44	49½	43	47½	35½	49½
Hartford Rail-Road shares,.....	8	24	8½	16½	11½	12½	13½	13	13	13	18	15	14	18½	18	17½	11½	19½
Harlem Rail-Road, preferred,.....	37	55	30½	43	28½	30½	30	30	30	33	30	33	33	33	45	38½	45	45
Reading Rail-Road shares,.....	80	49½	59½	43	40	44½	41	41	41	43	45	45	49½	50	60	54½	60	60
Michigan Central Rail-Road,.....	84½	78½	89½	61½	48	54½	58½	58	58	58	58	58	68	68	68	68	47	68
Michigan S. & N. Indiana R.R.,...	6	25	10½	20	30½	24½	26	25	28	28	28	28	28	28	28	28	19	28
Michigan S. & N. Indiana, guar.,...	19½	50	50	23½	40	40	49	46	49	44	47	58	57	64	60	60	64	64
Panama Rail-Road shares,.....	108	146½	97½	121	111½	121½	117	122	119	126	126	126	126	126	126	126	126	126
Illinois Central Rail-Road shares,...	61½	89½	59½	88½	65½	65	66	66	67	68	68	64	69	69	69	69	69	69
Galeua and Chicago Rail-Road,...	65	83½	55	74½	65	69	67	67	66	63	64	73	69	73	66	71	63	78
Cleveland and Toledo Rail-Road,...	18	49	30	88	40	46	44	47	40	46	41	47	44	49	45	49	38	49
Chicago & Rock Island Rail-Road,...	49½	54½	80	69	62½	67	65	69	68	66	66	68	68	68	68	68	68	68
Illinois Central Construction bonds,	81	100½	84	103	98	95	98	94	96	94	94	94	94	94	94	94	94	94
Pennsylvania Coal Company,.....	78½	87	78	81	85	89	88	88	88	79	88	85	80	90	95	97	79	98
Dela ware and Hudson Canal Co.,...	80	101½	70	95	99	97	87	91	89	99	98	100	99	100	91	97	84	100
Premium on gold,.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

BANK ITEMS.

LOANS AND CIRCULATION OF 1862.—The official returns of the banks for January and July show a more active circulation in every instance, but the loans are nearly stationary.

	LOANS.		CIRCULATION.	
	January, 1862.	July, 1862.	January, 1862.	July, 1862.
N. Y. City,.....	\$ 154,415,000 ..	\$ 148,643,000 ..	\$ 8,276,000 ..	\$ 8,910,000
Boston,	65,612,000 ..	64,590,000 ..	6,451,000 ..	6,943,000
Philadelphia,	31,046,000 ..	33,206,000 ..	2,145,000 ..	4,750,000
Baltimore,	15,108,000 ..	18,600,000 ..	2,566,000 ..	3,400,000
Maine,	12,680,000 ..	12,595,000 ..	4,040,000 ..	4,340,000
New-Hampshire, ..	8,368,000 ..	7,835,000 ..	2,994,000 ..	3,183,000
Providence,	19,356,000 ..	20,588,000 ..	1,890,000 ..	2,888,000
Newark, N. J.,....	3,719,000 ..	4,507,000 ..	781,000 ..	1,111,000
	\$ 310,804,000 ..	\$ 310,564,000 ..	\$ 29,143,000 ..	\$ 35,525,000

The average increase in circulation, in the aggregate, for July, compared with January last, is 21.90 per cent., and in some places much more, viz.:

INCREASE OF CIRCULATION—SIX MONTHS.

Philadelphia, Pa.,.....	121.50 per cent.	New-York City,.....	7.66 per cent.
Baltimore, Md.,.....	32.50 “	Boston, Mass.,.....	7.64 “
Providence, R. L.,.....	52.71 “	Maine,.....	7.44 “
Newark, N. J.,.....	42.30 “	New-Hampshire,.....	6.35 “

NEW-YORK.—The charter of the Leather Manufacturers' Bank, New-York City, expired June 1, 1862. The bank has re-organized and reported as an association.

New Banks.—The Lincoln Bank, Clinton; Palisade Bank, Yonkers; and Iron Bank of Plattsburg, new associations, reported, for the first time, June 23th, as also E. S. RICH'S Bank of Exchange, Buffalo. (Individual bank.)

Proposed Banks.—The Bank of Ontario, Canandaigua, (association;) J. A. CLARK & Co.'s Bank, Pulaski; R. L. INGERSOLL & Co.'s Bank, Pulaski; and T. O. GRANNIS & Co.'s Bank, Utica, (individual banks,) will soon be in operation. WM. WILLIAMS' Bank, Hastings, upon the Hudson, is closing.

Herkimer.—The Bellinger Bank, Herkimer, (individual,) is a continuation of the late individual Iron Bank—the name having been changed, under an act of the legislature of 1861, and location changed from Plattsburgh.

Auburn.—MR. AUGUSTUS HARLAND has been elected President of the Auburn City Bank, N. Y., in place of F. L. SHELDON, Esq.

MASSACHUSETTS.—W. L. GARRISON, Esq., has been elected Cashier of the Mattapan Bank, Dorchester, Mass., in place of Mr. J. J. HUTCHINSON.

NEW-JERSEY.—The Mercantile Bank, Orange, New-Jersey, has gone into business, with S. W. BALDWIN, as President, and CHARLES HEATH, as Cashier.

IOWA.—MR. O. C. HALE has been elected Cashier of the Keokuk Branch of the State Bank of Iowa, in place of Mr. J. W. McMILLEN.

ILLINOIS.—The popular vote of the people on the new constitution was as follows: For the new constitution, 125,050; against it, 141,113. For the article prohibiting banks, 126,538; against the prohibition, 130,339.

LOUISIANA.—There was, yesterday, a good inquiry for gold, which dealers furnish according to sums. We quote 128 @ 135, which indicates an advance. Silver

ranged from 22 to 26, closing firmly. United States demand Treasury notes also ranged high; say 23 @ 26; legal tender notes, 8 @ 11 per cent. premium; New-York sight funds ranged from 5 to 10 per cent. premium, according to the character of makers. The banks appear—in fact they are—doing nothing in exchange on Northern cities. In foreign exchange we do not learn of any transactions worthy of note. There is a feverish disposition evinced on the part of many denizens of our city in regard to its future, and, under the present agitated position of the country, many are sending small sums to Europe to remain there. The most important feature in moneyed circles to-day was the announcement that the Bank of New-Orleans had received back four hundred thousand dollars of the coin sent away in April last. This relieves the bank at once, and places it in line according to the bank acts. The amount of bonds of State and city, in possession of the State authorities, to secure the old circulation under its charter, and the amount of bonds in vault, figured up \$771,000. The amount of old circulation, subject to the bonds, was, on the 19th of April last, \$486,670. The receiving back of the \$400,000 in coin, which, it is presumed, will appear in its next report, places the bank in a good position. We learn that the two dividends—say that of June and that of December last—due by the Canal Bank to Northern stockholders, were paid in New-York on the 18th ult. It will be understood that the bank was restrained from paying these dividends by the suspension of intercourse, and subsequently by the sequestration act of Richmond.—*N. O. National Advocate, August 2.*

MINNESOTA.—The Bank of Minnesota, St. Paul, with \$50,000 capital, has been started—H. THOMPSON, Cashier; J. E. THOMPSON, President. The issues of this bank are secured by United States stocks, and by the law of Minnesota the securities cannot be changed.

PRIVATE BANKERS.

NEW-YORK.—The banking firm of Messrs. DUNCAN, SHERMAN & Co. was dissolved on the 1st July, 1862, by the retirement of Mr. ALEXANDER DUNCAN (the senior partner) and Mr. CHARLES H. DABNEY. The business of the house, under the same style as before, will be continued by the remaining members of the firm, viz, Messrs. WATTS SHERMAN, WILLIAM BUTLER DUNCAN and DAVID DUNCAN. Mr. ALEXANDER DUNCAN gives notice that, in retiring from the firm of DUNCAN, SHERMAN & Co., in accordance with his original intention at the establishment of the house, he does not withdraw any of the capital which he has, during its existence, contributed for himself and for his sons; but, to promote their interests and that of the new firm, has transferred and made over the same to them, absolutely, for their own use and benefit. This gives the new firm a very large capital—amply sufficient for any purposes of business or credit, at home or abroad.

NEW-YORK.—Mr. J. T. VAN VLECK, of No. 4 Broad-street, has admitted H. A. TUCKER, of Chicago, as a member of his banking-house, and its business will be hereafter transacted under the name of VAN VLECK & TUCKER.

NEW-YORK.—The firm of COLE & THOMSON have succeeded to the old firm of BIGELOW & THOMSON, at Corning, N. Y.

ILLINOIS.—The banking firm of Messrs. L. & C. H. BULL has been established at Quincy, Ill., where they will collect on Illinois and Iowa. [*See their card on the cover of this work.*]

NEW-ORLEANS.—On the 21st ult. Mr. T. H. FARRILL, the New-Orleans agent for the ROTHSCHILDS, committed suicide by shooting himself. He was generally considered to be quite rich. For some time past he had been heard to mutter to himself of confiscations—particularly the expected confiscation of his property in Virginia—and this, together with other matters of a financial character, appear to have settled on his mind with the force of a monomania, and to have occasioned the act of self-destruction.

Notes on the Money Market.

New-York, August 23, 1862.

Exchange on London, at sixty days' sight, 127½ @ 128.

There have been no severe fluctuations in the money market since our last report. There is a large accumulation of capital, at this and other points, unemployed—the bank deposits at New-York having increased from \$111,789,000, at the opening of the year, to \$142,084,000, at the close of last week. At Boston, the bank deposits have increased from \$19,975,000, at the close of March, to \$27,815,000 at the opening of August. At Philadelphia, the first week in January, the bank deposits were \$21,896,000; last week they were \$24,217,000. This shows an uniform movement and great ease in the market; at the same time, there is no commensurate increase of commercial paper. The bank loans are now less than they were at the beginning of the year, by two millions of dollars; the specie has increased nearly twelve millions.

The banking movement throughout the State is also of the same tenor. The aggregate deposits, at the close of June, exceed those of December by \$25,000,000; circulation, \$3,200,000; due other banks, \$16,100,000; and the specie on hand, \$3,000,000.

The bank deposits in the city of New-York have acquired a large increase—being nearly fifty millions in excess of what they were a year ago. The loans, specie, circulation and deposits of the present year have been as follow, at the beginning of each month:

1862.	Loans.	Specie.	Circulation.	Deposits.
January 4,....	\$ 154,415,000 ..	\$ 28,983,000 ..	\$ 3,586,000 ..	\$ 111,789,000
February 1,....	144,675,000 ..	27,479,000 ..	6,404,000 ..	112,057,000
March 1,....	137,674,000 ..	29,324,000 ..	5,863,000 ..	107,974,000
April 5,....	124,477,000 ..	33,764,000 ..	7,699,000 ..	94,082,000
May 3,....	133,406,000 ..	35,175,000 ..	8,482,000 ..	109,684,000
June 7,....	142,318,000 ..	31,243,000 ..	8,313,000 ..	125,566,000
July 5,....	143,648,000 ..	31,790,000 ..	9,270,000 ..	127,496,000
" 26,....	149,768,000 ..	33,064,000 ..	9,244,000 ..	132,427,000
August 2,....	150,517,000 ..	34,022,000 ..	9,311,000 ..	137,113,000
" 9, ..	151,190,000 ..	34,611,000 ..	9,321,000 ..	139,544,000
" 16,....	152,323,000 ..	35,301,000 ..	9,237,000 ..	142,084,000

There is still a large export of specie to Europe, in discharge of imports of goods under the tariff of 1861. For the present year, up to the middle of August, the shipments were \$37,835,000. This will continue until the large indebtedness to Europe shall be cancelled, and the end of remittances for American securities sold recently on foreign account. The imports under the new tariff of July, 1862, will be of a more limited character than in the years 1858—1861, our people being inclined to foster our own manufactures during the existing war. The following are the comparative exports of specie to foreign ports, from New-York, each year since 1852, up to the middle of August:

1852,.....	\$ 16,755,000 ..	1856,.....	\$ 22,638,000 ..	1860,.....	\$ 32,432,000
1853,.....	18,418,000 ..	1857,.....	31,627,000 ..	1861,.....	3,263,000
1854,.....	22,281,000 ..	1858,.....	17,061,000 ..	1862,.....	37,835,000
1855,.....	20,864,000 ..	1859,.....	47,496,000 ..		

Nothing but a vigorous adherence to the "American system," or domestic manufactures, will prevent this heavy abstraction of specie to foreign ports. If we wish to preserve our own institutions, our capitalists and domestic labor, we must, for a few years at least, confine our importations of foreign goods to the amount of our exports of domestic produce and merchandise.

In our last number (p. 165) we showed the daily fluctuations in the market value of gold from 1st June to 19th July. The following has been the range since in the rates of premium:

July 31,..... 90 @ 20½ ..	July 31,..... 15 @ 16 ..	August 12,..... 18½ @ 14
" 22,..... 19½ @ 20½ ..	August 1,..... 15½ @ 15½ ..	" 13,..... 14 @ 14½
" 23,..... 19 @ 19½ ..	" 2,..... 15 @ 15½ ..	" 14,..... 15 @ 16
" 24,..... 17 @ 17½ ..	" 4,..... 14½ @ 15 ..	" 15,..... 14½ @ 15½
" 25,..... 14 @ 17½ ..	" 5,..... 14½ @ 14½ ..	" 16,..... 14½ @ 15½
" 26,..... 17½ @ 18 ..	" 6,..... 14½ @ 14½ ..	" 18,..... 15 @ 15½
" 28,..... 16½ @ 17½ ..	" 7,..... 14½ @ 14½ ..	" 19,..... 14½ @ 15½
" 29,..... 15½ @ 16½ ..	" 8,..... 13½ @ 13½ ..	" 20,..... 15 @ 15½
" 30,..... 14½ @ 14½ ..	" 9,..... 12½ @ 12½ ..	" 21,..... 15½ @ 16
	" 11,..... 13½ @ 14 ..	" 22,..... 15 @ 16½

The highest premium reached was in July, 20½; and the lowest since that date was 12½. Silver is bought at 109½ @ 110½, and sold by the brokers at 112. Old demand Treasury notes are comparatively scarce, and selling at 107½ @ 108, they being equivalent to specie in payment of Custom-House dues.

The Treasury Department is prepared to issue a million dollars per day of the small Treasury notes. The postal currency will be ready for delivery, in any quantity, next week. The arrangements for facilitating its issue from the New-York office are already completed, Mr. Casco having set apart a special room in the Sub-Treasury building for the purpose. The stage proprietors and other public carriers already give notice that they will receive no more old stamps after to-day.

The rates for bankers' bills on London this week are 127 @ 127½, at sixty days' sight; for commercial, 125½ @ 127; Paris, sixty days, 4.45 @ 4.87½; Antwerp, 4.46½ @ 4.42½; Swiss, 4.40; Hamburg, 42½ @ 48; Amsterdam, 47½ @ 47½; Frankfort, 47½ @ 48; Bremen, 90½ @ 92. The annexed is a summary of the closing quotations for bankers' bills on the places named, at sixty days' sight, at the close of the last four months:

	May 22.	June 23.	July 23.	Aug. 23.
London, bankers' bills,.....	113½ @ 114	117½ @ 118	181½ @ 182	127½ @ 128
" mercantile bills,....	113½ @ 118	117 @ 117½	180 @ 180½	126 @ 127
" with bills of lading, 113½ @ 118	115½ @ 116½	139 @ 139½	125½ @ 126	126
Paris, bankers' bills,.....	4.97½ @ 4.98½	4.81½ @ 4.76½	4.85 @ 4.80	4.45 @ 4.87½
Amsterdam, per guilder,....	43 @ 43	43½ @ 44½	48½ @ 49½	47½ @ 47½
Bremen, per rix dollar,....	82 @ 82½	84 @ 84½	92½ @ 94½	90½ @ 92
Hamburg, per marc banco,....	87½ @ 88	89 @ 89½	48½ @ 44½	42½ @ 48
Frankfort, per florin,.....	43½ @ 43	44½ @ 44½	48½ @ 49½	47½ @ 48

The stock market has been quite active during the month, with heavy transactions in government and State loans, at improved values. Government sixes, of 1861, have advanced to 101½; registered six per cents, of 1867, are quoted at 99½ offered, 100 asked; the 7.80 notes are selling at 104½ @ 105; Ohio sixes have advanced from 105, as quoted in our last No., to 106; Pennsylvania sixes from 89½ to 92; Virginia sixes from 58 to 56; Georgia, from 70 to 78; North Carolina, from 64½ to 66; Missouri, from 47½ to 48½; Tennessee, from 50½ to 52½.

We annex the highest cash prices offered for eight weeks past, at the dates named, of the government and leading State securities in this market:

	June 11th.	21st.	July 1st.	10th.	21st.	Aug. 1st.	11th.	21st.
U. S. 6's, 1861, coupons,....	106½	106½	102½	103½	99	98½	99½	101½
U. S. 5 per cents, 1874,.....	96½	96½	98½	90	86½	85½	86½	90½
Ohio 6 per cents, 1836,....	105	105	105	107	105	104	104½	106
Kentucky 6 per cents,....	94	96	97	94½	94½	94	94	94
Indiana 5 per cents,.....	..	..	80	80	80	..	80	..
Pennsylvania 5 per cents, ..	89½	89½	85½	89	89½	91	92	92½
Virginia 6 per cents,.....	57½	56½	56½	58	58	54½	54	56
Georgia 6 per cents,.....	57	57	77	73	70	70	70	78
California 7 per cents, 1877,	97½	97	94	93	94	95	97	97½
North Carolina 6 per cents,	74	78	73½	70	64½	66	65	66
Missouri 6 per cents,.....	56½	51½	51½	48½	47½	46	46½	48½
Louisiana 6 per cents,.....	65	66	66	66	65	68	68	64
Tennessee 6 per cents,....	60½	56½	57½	54	50½	50	50½	52½

New-York State seven per cents, long bonds, are held at 119; six per cents, of 1877, at 117 @ 118; Illinois war loan, 98 @ 99; Michigan sixes, 96 @ 98; war loan, 100 @ 102; Minnesota 8 per cents, 98 @ 102; Indiana war loan, 94½ @ 95. On the 20th, Mr. Cisco, Sub-Treasurer at New-York, negotiated \$3,000,000 United States 7 8-10 notes at 104.

In rail-road securities there has been, to holders, a very satisfactory advance in market values. New-York Central shares, after the dividend, are quoted at 98½ @ 94; Erie shares, since our last month's report, have advanced from 84½ to 88½; Harlem, from 14½ to 16½; Reading, from 54½ to 59½; Hudson River, from 48½ to 48½; Michigan Central, from 60½ to 67; Michigan Southern, from 26 to 30; Panama, from 182½ to 189; Illinois Central, from 57½ to 61½; Cleveland and Toledo, from 47½ to 52½; Rock Island, from 64½ to 67½; Galena and Chicago, from 70½ to 78; Chicago and Burlington, from 77½ to 85.

The following are the changes in the market values of leading rail-road shares for the past three months. Those with a star paid no dividend last year:

	June 11th.	21st.	July 1st.	11th.	21st.	Aug. 1st.	11th.	21st.
N. Y. Central R. R. shares,.....	92½	94	92½	91½	92½	90	92½	98½
*N. Y. and Erie R. E. shares,....	88½	87½	86½	84½	81½	88½	85½	88½
*Harlem R. E. shares,.....	16	17½	17½	16	14½	14½	15½	16½
*Reading R. E. shares,.....	57½	57½	59½	57	54½	56	59½	59½
*Hudson River R. E. shares,....	47	47½	47	45½	49½	44½	47	48½
Michigan Central R. E. shares,.	61½	64½	68	61	60½	59½	68½	67
*Michigan Southern R. E. shares,	27	27½	26½	26	25	25	27	30
Panama R. E. shares,.....	184½	186½	186	180	182½	188½	187	189
Baltimore and Ohio R. E. shares,	66	66	67½	61	67½	64	64½	68
*Illinois Central R. E. shares,...	64½	62½	61½	58½	57½	57½	59½	61½
*Cleveland and Toledo R. E.	45½	48	48½	47	47½	47	48½	52½
*Chicago and Rock Island R. E.,	64	67½	68½	64	64½	68	66	67½
Galena & Chicago R. E. shares,	70	71½	71½	69½	70½	67½	70	78
Chicago, Burlington & Quincy,	78	77	77	71½	77½	78½	82½	85

The large accumulation of money in the New-York banks indicates the surplus capital in this community unemployed. These deposits are now over one hundred and forty millions of dollars, a much larger sum than ever before held by these institutions. We hear of transactions this week "on call," at four per cent., but these are isolated instances, the range being generally from 5 to 6 per cent. on first class collateral. On rail-road securities and negotiable paper, money can be had at short dates at six per cent. We annex the current rates on loans in this market at the close of the past four months:

	May 22.	June 22.	July 22.	Aug. 22.
	Per cent.	Per cent.	Per cent.	Per cent.
Loans on call, State Stock securities,.....	4 @ 5 ..	3 @ 5 ..	6 @ 7 ..	5 @ 6
" other good securities,.....	5 @ 6 ..	5 @ 7 ..	7 @ 7 ..	6 @ 7
Prime endorsed bills, 60 days,.....	4 @ 5 ..	4 @ 5 ..	5½ @ 6 ..	6½ @ 7
First class single signatures, 4 to 6 months,....	5 @ 7 ..	5 @ 7 ..	6 @ 7 ..	6 @ 7
Other good bills,.....	6 @ 7 ..	6 @ 7 ..	7 @ 9 ..	7 @ 9
Names less known,.....	9 @ 12 ..	9 @ 12 ..	9 @ 12 ..	9 @ 12

The Bank of England reduced its rate of discount, on the 10th July, to 3½ per cent., and on the 24th, to two per cent. The only previous occasion on which the bank rate was as low as two per cent. was ten years back, during the nine months from April, 1853, to January, 1858. The stock of bullion throughout that period was much higher than the present total; but there was then nothing analogous to the cotton crisis, which now limits our currency requirements. The average amount was £31,350,000, and at one time it stood at £32,333,138—the highest ever attained.

The London *Economist* of July 26, says: "The supply of gold, resulting from realizations of securities in New-York, continues, increasing the amount of money afloat. The bank directors yesterday reduced the rate to two per cent. In the open market capital does not command as much as the bank rate, and the applications at the bank, therefore, are very limited. Very good paper of short dates can be discounted at 1½ per cent. For longer periods the rates are unsettled. The Portuguese loan for £5,000,000, of which £500,000 was reserved for Lisbon, and £500,000 previously placed, has been applied for by subscribers to the amount of £21,000,000.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII NEW SERIES. OCTOBER, 1862.

No. 4.

THE RESULTS OF THE CENSUS.

Preliminary Report on the Eighth Census of the United States. By
JOSEPH C. G. KENNEDY, *Superintendent. One volume, octavo, pp. 294.*

THIS valuable volume having been issued from the press, and its details made public to the people, we are now able to ascertain, from tolerably correct data, the increased wealth, production and resources of the country during the past decade. This preliminary report is a mere index to and summary of the contents of the forthcoming report in detail, but gives ample information and tabular statements as to the agricultural products of the country, and of each separate State; statistics of population, sexes, the blind, deaf and dumb; the insane and the idiotic; mineral productions; manufactures; immigration; insurance; iron, leather, malt liquors and breweries; liquors, lumber, musical instruments, oils, real and personal property, rail-roads, representation, salt, slaves and slavery, taxation, tonnage, wool, cotton and flax, and many other subjects. One of the first anomalies of the census is the large number of females in the Eastern States, and of males throughout the West; equal to 74,393 of the former, and 807,651 of the latter. This unevenness is not the workings of

"Nature's own sweet and cunning hand,"

but arises from the large emigration of male population from the Atlantic States, and from England and Ireland, to the Western States. Illinois having a surplus male population of 93,591; California, 163,129. Indiana, 47,986; Ohio, 40,588; Missouri, 62,773; Michigan, 40, 39; Iowa, 34,021; Wisconsin, 38,919; Texas, 36,279.

In the whole United States and territories the white population, in 1860, was 26,966,662, of whom were males,..... 13,849,960
And females,..... 13,116,702

Excess of males, 5.59 per cent., or..... 733,258

The excess of males is mainly in the Western States, of which the following is a recapitulation :

	<i>White Population.</i>	<i>Males.</i>	<i>Females.</i>	<i>Excess of Males.</i>
1. Alabama,.....	526,271 ..	270,190 ..	256,081 ..	14,109
2. Arkansas,.....	324,143 ..	171,477 ..	152,666 ..	18,811
3. California,.....	361,353 ..	262,241 ..	99,112 ..	163,129
4. Delaware,.....	90,589 ..	45,940 ..	44,649 ..	1,291
5. Florida,.....	77,747 ..	41,128 ..	36,619 ..	4,509
6. Georgia,.....	591,550 ..	301,066 ..	290,484 ..	10,582
7. Illinois,.....	1,704,291 ..	898,941 ..	805,350 ..	93,591
8. Indiana,.....	1,338,710 ..	693,848 ..	645,362 ..	47,986
9. Iowa,.....	673,779 ..	353,900 ..	319,879 ..	34,021
10. Kansas,.....	106,390 ..	58,806 ..	47,584 ..	11,222
11. Kentucky,.....	919,484 ..	474,193 ..	445,291 ..	28,902
12. Louisiana,.....	357,456 ..	189,648 ..	167,808 ..	21,840
13. Maine,.....	626,947 ..	316,527 ..	310,420 ..	6,107
14. Michigan,.....	739,799 ..	389,919 ..	349,880 ..	40,039
15. Minnesota,.....	171,237 ..	92,677 ..	78,550 ..	14,127
16. Mississippi,.....	353,899 ..	186,273 ..	167,626 ..	18,647
17. Missouri,.....	1,063,489 ..	563,131 ..	500,358 ..	62,773
18. Ohio,.....	2,802,808 ..	1,171,698 ..	1,131,110 ..	40,588
19. Oregon,.....	52,160 ..	31,451 ..	20,709 ..	10,742
20. Pennsylvania,.....	2,849,259 ..	1,427,943 ..	1,421,316 ..	6,627
21. South Carolina,.....	291,300 ..	146,160 ..	145,140 ..	1,020
22. Tennessee,.....	826,722 ..	422,779 ..	403,943 ..	18,836
23. Texas,.....	420,891 ..	228,585 ..	192,306 ..	36,279
24. Vermont,.....	314,369 ..	158,406 ..	155,963 ..	2,443
25. Virginia,.....	1,047,299 ..	528,842 ..	518,457 ..	10,385
26. Wisconsin,.....	774,097 ..	406,508 ..	367,589 ..	38,919
Territories,.....	267,320 ..	158,723 ..	108,597 ..	50,126
27 States and Territories,.....	19,178,349 ..	9,990,500 ..	9,182,849 ..	807,651

The following are the eight States in which the number of females exceed the males, according to the census of 1860 :

	<i>White Population.</i>	<i>Males.</i>	<i>Females.</i>	<i>Excess of Females.</i>
27. Connecticut,.....	451,504 ..	221,851 ..	229,653 ..	7,802
28. Maryland,.....	515,918 ..	256,839 ..	259,079 ..	2,240
29. Massachusetts,.....	1,221,432 ..	592,231 ..	629,201 ..	36,970
30. New-Hampshire,.....	325,579 ..	159,563 ..	166,016 ..	6,453
31. New-Jersey,.....	646,699 ..	322,733 ..	323,966 ..	1,233
32. New-York,.....	3,831,590 ..	1,910,279 ..	1,921,311 ..	11,032
33. North Carolina,.....	629,942 ..	313,670 ..	316,272 ..	2,602
34. Rhode Island,.....	170,649 ..	82,294 ..	88,355 ..	6,061
Eight States,.....	7,793,313 ..	3,859,460 ..	3,933,853 ..	74,393
Twenty-six States,...	19,178,349 ..	9,990,500 ..	9,182,849 ..	807,651
Thirty-four States,...	26,966,662 ..	13,849,960 ..	13,116,702 ..	733,258

The excess of males in 26 States and in the territories was, in 1860, 807,651
 The excess of females in eight States was 74,393

Net excess of white males, 733,258

The total population of the United States, in 1860, consisted of as follows:

Males,	13,849,960	
Females,	13,116,702	26,966,662
Free colored males,	234,000	
do. females,	253,996	487,996
Indians, males,	19,474	
do. females,	17,188	36,662
Slaves, males,	1,982,625	
do. females,	1,971,135	3,953,760
Total population, 1860,		31,445,080

The English census was taken on the 8th of April, 1861, and on that day the population of England and Wales, and of the islands in the British seas, was 20,205,504. It was estimated that the portion of the army, navy and merchant seamen out of the country belonging to England and Wales, not enumerated, was 162,021. The actual increase of population in these divisions of the kingdom was 2,169,576, which was greater than in any previous decade, though the *rate of increase* has somewhat diminished, owing, it was supposed, to emigration to the United States and elsewhere. The islands in the British seas had a population of 143,779.

In Great Britain the surplus of females, according to the late census of 1861, is 573,530, viz.:

	Males.	Females.	Total.
England and Wales,	9,758,852	10,302,873	20,061,725
Scotland,	1,447,015	1,614,314	3,061,329
Ireland,	2,804,961	2,959,582	5,764,543
Islands,	66,894	77,885	143,779
Army, navy and merchant seamen,	303,412	....	303,412
Total, United Kingdom	14,380,634	14,954,154	29,334,788
Total white, United States,			26,966,662
Total whites, colored and Indians, United States, 1860,			31,445,080

The surplus of females, 573,530 in number, in Great Britain, is increased to 876,942, if we exclude the men serving abroad in the army, navy and merchant marine. Owing to the large immigration of males from Ireland in the years 1847-1855, and other causes, this inequality has increased from 4.9 per cent. to 6.2 per cent. in Great Britain, viz.:

Census Year, United Kingdom.	Proportion of Females to every 100 Males.
1841,	104.9
1851,	105.1
1861,	106.2

This inequality does not arise from natural causes, but may be attributed to political causes. The continued immigration of able-bodied males from Ireland and England to the United States, and to Australia and Canada, during the last decade, served to produce a resulting unevenness in the sexes at home. To this add the events of the Crimean and other wars, the extraordinary losses of life at sea, and other circumstances, which did not prevail prior to 1850 to such an extent as we have since seen.

The agricultural products claim attention more largely, as they affect seriously the balances of foreign trade with this country, and are among the strongest indications of the increasing wealth of the States. Illinois takes the lead in the production of wheat and corn, and, by means of her rail-roads, finds a ready market at the East for these important staples. From the official returns it would appear that New-York, which was, in 1830-'40, one of the leading wheat-producing States, has now become the seventh, and is about on a parallel with Michigan in the article of wheat. Agriculturists state that the cultivation of wheat or any other article for a long series of years, without intermission, is an injury to the soil and to the crops. If New-York would recover her position as a leading State in the production of wheat, more attention must be given to rotation of crops. The relative position of this State as a wheat producer, since 1840, is shown in the annexed summary of all the States producing over five million bushels each.

WHEAT PRODUCING STATES, 1840-1860.

	1840.	1850.	1860.
Illinois,	3,335,400	9,414,600	24,159,500
Indiana,	4,049,400	6,214,400	15,219,100
Wisconsin,	212,100	4,286,100	15,812,600
Ohio,	16,571,600	14,487,300	14,532,600
Virginia,	10,109,700	11,212,600	13,129,100
Pennsylvania,	13,213,000	15,367,700	13,045,200
New-York,	12,286,400	13,121,500	8,681,100
Michigan,	2,157,100	4,925,800	8,313,200
Iowa,	151,700	1,530,500	8,433,200
Kentucky,	4,803,100	2,142,800	7,394,800
Maryland,	3,345,700	4,494,600	6,103,500
California, .....	.....	17,200	5,946,600
Tennessee,	4,569,700	1,619,400	5,409,900
Thirteen States,	74,804,900	88,834,500	146,180,400
All others,	13,708,300	11,651,300	25,003,100
Bushels of wheat,	88,513,200	100,485,800	171,183,500

Thus the West and Northwest must become the future granary for the supply of the Eastern States and of Europe, while other States, giving more attention to other crops, neglect the cereals.

The following table is a summary view of the production of wheat, rye, Indian corn, oats and potatoes in each of the States. There is no doubt that the product would be one-third larger if the foreign market continue an active one for the surplus.

WHEAT, RYE, CORN, OATS AND POTATOES, PRODUCED IN EACH STATE OF THE UNITED STATES, IN 1860.

STATES.	Wheat. Bushels.	Rye. Bushels.	Corn. Bushels.	Oats. Bushels.	Potatoes. Bushels.
California,.....	5,946,600 ..	51,000 ..	524,900 ..	957,684 ..	1,647,298
Connecticut,.....	63,400 ..	618,700 ..	2,059,800 ..	1,522,318 ..	1,888,148
Delaware,.....	913,000 ..	27,200 ..	3,892,400 ..	1,046,910 ..	877,981
Illinois,.....	24,159,500 ..	981,800 ..	115,296,800 ..	15,386,079 ..	5,799,964
Indiana,.....	15,319,100 ..	400,200 ..	69,641,600 ..	5,028,755 ..	3,878,180
Iowa,.....	8,483,200 ..	176,000 ..	41,117,000 ..	5,879,658 ..	2,700,515
Kansas,.....	168,500 ..	3,900 ..	5,678,800 ..	80,744 ..	288,968
Kentucky,.....	7,884,900 ..	1,065,800 ..	64,048,600 ..	4,617,029 ..	1,756,582
Maine,.....	283,900 ..	123,800 ..	1,546,000 ..	2,988,989 ..	6,374,617
Maryland,.....	6,108,500 ..	519,000 ..	13,445,000 ..	3,956,298 ..	1,264,429
Massachusetts,.....	119,300 ..	898,000 ..	2,157,000 ..	1,180,075 ..	3,301,901
Michigan,.....	8,313,200 ..	494,900 ..	12,152,100 ..	4,078,098 ..	5,264,783
Minnesota,.....	2,195,800 ..	194,300 ..	2,987,600 ..	2,309,050 ..	2,027,945
Missouri,.....	4,227,600 ..	298,300 ..	72,892,200 ..	3,680,870 ..	1,990,850
New-Hampshire,.....	229,000 ..	123,800 ..	1,414,700 ..	1,329,213 ..	4,187,548
New-Jersey,.....	1,768,100 ..	1,439,500 ..	9,728,800 ..	4,589,132 ..	4,171,690
New-York,.....	8,631,100 ..	4,787,000 ..	20,061,000 ..	35,175,138 ..	26,447,889
Ohio,.....	14,582,600 ..	656,100 ..	70,687,100 ..	15,479,133 ..	8,752,373
Oregon,.....	322,400 ..	2,700 ..	74,600 ..	900,304 ..	311,700
Pennsylvania,.....	18,045,900 ..	5,474,900 ..	25,196,800 ..	27,337,149 ..	11,637,468
Rhode Island,.....	1,100 ..	23,800 ..	459,000 ..	284,458 ..	542,909
Vermont,.....	481,100 ..	181,000 ..	6,463,000 ..	3,511,605 ..	5,147,908
Wisconsin,.....	15,312,600 ..	888,500 ..	7,565,800 ..	11,059,270 ..	3,343,505
Territories,.....	1,007,400 ..	11,200 ..	2,757,200 ..	465,593 ..	543,062
Total bushels,.....	189,816,500 ..	18,808,100 ..	549,786,700 ..	152,684,280 ..	103,993,003
SECEDED STATES.					
Alabama,.....	1,232,500 ..	74,000 ..	82,761,200 ..	716,425 ..	397,566
Arkansas,.....	955,800 ..	77,900 ..	17,753,700 ..	502,866 ..	413,000
Florida,.....	2,300 ..	21,300 ..	2,824,500 ..	46,779 ..	13,549
Georgia,.....	2,545,000 ..	115,600 ..	80,776,300 ..	1,231,817 ..	316,352
Louisiana,.....	29,300 ..	12,800 ..	16,205,900 ..	65,845 ..	382,725
Mississippi,.....	579,500 ..	41,300 ..	29,568,700 ..	121,088 ..	401,904
North Carolina,.....	4,743,700 ..	436,900 ..	30,073,600 ..	2,781,860 ..	880,565
South Carolina,.....	1,235,600 ..	89,100 ..	15,065,600 ..	986,974 ..	226,735
Tennessee,.....	5,409,900 ..	265,300 ..	50,743,800 ..	2,343,123 ..	1,174,647
Texas,.....	1,464,300 ..	95,000 ..	16,521,600 ..	968,812 ..	163,987
Virginia,.....	13,129,100 ..	944,000 ..	83,860,700 ..	10,184,865 ..	2,292,113
Seceding States,.....	31,867,000 ..	2,173,100 ..	280,665,100 ..	19,920,408 ..	6,573,193
Other States,.....	189,816,500 ..	18,808,100 ..	549,786,700 ..	152,684,280 ..	103,993,003
Totals, 1860,.....	171,183,500 ..	20,976,200 ..	830,451,800 ..	172,554,688 ..	110,571,301
" 1850,.....	100,486,000 ..	14,188,800 ..	592,071,000 ..	148,584,179 ..	65,797,396

The relative values of these products in the loyal and in the seceding States may be represented as follows :

	Wheat, at \$1 25.	Rye, at 75 cts.	Corn, at 50 cts.	Oats, at 50 cts.	Potatoes, at 50 cts.
Loyal States,.....	\$ 174,770,000 ..	\$ 14,108,000 ..	\$ 274,593,000 ..	\$ 76,317,000 ..	\$ 51,993,000
Seceding States,.....	39,309,000 ..	1,630,000 ..	140,362,000 ..	9,960,000 ..	3,289,000
Total, 1860,.....	\$ 218,979,000 ..	\$ 15,738,000 ..	\$ 415,225,000 ..	\$ 86,277,000 ..	\$ 55,282,000
" 1850,.....	125,607,000 ..	10,641,800 ..	298,082,000 ..	78,292,000 ..	32,393,000

New-York, in 1840, with a population of 2,428,921, produced 12,286,400 bushels of wheat, or five bushels *per capita*, and in 1850 a little over four bushels *per capita*; but now this production is reduced to about two and a quarter bushels each. The production of the whole country per head, according to the census of 1840-1860, having been as follows:

Year.	Population.	Wheat. Product.	Bushels, <i>per capita</i> .
1840,.....	17,069,453	.. 88,513,000	.. 5.12
1850,.....	23,191,876	.. 100,485,000	.. 4.33
1860,.....	31,445,089	.. 171,183,000	.. 5.44

Of the facilities for increased production in the United States, the new report of the superintendent of the census says:

"Whether the superior agricultural advantages and the demand for improved implements and machinery in the United States have stimulated the facile ingenuity of our mechanics, or have only been seconded by its ready contributions to industry, we shall not stop to inquire. The greatest triumphs of mechanical skill in its application to agriculture are witnessed in the implements adapted to the tillage, harvesting and subsequent handling of the immense grain crops of the country, and particularly upon the Western prairies. Without the improvements in ploughs and other implements of tillage, which have been multiplied to an incredible extent, and are now apparently about to culminate in the steam plough, the vast wheat and corn crops of those fertile plains could not probably be raised. But were it possible to produce wheat upon the scale that it is now raised, much of the profits and not a little of the product would be lost were the farmer compelled to wait upon the slow process of the sickle, the cradle and the hand-rake, for securing it when ripe. The reaping machine, the harvester, and machines for threshing, winnowing and cleaning this wheat for the market, have become quite indispensable to every large grain grower. The commercial importance of the wheat crop and its various relations to the subject of domestic and foreign supply, to markets, the means of transportation, storage, &c., make it highly important that the producer shall have the means of putting his crop in the market at the earliest or most favorable time, and with the greatest precision."

While the surplus of the year 1860 must have been large, there is no doubt that the production in 1861 and 1862 has been much larger, probably exceeding two hundred millions of bushels of wheat. It is well to recur, in the consideration of this question, to the returns of foreign exports from the United States in breadstuffs. These were officially stated as follows:

Year.	Value.	Year.	Value.
1845,.....	\$ 7,445,000	.. 1853,.....	\$ 21,875,000
1846,.....	16,625,000	.. 1854,.....	48,383,000
1847,.....	53,262,000	.. 1855,.....	21,557,000
1848,.....	22,678,000	.. 1856,.....	56,619,000
1849,.....	22,905,000	.. 1857,.....	55,624,000
1850,.....	13,066,000	.. 1858,.....	33,698,000
1851,.....	14,556,000	.. 1859,.....	24,893,000
1852,.....	17,256,000	.. 1860,.....	27,590,000

In the year 1861 the value of breadstuffs and provisions exported had increased to \$94,866,000, against \$45,271,000 in the previous year. These facts show conclusively that the United States are capable of producing wheat and corn to such an extent as will enable us to become a creditor nation in our trade with European countries. The gold of the Pacific, the breadstuffs of the West and Northwest, added to a protective tariff, will, together, contribute to reinstate public credit and individual enterprise whenever the end of the war shall arrive.

England resumed specie payment in 1820-'21, after twenty-three years' suspension, when the population of the United Kingdom was two-thirds of what it is now, and with a national debt of eight hundred and sixty millions sterling, and eighty millions sterling annual expenditure, and fifty millions sterling of paper currency.

It is now less than one year since the suspension of specie payments in this country. Our national debt is not one-sixth of what England had to contend against in 1820, and might be extinguished with ten years' product of California gold. Our annual expenditure, upon the resumption of peace, will probably be reduced to one hundred or one hundred and fifty millions of dollars, being about one-third or one-fourth the annual cost of government in England forty years ago. England may want cotton for the backs of her people, but her want of breadstuffs is more imperative for the present and the future. Instead of Cotton is King, let us remember that Corn is King.

The value of the real and personal property of the country has increased from \$7,135,780,000 in 1850, to \$16,159,616,000 in 1860. Included in the return of property in the eleven seceding States (\$5,202,166,107) are the slaves in those States, 3,521,110 in number. The census returns do not specify the values of these slaves separately from other personal property. From careful inquiries we infer that their average assessed value in 1860 was \$500 each. This would make the aggregate value of the slave property in the eleven States, \$1,760,555,000 Which, deducted from the aggregate of all property, 5,202,166,000

Would reduce the value of real and other personal property in the seceding States to \$3,441,611,000
or a fraction over \$600 *per capita*.

Mr. KENNEDY, the superintendent, adds: "The figures which we have given make it appear, that during the decade from 1850 to 1860 our population, in the aggregate, has increased more than thirty-five per cent. More than fifty millions of acres of land were brought into cultivation. The productions of agriculture multiplied in ratio greater than the population. The products of manufacture increased nine hundred millions of dollars, or at the rate of eighty-six per cent. The banking capital ran up from \$227,469,074 in 1850 to \$421,880,095 in 1860, while the circulating currency was augmented \$52,089,560. The amount of insurances increased about \$311,000,000. More than 22,000 miles of rail-road were completed, and the capital involved increased from \$296,640,148 in 1850, to \$1,151,560,829 in 1860; while to indicate on the map of our country the lines of telegraph, would be to represent the web of the spider over its entire surface.

STATISTICS OF THE CENSUS OF 1860.

Tabular Statement of the number of Horses, Mules, Cows, Oxen, Sheep and Swine in each State, with the value of live stock, and the aggregate cash value of Farms, according to the Census of 1860.

	Horses.	Mules and Asses.	Milk Cows.	Working Oxen.	Other Cattle.	Sheep.	Swine.	Live Stock.	Cash value of Farms.
LOYAL STATES.									
1. California,	160,895	18,744	198,859	81,587	952,048	1,075,718	458,598	\$ 86,601,184	\$ 48,571,994
2. Connecticut,	88,276	89	98,577	47,989	95,091	117,107	70,190	11,811,079	90,880,005
3. Delaware,	18,568	2,294	22,295	9,580	25,596	18,587	47,848	3,144,706	81,436,337
4. Illinois,	575,161	88,881	582,781	90,978	881,377	775,880	9,379,793	78,484,681	482,681,073
5. Indiana,	409,504	18,627	491,083	95,983	682,990	2,151,875	2,498,028	50,116,964	844,902,776
6. Iowa,	174,937	5,718	188,546	56,568	291,145	225,228	921,161	21,776,786	118,741,405
7. Kansas,	18,839	1,480	26,726	20,188	41,000	15,709	128,809	8,205,529	11,894,184
8. Kentucky,	855,704	117,685	969,215	106,999	457,845	988,900	3,800,595	61,862,287	291,496,955
9. Maine,	60,688	104	147,915	79,793	149,827	482,473	54,788	15,487,388	78,060,725
10. Maryland,	93,406	9,829	99,468	84,524	119,254	155,765	857,756	14,657,838	145,978,677
11. Massachusetts,	47,786	108	144,493	88,321	97,201	114,829	78,948	12,787,744	128,235,948
12. Michigan,	154,168	859	200,685	65,949	267,688	1,465,477	374,664	23,220,026	163,379,087
13. Minnesota,	17,192	695	40,836	27,574	51,048	18,128	101,259	8,655,366	19,070,737
14. Missouri,	861,874	80,941	843,249	166,568	657,158	997,445	3,854,485	58,069,678	320,682,126
15. New Hampshire,	41,101	10	94,880	51,519	119,075	810,884	51,895	10,924,687	69,889,761
16. New Jersey,	79,707	6,899	185,818	10,067	86,909	185,228	236,069	16,184,668	150,250,888
17. New York,	508,725	1,558	1,128,684	121,792	797,887	2,617,855	910,178	108,808,896	868,848,668
18. Ohio,	622,889	6,917	694,809	61,760	901,791	8,068,887	2,170,028	90,488,790	666,664,171
19. Oregon,	38,600	990	58,073	7,428	98,001	75,996	79,660	6,272,863	14,765,855
20. Pennsylvania,	487,654	8,889	678,547	60,871	688,575	1,681,540	1,081,866	60,672,736	662,050,707
21. Rhode Island,	7,121	10	19,700	7,807	11,548	89,624	17,478	2,042,044	19,884,878
22. Vermont,	67,250	85	171,693	42,840	149,359	791,998	49,438	15,884,868	91,511,678
23. Wisconsin, Territories,	116,192 25,516	1,019 13,020	198,906 65,597	98,600 51,921	225,210 78,075	892,454 886,328	888,957 57,456	17,807,866 8,697,861	181,117,089 19,458,286
Loyal States,	4,417,180	828,890	6,037,861	1,388,480	7,744,188	18,804,697	17,024,709	\$ 716,697,943	\$ 4,779,988,697

SECESSION STATES.

24. Alabama,	137,905	108,701	284,045	92,495	452,643	369,061	1,764,959	43,061,905	172,176,168
25. Arkansas,	101,949	44,158	158,578	70,944	818,855	392,674	1,155,879	22,040,911	91,673,408
26. Florida,	13,424	10,909	29,704	7,787	294,786	29,968	974,814	5,480,789	16,371,684
27. Georgia,	190,771	101,069	399,688	74,437	631,707	512,618	2,064,116	39,372,784	157,072,908
28. Louisiana,	79,068	92,250	180,679	61,008	329,335	180,835	648,535	24,751,932	215,565,421
29. Mississippi,	117,184	112,488	229,184	104,184	415,559	397,754	1,364,097	40,346,079	186,606,914
30. North Carolina,	150,661	51,383	328,638	43,511	416,676	546,749	1,858,314	81,180,805	143,801,068
31. South Carolina,	81,125	56,456	168,988	92,699	390,309	333,509	965,779	38,984,465	139,652,505
32. Tennessee,	239,648	119,321	241,105	104,495	408,074	773,317	2,843,948	61,357,374	372,555,054
33. Texas,	890,681	68,000	598,056	173,243	2,733,297	783,618	1,863,373	52,993,984	104,007,689
34. Virginia,	287,522	41,014	330,637	97,869	615,695	1,042,946	1,589,519	47,794,256	371,694,311
Secession States,	1,698,323	900,638	3,691,495	856,645	6,937,377	5,013,059	15,590,558	390,992,374	1,870,988,920
Loyal States,	4,417,180	823,890	6,067,867	1,368,490	7,744,123	18,304,067	17,024,709	710,527,943	4,779,983,587
Total, 1860,	6,115,503	1,724,528	9,759,362	2,225,135	14,681,500	23,317,126	32,615,267	1,101,520,317	6,650,972,507
do. 1850,	4,896,419	559,331	6,355,094	1,700,694	10,385,689	21,729,220	80,854,218	544,190,516	3,371,375,426
Increase,	1,219,084	1,165,197	3,394,268	524,441	4,295,811	1,587,906	2,810,049	557,329,791	3,279,597,081

Mr. KENNEDY also says, in his *Preliminary Report*, "Admitting that the insurrection has tended to depress commerce, to paralyze many branches of industry, and plunged the nation into a debt of surpassing magnitude, and while the ordinary internal trade, so vast in its amount, has been suspended between the North and West and the South, there may be found abundant causes for thankfulness that the mass of our population has thus far experienced but gently the sufferings and desolation usually attendant upon a revolution of so wide-spread and serious a nature as this has proved. The nation may seem to bend with its present burdens, but the American people possess a buoyancy and energy equal to the emergency. The truth is, the mass of our people feel some of the calamitous effects of the insurrection less than those of other governments experience them; and the singular and anomalous fact is apparent to all, that, while the people of the United States, beyond the direct influence of the rebellion, and who constitute a large proportion of its inhabitants, are prospering in every branch of industry, and while our government securities are being eagerly absorbed, and the stocks of the Northern States are covered at a premium, many of the powerful nations of Europe witness the prostration of their manufactures and decline of commerce with serious apprehensions lest the pressure on their people may lead to deplorable sufferings."

Tabular Statement of the aggregate values of Real and Personal Property in each State and Territory, according to the Census of 1850 and 1860, with the white population of each, and property per capita.

STATES.	White Population, 1860.	REAL AND PERSONAL PROPERTY.		Per Capita, 1860.
		Value, 1850.	Value, 1860.	
1. New-York,.....	3,831,730	.. \$ 1,080,309,216	.. \$ 1,843,338,517	.. \$ 475
2. Pennsylvania,....	2,849,266	.. 722,486,120	.. 1,416,501,818	.. 487
3. Ohio,.....	2,302,838	.. 504,726,120	.. 1,193,898,422	.. 510
4. Illinois,.....	1,704,323	.. 156,265,006	.. 371,860,282	.. 509
5. Massachusetts,...	1,221,464	.. 573,342,286	.. 815,237,433	.. 662
6. Kentucky,.....	919,517	.. 301,628,456	.. 666,043,112	.. 576
7. Indiana,.....	1,339,900	.. 202,650,264	.. 528,835,371	.. 391
8. Missouri,.....	1,063,509	.. 137,247,707	.. 501,214,398	.. 424
9. New-Jersey,....	646,699	.. 200,000,000	.. 467,918,324	.. 696
10. Connecticut,....	451,520	.. 155,707,980	.. 444,274,114	.. 965
11. Maryland,.....	515,918	.. 219,217,364	.. 376,919,944	.. 549
12. Wisconsin,.....	774,719	.. 42,056,595	.. 273,671,668	.. 352
13. Michigan,.....	742,314	.. 59,787,255	.. 257,163,983	.. 343
14. Iowa,.....	673,844	.. 23,714,638	.. 247,338,265	.. 366
15. California,.....	361,353	.. 22,161,872	.. 207,874,613	.. 570
16. Maine,.....	626,952	.. 122,777,571	.. 190,211,600	.. 303
17. New-Hampshire,...	325,579	.. 103,652,335	.. 156,310,860	.. 479
18. Rhode Island,....	170,668	.. 80,508,794	.. 135,337,588	.. 775
19. Vermont,.....	314,389	.. 92,205,049	.. 122,477,170	.. 388
20. Minnesota,.....	173,596	.. ..	.. 52,294,413	.. 300
21. Delaware,.....	90,589	.. 21,062,556	.. 46,242,181	.. 412
22. Kansas,.....	106,579	.. ..	.. 31,327,895	.. 292
23. Oregon,.....	52,337	.. 5,063,474	.. 28,930,637	.. 551
States,.....	21,258,694	.. \$ 4,826,571,158	.. \$ 10,875,222,608	.. \$ 511
TERRITORIES.				
1. Dist. of Columbia,	60,764	.. 14,018,874	.. 41,084,945	.. \$ 547
2. New-Mexico,.....	82,924	.. 5,174,471	.. 20,813,768	.. 250
3. Nebraska,.....	28,759	.. ..	.. 9,131,056	.. 316
4. Washington,....	11,138	.. ..	.. 5,601,466	.. 501
5. Utah,.....	40,214	.. 986,083	.. 5,596,118	.. 139
Others,.....	43,619	.. ..	.. ..	.. ..
Territories,....	267,418	.. \$ 20,179,428	.. \$ 82,227,353	.. \$ 307
SECEDING STATES.				
24. Virginia,.....	1,047,411	.. \$ 430,701,082	.. \$ 793,249,681	.. \$ 497
25. Georgia,.....	591,588	.. 335,426,714	.. 645,895,237	.. 611
26. Mississippi,....	353,991	.. 228,951,130	.. 607,324,911	.. 765
27. Louisiana,.....	357,629	.. 233,998,764	.. 602,118,568	.. 354
28. South Carolina, ..	291,388	.. 288,257,694	.. 548,136,754	.. 778
29. Alabama,.....	526,431	.. 228,204,332	.. 495,237,078	.. 512
30. Tennessee,.....	826,782	.. 201,246,686	.. 493,903,892	.. 445
31. Texas,.....	421,294	.. 52,740,473	.. 365,200,614	.. 604
32. North Carolina, ..	631,100	.. 226,800,472	.. 358,739,399	.. 361
33. Arkansas,.....	324,191	.. 39,841,025	.. 219,256,473	.. 503
34. Florida,.....	77,748	.. 22,862,270	.. 73,101,500	.. 520
* Seceding States, ..	5,449,463	.. \$ 2,289,029,642	.. \$ 5,202,166,107	.. ..

RECAPITULATION.

	White Population, 1860.	REAL AND PERSONAL PROPERTY.		Per Capita, 1860.
		Value, 1860.	Value, 1860.	
23 States,	21,258,694 ..	\$ 4,826,571,158 ..	\$ 10,875,222,608 ..	\$ 511
11 Seceding States, ..	5,449,463 ..	2,289,029,642 ..	5,202,166,107 ..	954
Territories,	267,418 ..	20,179,428 ..	82,227,353 ..	307
Totals,	26,975,575 ..	\$ 7,135,780,228 ..	\$ 16,159,616,068 ..	\$ 599

BANK STATISTICS.

- I. *The Banks of Connecticut.* II. *Banking Capital of each Town in Connecticut.* III. *Savings Banks of New-England and New-York.* IV. *Savings Banks of New-Hampshire.*

I. THE BANKS OF CONNECTICUT.

Liabilities and Resources of the Banks of the State of Connecticut.

LIABILITIES.	68 Banks.	71 Banks.	76 Banks.	74 Banks.	75 Banks.
	April, 1864.	April, 1866.	April, 1868.	April, 1860.	Jan., 1862.
Capital,	\$ 15,597,891 ..	\$ 18,918,379 ..	\$ 20,917,168 ..	\$ 21,606,997 ..	\$ 21,794,987
Deposits,	3,910,160 ..	4,090,885 ..	4,140,088 ..	5,506,507 ..	6,142,754
Circulation,	11,319,566 ..	9,197,762 ..	5,380,247 ..	7,702,436 ..	6,913,018
Due other banks,	1,908,655 ..	875,237 ..	684,997 ..	1,166,778 ..	964,752
Miscellaneous,	2,884,083 ..	2,644,823 ..	2,614,497 ..	1,886,994 ..	2,296,534
Total liabilities,	\$ 34,620,304 ..	\$ 35,722,084 ..	\$ 33,736,997 ..	\$ 37,569,719 ..	\$ 38,117,295
RESOURCES.					
Loans,	\$ 23,292,851 ..	\$ 25,511,149 ..	\$ 26,799,430 ..	\$ 30,513,690 ..	\$ 27,066,326
Stocks,	1,298,677 ..	1,216,680 ..	988,755 ..	1,104,348 ..	2,823,612
Real estate,	884,219 ..	458,132 ..	1,085,178 ..	922,817 ..	1,851,519
Other investments,	564,523 ..	488,138 ..	877,000 ..	832,228 ..	128,261
Due by other banks,	2,205,068 ..	3,432,975 ..	2,584,819 ..	2,904,968 ..	4,859,577
Notes of other banks,	459,503 ..	867,319 ..	278,381 ..	373,838 ..	404,923
Specie,	1,207,381 ..	1,006,498 ..	915,844 ..	950,753 ..	1,529,855
Cash items,	306,921 ..	246,248 ..	262,595 ..	262,065 ..	453,222
Total resources,	\$ 34,620,304 ..	\$ 35,722,084 ..	\$ 33,736,997 ..	\$ 37,569,712 ..	\$ 38,117,295

There are now seventy-five banks in operation in Connecticut. Between January 1, 1863, and April 1, 1862, the aggregate capital of these banks was reduced \$4,000.

BANKS THAT REDUCED THEIR CAPITAL, 1862.

	Former amount.	Present amount.	Reduction.
Charter Oak Bank, Hartford,	\$ 538,800 ..	\$ 534,600 ..	\$ 4,200
Mercantile Bank, "	517,000 ..	500,700 ..	16,300
State Bank, "	440,000 ..	438,800 ..	1,200
Farmers and Mechanics' Bank, Hartford, ..	1,110,830 ..	1,104,830 ..	6,000
Tolland County Bank,	86,600 ..	81,600 ..	5,000
Amount of reduction by five banks,			\$ 32,700

BANKS THAT ENLARGED THEIR CAPITAL, 1862.

	<i>Present amount.</i>	<i>Former amount.</i>	<i>Increase.</i>
Ansonia Bank,.....	\$ 78,070 ..	\$ 100,000 ..	\$ 21,930
City Bank, Hartford,.....	540,000 ..	544,000 ..	4,000
Elm City Bank, New-Haven,.....	633,900 ..	634,000 ..	100
Home Bank, West Meriden,.....	281,511 ..	283,161 ..	1,650
New-Britain Bank,.....	98,130 ..	99,150 ..	1,020
Amount increased by five banks,.....			\$ 28,700

II. LOCATION AND CAPITAL OF CONNECTICUT BANKS.

<i>NAMES OF PLACES.</i>	<i>No. of Banks.</i>	<i>Capital, April, 1862.</i>	<i>NAMES OF PLACES.</i>	<i>No. of Banks.</i>	<i>Capital, April, 1862.</i>
Ansonia,.....	1 ..	\$ 100,000	New-Haven,.....	8 ..	\$ 3,478,800
Bethel,.....	1 ..	60,000	New-London,.....	4 ..	666,250
Birmingham,.....	1 ..	806,700	New-Milford,.....	1 ..	125,000
Bridgeport,.....	5 ..	1,179,920	Norfolk,.....	1 ..	100,500
Brooklyn,.....	1 ..	106,400	Norwalk,.....	2 ..	600,000
Clinton,.....	1 ..	75,000	Norwich,.....	6 ..	1,760,163
Danbury,.....	2 ..	577,700	Rockville,.....	1 ..	800,573
Deep River,.....	1 ..	150,000	Southport,.....	1 ..	112,400
East Haddam,.....	2 ..	197,880	Stafford Springs,.....	1 ..	158,000
Essex,.....	1 ..	88,900	Stamford,.....	1 ..	203,020
Falls Village,.....	1 ..	200,000	Stonington,.....	4 ..	229,000
Hartford,.....	12 ..	7,550,830	Thompson,.....	1 ..	70,000
Jewett City,.....	1 ..	62,160	Tolland,.....	1 ..	81,800
Meriden,.....	1 ..	300,000	Waterbury,.....	2 ..	514,100
West Meriden,.....	1 ..	293,161	Westport,.....	1 ..	200,000
Middletown,.....	3 ..	829,600	West Winsted,.....	2 ..	465,475
Mystic,.....	1 ..	52,450	Windham,.....	1 ..	104,700
Mystic Bridge,.....	1 ..	100,000			
New-Britain,.....	1 ..	99,150	Totals, April 1, 1862.	75 ..	\$ 21,790,987

III. SAVINGS BANKS OF NEW-ENGLAND AND NEW-YORK.

<i>STATE.</i>	<i>Population.</i>	<i>Savings Deposits.</i>	<i>No. of Depositors.</i>
New-York,.....	3,880,000 ..	\$ 67,083,000 ..	800,511
Massachusetts,.....	1,281,000 ..	44,785,000 ..	230,068
Connecticut,.....	460,000 ..	20,676,000 ..	90,956
Maine,.....	628,000 ..	1,620,000 ..	11,268
New-Hampshire,.....	326,000 ..	5,539,000 ..	35,590
Rhode Island,.....	174,000 ..	9,282,000 ..	34,807
	6,899,000 ..	\$ 145,985,000 ..	708,200

Comparative Statement of the number of Savings Banks in the New-England States and New-York, the average sum due each depositor, and amount per capita in each State.

<i>STATE.</i>	<i>No. Banks.</i>	<i>Average Deposit to each Depositor.</i>	<i>Average Deposit to each Inhabitant.</i>
New-York,.....	75 ..	\$ 213 25 ..	\$ 16 50
Massachusetts,.....	89 ..	194 67 ..	36 38
Connecticut,.....	64 ..	227 32 ..	44 94
Maine,.....	14 ..	143 80 ..	2 58
New-Hampshire,.....	27 ..	155 65 ..	17 00
Rhode Island,.....	22 ..	266 68 ..	53 34
Average of the whole,.....		\$ 207 60 ..	\$ 21 80

IV. SAVINGS BANKS OF NEW-HAMPSHIRE.

PLACES.	NAME OF BANK.	No. of Depositors.	Amount of Deposits.	Annual Expenses.
Charlestown,	Connecticut River Savings Bk.,	813 ..	\$ 144,920 ..	\$ 500
Claremont,	Sullivan Savings Bank,	1,170 ..	206,787 ..	500
Concord,	New-Hampshire Savings B'k.,	*3,100 ..	464,347 ..	600
"	Concord	295 ..	46,064 ..	†80
Dover,	Five Cents	" 1,316 ..	125,825 ..	500
"	Strafford County	" 2,595 ..	490,795 ..	1,100
Exeter,	Exeter	" 677 ..	86,480 ..	225
Hillsboro',	Valley Bank, .....	.....	new.	.....
Keene,	Cheshire Provident	" 4,656 ..	752,980 ..	800
Laconia,	Meredith Bridge	" 1,250 ..	173,446 ..	500
Manchester,	Amoskeag	" 4,000 ..	496,778 ..	†
"	Manchester	" 2,056 ..	390,536 ..	700
"	Manchester Five Cents	" 1,252 ..	83,265 ..	.....
"	City	" 886 ..	60,006 ..	.....
Milford,	Milford Five Cents	" 381 ..	26,561 ..	†120
Nashua,	Nashua	" 1,337 ..	227,288 ..	1,000
New-Ipswich,	New-Ipswich	" 225 ..	19,698 ..	25
Newmarket,	Newmarket	" 217 ..	85,780 ..	100
Peterboro',	Peterboro',	" 338 ..	87,739 ..	60
Pittsfield,	Pittsfield	" 200 ..	12,598 ..	30
Portsmouth,	Portsmouth	" 6,043 ..	1,041,025 ..	1,874
Rochester,	Norway Plains	" 320 ..	156,523 ..	500
Rollinsford,	Rollinsford	" 800 ..	174,348 ..	400
Somersworth,	Somersworth	" *813 ..	174,475 ..	300
Walpole,	Walpole	" 357 ..	68,542 ..	75
Winchester,	Ashuelot	" 225 ..	19,697 ..	25
Wolfboro',	Carroll County	" 368 ..	18,081 ..	†70
Totals,		35,590 ..	\$ 5,589,004 ..	..

SPECIE IN THE UNITED STATES.

Communicated for the Bankers' Magazine and Statistical Register.

THAT the quantity of specie existing in the United States at the present time is large, compared with former periods, the following statement will clearly exhibit:

Amount of specie existing in the United States at the commencement of 1849,	\$ 122,000,000
Product of California mines from 1849 to present time,	1,016,000,000
Other sources of supply, within the United States, during the same period,	28,000,000
Amount imported from foreign countries during the same period, ..	141,000,000
Amount introduced by immigrants during the same period, (3,500,000 immigrants, at \$30 per head,)	105,000,000
Grand total,	\$ 1,412,000,000
Amount exported to foreign countries from 1849 to present time,	\$ 610,000,000
Amount consumed in the arts, destroyed by fire and shipwreck, &c., &c., during the same period, ...	14,000,000
	624,000,000
Amount of specie existing in the United States at the present time,	\$ 788,000,000

* Number estimated not stated in their report.

† Total expenses for the year.

‡ Treasurer allowed $\frac{1}{2}$ per cent. annually on amount of deposits, for expenses.

The Custom House exhibit of the export of gold from San Francisco to Panama, *in transitu* to New-York, is an uncertain test by which to determine the total gold product of California. Messieurs HUSSKY, BOND & HALE, of San Francisco, state, that the amount carried home by returning passengers, the exports to Europe, China and the Pacific ports of South America, the amount carried overland to Mexico, and the amount retained in California for purposes of currency and consumption in the arts, is equal to seventy-five per cent. upon the amount of exports, as exhibited by the manifests of the steamers to Panama. A single returning passenger is known to have carried eighty thousand dollars, as baggage, to save freight. One passenger on board the ill-fated *Central America* had twenty thousand dollars in his valise, which he would gladly have exchanged for a single square foot of *terra firma*. Gold smuggling prevails extensively in all countries of which it is the product. The adaptation of gold to hoarding purposes, and the fact that many of the States issue no bank bills below the denomination of five dollars, and that there are no Treasury notes below that figure, and the prejudice entertained by many against paper money in any shape, induce the secretion of gold coins. Of the amount of bank bills and United States Treasury notes in circulation in the United States at the present time, (one hundred and fifty millions of dollars,) only fifteen are estimated to be of a less denomination than five dollars. The internal trade of the United States is estimated to be ten thousand millions of dollars per annum; an amount which would require, for purposes of transfer from hand to hand, some other instrument than the comparatively insignificant amount of one hundred and fifty millions of bank bills and Treasury notes.

Unquestionably, the amount of specie existing in the United States has hitherto been greatly underrated, owing to the fact, that the new element in the calculation, introduced by the California development, has not been duly appreciated.

D. M. B.

GOVERNMENT LOANS.

TREASURY NOTES A LEGAL TENDER FOR TAXES.—AN IMPORTANT DECISION.

IN reference to the cases which have, for several days, been before JAMES B. BRADWELL, Esq., judge of the county court of Cook County, and upon which he yesterday gave his decision, we present the following abstract:

On the 11th of July, Mr. C. B. FARWELL tendered to the county treasurer gold to the amount of \$150, in payment of State taxes, and Treasury notes to the value of \$210, for county and town taxes. The treasurer declined to receive the latter, and had brought an action to recover the amount due.

The Hon. JOSEPH KNOX, the State's attorney, appeared on behalf of

the treasurer, and, in asking for judgment, stated, that his opinion of the law was, that the United States Treasury notes were a legal tender for county and town taxes. He did not think they could be used in payment of State taxes, because the law of the State stipulated that they should be paid in gold. He had advised Mr. KEELY to receive the taxes in the manner in which they had been tendered.

Mr. KEELY stated that he was desirous of doing so, but first wanted the judgment of the court on the question. The opinion of the judge was expressed at great length, and numerous authorities were cited by him. The opinion was similar to that given by counsel for the treasurer, and, as a consequence, the decision of the court was, that "the tender in this case, being legal, judgment is refused against the lands and lots described in the objections of said FARWELL." Some other parties had objected to the payment of taxes on ordinary and technical grounds, and Mr. E. A. RUCKER (who appeared for Mr. H. L. RUCKER) objected—

1. That the so-called delinquents' lists were not, in substance and in form, as required by law.

2. That no legal advertisement of the list of delinquents' lands or town lots had been published.

3. That no sufficient or legal certificate of the due publication of the advertisement of delinquents' lists had been filed by the collector with the clerk of this court.

4. That the said alleged taxes, severally or otherwise, for the amount of which judgment is now here prayed to be entered, were not and are not authorized by law to be levied and assessed, and were not levied or assessed by the proper authorities, nor in manner and form as required by law.

5. No sufficient or legal tax-warrant or warrants were issued for the collection of the alleged taxes, and were not returned according to law. No proper demand was made for the payment of said taxes, and no attempt was made by the proper officer to collect said taxes, by distress of the personal property of the owner of said lands and town lots.

The decision of the court, in reference to this case, was, that "judgment be refused."—*Chicago Tribune, July 25th.*

A CAUTION.

We have been informed that the \$800,000 of United States bonds, which formed a part of the school fund of Texas, and were deposited in the treasury of that State, were, not long since, withdrawn, and sent abroad to be sold. As the government, we believe, has claimed that the arms and other property of the United States, seized by Texas when she joined the rebellion, will be regarded as a set-off against those bonds, and as, therefore, the United States will not pay them, foreign purchasers should be put on their guard, lest they, innocently, buy paper which has lost its value. It might be well, in fact—supposing we have understood the case correctly—if our consuls at Havana, London and Paris were authorized to give public notice of the withdrawal of our government's liability for these bonds.—*National Intelligencer.*

ILLEGAL CURRENCY.

The following circular has been issued from the offices of the district attorneys :

The undersigned respectfully inform the public, that, after the first of August, motives of commercial expediency, as well as of official duty, will compel prompt prosecutions for any issue of a paper commonly called "shinplasters," should such an issue exist after the recent act of Congress shall have afforded a uniform substitute for "small change."

The collection of the State penalties or the federal fines can be rigidly enforced by due process of arrest.

E. DELAFIELD SMITH,
United States District Attorney.

A. OAKLEY HALL,
District Att'y City and County of N. Y.

TAX-BILL—CORRESPONDENCE WITH THE TREASURY DEPARTMENT.

New-York, August 28, 1862.

Sir,—In behalf of many foreign holders of American securities, we solicit the favor of replies to the following queries: Under the United States tax-bill, soon to go into effect, what tax will foreigners resident abroad have to pay from—

1. The interest on United States loans.
 2. The interest on State and City loans.
 3. The interest on railway bonds.
 4. The dividends on shares in railway, gas and other corporations ;
- and—
5. In what manner and by whom will such taxes be collected.

We desire to make known to our correspondents abroad, as soon as possible, not our own, but an authoritative interpretation of the law. This you will please accept as our apology for trespassing upon your time.

We have the honor to be, sir, your obedient servants,

BARCLAY & LIVINGSTON.

To Hon. S. P. CHASE, Secretary of the Treasury, Washington, D. C.

REPLY.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, D. C., Sept. 3, 1862. }

Sir,—I have the honor to acknowledge the receipt of your letter of the 28th of August. In reply, permit me to say, that whenever coupons are payable in a foreign country, no deduction can be made legally by virtue of our excise laws. On dividends and coupons payable in this country, the deductions will be made in conformity to the excise laws. In neither case is the residence of the holder to be regarded.

Your obedient servant,

GEO. S. BOUTWELL, *Commissioner.*

Messrs. BARCLAY & LIVINGSTON, New-York.

HISTORY OF THE BANK OF ENGLAND.

By JOHN FRANCIS.

[Continued from the September No., page 220.]

CHAPTER XX.

PREVIOUS to the year 1819, the severity of that part of our penal code which awarded the punishment of death for forging or uttering forged notes, together with the defective nature of the paper and the facility with which it was imitated, attracted the attention of scientific and benevolent men, who endeavored, by writing and by declamation, to procure either an alteration of the law or an improvement in the note. The reluctance of juries to convict was evident so early as 1819; and from that period it continued to increase. The exactitude with which the bank circulation was copied, and the ease with which, therefore, it would deceive the intelligent as well as the illiterate, through the hands of the latter of whom the small notes principally circulated, was proved, to use the words of the committee of the Society of Arts, by "the notorious fact, corroborated by evidence produced at several recent trials, that forged notes have passed undetected through the scrutiny of the bank inspectors."*

The above committee entered into an investigation to ascertain whether there existed any means within the compass of the fine or the mechanical arts of increasing the difficulty of imitation, and thus of checking the prevalence of crime.

The conviction that some check was necessary grew more and

* Forgery, it must be remembered, is an evil inseparable from the use of money—an abatement from the innumerable advantages of which it has been productive. Whatever commodity may be adopted to serve as a circulating medium, it must, in the nature of things, be a hopeless task to attempt to guard completely against the efforts of the issuers of spurious money. If the currency consists of paper, it will be counterfeited; and if it consists of the precious metals, they will be adulterated and debased. All that can be done is to throw obstacles in the way of forgery—to render it, if possible, a work of extreme difficulty; and there is no good reason for supposing that it would be more difficult to do this with notes than with coins. Indeed, the very contrary seems to be established.

*** Money is by far the most important of all the measures used in a State; and if it be, as it undoubtedly is, most proper and expedient to take measures for rendering all foot-rules of the same length, and all bushels of the same capacity, it must be equally proper and expedient to take measures to prevent any variation in the measure of value, or, which is the same thing, in the value of money. The justice of this principle is obvious; and the legislature has already on many occasions recognised it. At present, the notes of the Bank of England, and of the country banks, are prevented from circulating as money unless they are made payable on demand; and it is admitted, on all hands, that this is a most proper regulation. But why is it proper? Because it prevents any considerable excess of paper getting into circulation, and hinders it, so long as it continues to circulate, from being depreciated as compared with gold.—*Edinburgh Review*, February, 1826.

more peremptory as the evils of the system were exposed. In fourteen years from the first issue of small notes, the number of convictions was centupled. In the ten first years of the present century, £101,661 were refused payment on the plea of forgery. In the two years preceding the appointment of the commission directed by government to inquire into the facts connected with forging notes, nearly £60,000 were presented, being an increase of 300 per cent. In 1797, the entire cost of prosecutions for forgeries was £1,500, and in the last three months of 1818 it was near £20,000. Sir SAMUEL ROMILLY said, that "pardons were sometimes found necessary; but few were granted except under circumstances of peculiar qualification and mitigation. He believed the sense and feeling of the people of England were against the punishment of death for forgery. It was clear the severity of the punishment had not prevented the crimes."

The bank directors were blamed on all sides for their presumed apathy. Every person who had proposed a plan, and had it declined, joined the cry. Every disappointed adventurer who had asked for bank capital to carry out his operations, asserted that they had not inquired into the particulars, but had dismissed an excellent proposal without due consideration.

The publication of the truth in the report of the committee exonerated the establishment from charges which, if true, demanded attention. It has been already stated that one hundred and eight projects, regularly classified and arranged, with specimens of the proposed originals, and successful imitations executed by the bank engraver, were placed before the commissioners, who concurred in the opinion that neither of them could have been advantageously carried into effect. Seventy varieties of paper were shown, in which every alteration recommended had been tried; while, in some instances, the directors had furnished to the proposers the pecuniary means of carrying their ideas into effect. It has been seen that the result of the inquiry was, that in July, 1820, an act of Parliament received the royal assent for the further prevention of forging and counterfeiting bank paper. In it the note was described, and the exclusive privilege of using this plan was granted to the bank. By the same act, the governor and company were authorized to engrave the signatures on the notes instead of signing them, as heretofore; a privilege, however, of which they have not found it convenient to avail themselves.

What one man can engrave another can imitate, and the evil continued; although, from the return to cash payments, and the diminution of small notes, the forgeries also diminished. The greatest minds in England had been employed in attempting to alter the mischievous nature of the law. The names of Sir SAMUEL ROMILLY and Sir JAMES MACKINTOSH—men who lived before their time, and who can only be fully honored by posterity—stand proudly and prominently in the van of improvement. They died without witnessing the accomplishment of the object to which much of their energy and intellect had been devoted. But since that period the world has moved onward in the great march of civilization. Much has been realized that our forefathers believed to be impracticable. It has been discovered that many things which were looked upon with an almost religious veneration as unalterable facts, were unalterable falla-

cia. We are beginning to discover that cleanliness is a vast assistance to morality; that education is the right of the poor as well as the privilege of the rich. We have found out that to prevent a crime is better than to punish it; we have discovered, too, and it has penetrated to our commercial hearts, that it will cost less to teach a man to be good than to punish him for being bad.

But this was not the case even a quarter of a century ago. Men were hung in strings. Monday mornings witnessed a waste of human life alike horrifying and disgraceful. Prosecutions increased; enormous expenses were incurred; "examples were made," to use the cant of the period, and what was the result? The crime continued. From one or two manufactories issued most, if not all, the forged notes which were in circulation; and the manufacturer of thousands remained unscathed, while the issuer of one was hung. They were sold to ignorant, uneducated, and almost irresponsible men, for a few shillings in the pound; and there were always a sufficient number, urged by want, desire, or vice, to run the risk which accompanied their circulation. While only such as these were punished, the great mass of the public looked upon their deaths as virtuous atonements; and thought that an occasional blood-letting was as good for a nation as for an individual. But when a gentleman, an educated man, or a banker, was found in danger of the same punishment, the morbid sympathy of the people was excited; the *PERREAUS*, the *DODDS*, the *RYLANDS*, and the *FAUNTLEROYS*, were looked upon as the porcelain compared with the common clay, and every exertion was made to save them from their doom. Thank God, that since then we have discovered a man in fustian feels as much as a gentleman in broadcloth—that death is as difficult to the hardfaring as to the luxurious man—and that the vicious poor has as deep ties, as warm affections, as strong sympathies, wherewith to make death dreadful, as the vicious rich man. It has been found that the punishment of the crime does not fall solely upon the criminal, but that the agony of parting, and the despair of the fatal moment, is shared by the parent, the wife, the child, and falls with an equal, and certainly with a more enduring force, upon the head of the survivor, who bears the agony, the ignominy, and the shame, without having participated in the guilt.

And who shall say how many have been unjustly deprived of life, and how many have left families behind them unprotected, untaught, and compelled either to follow the fatal footsteps of their parents or to starve?

The press generally, throughout the period, bore manful testimony to the evil. The "*Edinburgh Review*" devoted its pages to the topic with an energy and a zeal worthy of success. "No subject," says this organ of public opinion, "so deeply or so constantly engrossed Sir *SAMUEL ROMILLY*'s regards, as the severity of our criminal code. He was the first person who broached the question fairly and systematically in Parliament, and he shared the fate of all propounders of change in any institution; he was derided by some, pitied by others, by not a few execrated, by almost all regarded as the advocate of a desperate cause." "Upon Sir *SAMUEL ROMILLY*'s lamented death, the reform of the criminal law was taken up by Sir *JAMES MACKINTOSH*, with congenial feelings

and great resources of learning, philosophy, and eloquence, and a large experience derived from his political station. All the friends of enlightened and humane legislation cheerfully rallied round so able a leader; and he was, of course, vehemently opposed by the government of the country."

"The bank hangings still continue," says one authority, with a contemptuous tone, "that can only be palliated by the honesty of its opinions and the importance of its cause." "The bank prosecutions," says another, "are increasing to a frightful extent. At the April sessions (1820) there were more than forty persons under capital charges; and though only a fortnight has elapsed, the number at the present session is twenty."

The circumstances of many of the cases were strongly represented. All that could interest the feelings was brought forward, until men who were sentenced to be hung began to look upon themselves as victims, were carried by main force to the scaffold, yelling vain cries of murder from its fearful height, and denouncing all connected with their doom. And yet the evil continued. Jurors again and again refused to convict upon the clearest proof. "Men were every day seen submitting to be plundered by forgers rather than prosecute; others were observed to favor in all ways the escape of the worst criminals, by suppressing evidence, and even by giving in verdicts of acquittal, when evidence was adduced that sufficed to prove guiltiness." Merchants and bankers announced that they would rather lose their entire fortunes than pour forth the life which it was not theirs to give. A general feeling pervaded the whole interest, that it would be better to peril a great wrong than to suffer an unavailing remorse. One petition against the penalty of death was presented which bore three names only; but those were an honorable proof of the prevalent feeling. The name of NATHAN MEYER ROTHSCHILD* was the first, "through whose hands," said Mr. SMITH, on presenting the petition, "more bills pass than through those of any twenty firms in London." The second was that of OVEREND, GURNEY & Co., through whom thirty millions passed the preceding year; and the third was that of Mr. SANDERSON, ranking among the first in the same profession, and a member of the legislature.

At last the labors of the press, the public feeling, and an increased regard for human life, produced the introduction of a bill, by Sir ROBERT PEEL, in 1830, to discontinue the punishment of death in certain cases.

It is worthy of notice that the class which was most interested in the

* Mr. ROTHSCHILD was not celebrated for his proficiency in the art of writing. This defect, on one occasion, caused him some little annoyance. He was travelling in Scotland, and, on his return, stopped at the town of Montrose, and, wishing to replenish his exhausted exchequer, went to the bank, and requested cash for a draft of £100 on his agent in London. He was, however, much surprised at the refusal of the bank manager to honor his check, without, as he said, having the genuineness of the signature (which he was unable to read) previously accredited; and for this purpose it must be forwarded to London. To this arrangement Mr. ROTHSCHILD was compelled to submit; and as, at that time, it took six days before an answer could be received from London, he was detained until the reply came, which, of course, proving favorable, he was enabled to pursue his journey.—*Lawson's History of Banking.*

subject, which suffered principally from the crime, and whose prejudices, therefore, were likely to be strong, by the memorable petition of the country bankers against capital punishment, proclaimed that they had no faith in the severity of the law to protect them. With nine hundred signatures to the petition, signatures of men who had an interest in the question, signatures which were not rashly and inconsiderately given, there was no reason for proceeding with the penalty on the ground of protection to these classes. Another remarkable fact was, that there was no application in favor of the punishment, and the one against it told the plain tale that the banking community considered the punishment of death increased forgery instead of diminishing it.

When the bill was introduced it was found to be less merciful than was anticipated; and after a solemn and careful revision, clauses were introduced in the lower house, by which the capital penalty was abolished in all cases of importance, including notes. Sir ROBERT PEEL left his opponents to carry on the remainder of the bill, and the result was that the good cause was delayed by the house of peers rejecting it. But the question now in all men's minds was not whether capital punishment for forgery would be abandoned, but when? In 1832 it was settled, and all cases were excluded, excepting only forgeries of wills and powers of attorney. But though the clause was maintained in the bill, no one supposed that the punishment would ever be inflicted; and, in 1836, when the forgery of a power of attorney was discovered, the bank, humanely and judiciously, declared an absence of all wish to see the criminal capitally punished; and the cause of justice, humanity and sound principles prevailed.

A remarkable evidence of the inefficiency of these punishments arose from the execution of one WILLIAM WELLER, for uttering forged bank notes. "From the very room," says the "*New Annual Register*," "in which was placed the coffin with his corpse, and during its continuance in that room, some forged bank notes have been uttered by his confederates. The conclusions are as obvious as irresistible. These facts demonstrate the total inefficacy of the punishment of death for the suppression of such crimes. In all future and approaching discussions they should not be forgotten."

Such and so strong was the feeling against the punishment that, by the *Edinburgh Reviewer's* testimony, "men suffered losses to a large amount, and repeatedly, without complaining, because they knew that their complaint was the death-warrant, and might be such of a fellow-creature. Others who could give evidence kept their lips sealed, for fear of being called upon as witnesses, should it be known that they possessed any criminal information."

But it was not only with the English fabricator that the bank had to deal. Alluding to the question under consideration, Mr. NICHOLLS said, in the House of Commons: "Forgeries of the small notes had made alarming progress, and the practices of our own government, against France and America, showed the impossibility of resisting the effects of forgery. They had been encouraged by government, and even our courts of justice had said, that to depreciate the credit of an enemy by forging its paper money was a moral act." In 1820 a very extraordinary

appeal was made to the French tribunals by a man named J. CASTEL, who was a merchant in Hamburg, while the free city was in the hands of the French. He accused the general commanding there of employing him to get five thousand pounds worth of English bank notes changed, which proved to be forged, and he was compelled, in consequence, to fly from Hamburg. He also asserted that SAVARY, Duke of Rovigo, and DESNOUETTES, were the fabricators, and that they employed persons to pass them in England, one of whom was seized by the London police, and hanged.

If these things be true, and if our government practiced thus against America and France, and our courts of law called them "moral acts;" if thus a regular system of forgery was conducted upon a great scale, and justified because it had great ends to gain, it is difficult to imagine with what degree of assurance that government could be gifted which hung a man for doing in a small what they did themselves in an enlarged degree. But whether this was the truth or not, there is sufficient collateral evidence to arrive at the conclusion, that the appeal made by J. CASTEL was founded on fact. During the last wild attempts of NAPOLEON, when the armed league of the monarchies of Europe were crushing him with fatal effect, EUGENE BEAUCHARNAIS, with his army, was compelled to retreat from his Italian vice-royalty. Part of that retreat was through the Austrian Tyrol. As they passed this mountainous region, forged notes of the Austrian Bank were sold by them for any sum that was offered. The small baskets of the country were filled, and sold for a few crowns, or for any thing that the peasantry would offer; and there yet reside in Tyrol men who profited by the opportunity, who, taking advantage of the disturbed state of Europe, passed with their counterfeit notes to Hungary, where they purchased large droves of cattle, and other articles valuable in their native country, to which they successfully brought the result of their deliberate frauds. The men are yet living; they are still pointed out by their contemporaries; and whatever shame may attach to them, a far deeper infamy, and a more enduring degradation, must rest upon that imperial head which contrived, abetted and sanctioned the crime.*

* King WILLIAM said, in his speech, in 1836, with truth and discrimination: "The state of the commerce and manufactures of the United Kingdom is highly satisfactory. I lament that any class of my subjects should still suffer distress, and the difficulties which continue to be felt in important branches of agriculture may deserve your inquiry, with a view of ascertaining whether there are any measures which Parliament can advantageously adopt for the alleviation of their pressure." The ruinously low prices of 1835, however, and the unbounded pauperism which was in consequence produced, overcame all these obstacles, and though a majority, both of the Cabinet and the House of Commons, adhered to their old ideas on the subject, yet they were, in a manner, constrained to yield so far as to issue a commission to inquire into the condition of the poor in Ireland.

CHAPTER XXI.

THE NEW CHARTER—ITS CONDITIONS—EXTRAORDINARY DISCOVERY—HOLIDAYS ABOLISHED—FAILURE OF THE GOVERNOR—LONDON AND WESTMINSTER BANK—SPECULATIONS IN 1836—PANIC—DEMAND FOR BULLION—ITS CAUSE.

THE charter of the Bank of England again occupied the attention of the House of Commons in 1832.* From the circumstances which had arisen out of the panic, from the general feeling that a great alteration must take place in its construction, and from the ominous remark of Lord Liverpool, that "such privileges were out of fashion," great anxiety was experienced by the friends of the corporation, and the price of the stock declined from 202 to 185. On the 22d of May the question was opened by Lord ALTHORPE, moving for a committee of secrecy to report upon the expediency of renewing the bank privileges, which, after some desultory remarks, was agreed to; and, on the 11th of August, 1832, a brief report was delivered, accompanied by some very valuable documents, and examinations of witnesses. The committee arrived at no conclusion, in consequence of the limited time allowed for their deliberations; but the report was satisfactory to the proprietors of bank stock and the public generally. The following is the conclusion: "Of the ample means of the Bank of England to meet all its engagements, and of the high credit which it has always possessed, and which it continues to deserve, no man who reads the evidence taken before this committee can for a moment doubt; for it appears that, in addition to the surplus rest in the hands of the bank itself, amounting to £2,880,000, the capital on which interest is paid to the proprietors, and for which the State is debtor to the bank, amounts to £14,553,000, making no less a sum than £17,433,000 over and above all its liabilities."

The publication of the report was believed to have produced a beneficial result. Many who had previously doubted the wisdom of the management, found their doubts removed, and were disposed to regard it with more favor than they had evinced before the inquiry. On the 31st of May a letter was placed before the proprietors, containing the proposals

* Lord ALTHORPE brought forward the government plan on the subject on the 31st of May, "to allow their circulation gradually to diminish when the exchanges were against this country, and the drain of bullion became great; and when the exchanges turned in our favor, and the bullion came back, to let the circulation gradually expand in proportion. The charter was to be renewed for twenty-one years, with power to the government at the end of ten years to break it off. *Bank of England notes were to be made a legal tender every where, except at the bank itself and branch banks.* The usury laws were to be repealed, to the effect of withdrawing all bills at less than three months from their operation. One-fourth of the debt due by the country to the bank, which amounted to £14,000,000, was to be paid off, and £120,000 a year cut off from the allowance made to that establishment for carrying on the public business, and royal charters were to be granted for the establishment of joint-stock banks in the country beyond the limits of the bank's monopoly."

of the government; in which Lord ALTHORPE stated that the only relaxation in their privileges was that which allowed joint-stock banks, more than sixty-five miles from the metropolis, to draw bills and issue notes payable in London.

The following clauses, in addition to the declaratory one hereafter to be mentioned, were the distinguishing features of the charter of 1833 :

“That while the Bank of England is liable to pay gold on demand, all the notes of the corporation shall be made a legal tender* for all sums above £5, excepting at the bank itself and its branches.

“That one-fourth of the debt due from the public to the bank be repaid, and that the company be at liberty to reduce its capital stock in the same proportion.

“That the laws restricting the interest of money to £5 per cent. shall be repealed, so far as they affect bills of exchange not having three months to run before they become due.

“That the charter shall be extended for twenty-one years, from the 1st of August, 1834, with power to the existing government to suspend its privileges, on giving one year’s notice, after the expiration of ten years.

“That no banking company of more than six partners, within sixty-five miles of London, shall issue notes payable on demand.

“That all notes of the Bank of England issued out of London shall be payable at the place where they are issued.

“That a weekly account of the bullion and securities, the circulation and the deposits, shall be forwarded to the treasury, an average of which shall be published quarterly.

“That, in consideration of its exclusive privileges, the bank shall pay £120,000 per annum, to be deducted from the sum allowed for managing the national debt.”

On the same day, also, the public were made aware of the terms proposed by Lord ALTHORPE, who stated that the principle on which the bank had acted, of keeping one-third of the amount of its liabilities in bullion, and of expanding or diminishing the circulation in proportion as the bullion was increased or diminished, had reason and experience in its favor. The question of permitting one bank only to issue paper had been maturely deliberated, and the result was, that a single body was

* It is certainly true, that in 1814, 1815, 1816, and previously, the notes of the Bank of England, and of the country banks, were not payable in gold at the pleasure of the holder. But the circumstance of their being now so payable, does not, and cannot possibly prevent those destructive oscillations in the amount of country paper, though its tendency is to lessen the extent to which they can be carried. The obligation on the banks to pay their notes in gold prevents their value, so long as they continue to circulate, from ever varying materially from the value of gold in the home market, or from being depreciated as compared with the standard. But though one part of our currency cannot, under our present system, become redundant, as compared with the other, the whole currency, gold as well as paper, may become redundant, and will consequently sink in value, as compared with the currency of other countries, either from too great issues being made by the Bank of England, or by the country banks. And it is next to impossible that the contraction of paper, to which such an over-issue must ultimately lead, can be effected without occasioning a most destructive revulsion.—*Edinburgh Review*, Feb., 1826.

considered better than rival banks, provided a sufficient check could be obtained. The check proposed was a weekly return to the treasury of the circulation and deposits, with the bullion and securities of the corporation, the average to be published quarterly. Hitherto the bank had only been able to repress the circulation by reducing the discounts; and this operated disadvantageously upon the commercial interests. By a change in the usury laws, all bills with more than three months to run would be exempted from their operation. For these privileges the bank were to allow £120,000 a year.

Many opinions were expressed during the debates on this important bill. Mr. POULETT SCROPE attributed all the fluctuations in our system to the monopoly of the bank, and expressed great surprise that government should wish to bend down the country to those task-masters, whose stripes were yet fresh on their shoulders. He dreaded this increase of power to the corporation, for it would establish a more complete tyranny than that of NAPOLEON BONAPARTE. Sir ROBERT PEEL thought the contract an improvident one for the public, and this was clearly indicated by the fact that bank stock had risen from 193 to 208. He objected strongly to making bank notes a legal tender.

Mr. FRYER believed this bill would render the gold circulation of the country unproductive. If they were to return the gold of Potosi to the bowels of the earth, they could not render it less serviceable than it would be by this bill. A man who had now £30,000 in gold could scarcely get any interest for it. The bank stepped in with its cheap rags and prevented him from using it to advantage. This was a ruinous sort of competition; it was like that of the Rob Roy and Quicksilver Brighton coaches. The Rob Roy offered to carry passengers cheaply; but the Quicksilver offered to take them for nothing, and find them a bottle of wine on the road. The Rob Roy was beaten out of the field, and the Quicksilver was run away with and smashed; and that would be the result with the bank. Mr. ATTWOOD remarked, that the old banks, both in London and the country, had one fault—a sordid and servile devotion to men in power—that was bad enough; but the joint-stock banks, which it was proposed to establish, would be seven-fold more the tools of the government of the day, because they would all be under the Bank of England, and that establishment was under the immediate control of government; so that the government would instruct the Bank of England; the bank would instruct the branch banks; the branch banks would instruct the joint-stock banks; the joint-stock banks would instruct every one of their partners; the partners would instruct their debtors, and the people of England would rue the day in which such a system was commenced. He was more than ever convinced that government should be the sole issuer of notes.*

* It was maintained by Lord ALTHORPE and Mr. BARING: "The objection to the declaring bank notes a legal tender arises from a misconception of the object for which it is intended. The object is not so much to meet the demands on country bankers for their notes, as those for their deposits. The amount of notes issued by country bankers in general bears but a very small proportion to their engagements, on account of deposits, for meeting which they are obliged, in times of pressure, to apply to the Bank of England for bullion. It is to guard against that pressure on

Some resolutions, with regard to joint-stock banks, which Lord ALTHORPE proposed to introduce into the bill, were abandoned in consequence of the opposition of the country bankers; and one of the most remarkable evidences occurred, during the progress of this charter, of the implicit faith of men in that which every one declares to be true, from the strange discovery that, as the law stood, there was nothing to prevent joint-stock banks of deposit from being established in London, nor had there been, at any time, an enactment to that effect. A clause was, therefore, introduced, declaring such to be and to have been the law, thus saving the government a tedious opposition on a point already within their power. The opinion of the legal authorities was, that banks with more than six partners might exist within the magic circle, but not as banks of issue.

The government were not in this matter so straightforward as the government of a great country should have been. The basis of the contract was distinctly understood to be, that all the exclusive privileges of the bank should remain. Among them was that which made the existence of joint-stock banks in the metropolis a violation of the charter. This was the full conviction of all who considered the subject. That it was the firm persuasion of the directors of the bank, there can be no doubt. That the public thought so is equally unquestionable, or banks of deposit, with more than six partners, would have sprung up throughout the city. When, therefore, it was proposed by the ministry to allow these banks in London and its immediate vicinity, the proprietary came to a spirited resolution, "That the court feel itself bound, in justice to its own character, to protest against the treatment it has experienced at the hands of the chancellor of the exchequer, who has, in the opinion of this court, most improperly and unjustly departed from the terms of his own proposition; and after having engaged to continue certain privileges to the bank, on consideration of stipulated pecuniary concessions, has since determined to withhold from the bank some of the most important of those privileges, without making a corresponding abatement in the pecuniary concessions. That, although this course of procedure and the violation of the contract fully justified the bank in rejecting the arrangement *in toto*, this court, considering the extensive injury to the public interest that might be the result, and considering that a new range of prices had been made, in the conviction that the question was settled, is unwilling to assert its undoubted rights at such hazard, and authorizes the court of directors to submit to the arrangement."

The solicitor-general maintained, that the establishment of such banks was not an encroachment on the privileges of the Bank of England. He had looked into the various acts, and they clearly proved that monopoly was confined to the issue of paper money within sixty-five miles of the metropolis. That monopoly should be preserved. He was prepared to prove that the act referred to banks of issue only.

the bank that it has been deemed advisable to make the bank note a legal tender; for in a case of commercial panic, as was the case in 1825, the country bankers sent up to London, not only for sovereigns to pay their notes, but likewise for gold, to meet their other engagements.

The reply of Mr. Alderman THOMPSON was what a direct view of the question must necessarily produce. "He had a right to contend that the interpretation he had put upon the law was the right one, because it had never been questioned in a court of justice, and had been universally acted upon by mercantile men. Lord ALTHORPE had stated, that he had no intention of defrauding the bank of any privileges which it at present enjoyed. The introduction, however, of this clause would have that effect." The governor addressed a letter to the chancellor of the exchequer, stating that the stipulation proposed did not, either literally or substantially, carry out the agreement of the bank with the government; that it took away their exclusive privileges; but that, to avoid the inconvenience of further delay, they would submit to it. A clause to the following effect was inserted: "That any body, consisting of more than six persons, may carry on the business of banking in London, or within sixty-five miles of it, provided such body do not borrow, owe or take up, in England, any sum or sums of money on their bills or notes, payable on demand, or at any less time than six months from the borrowing thereof." Under this declaration, any bank of deposit only might be established.

There can be no question that government availed itself of an unexpected discovery to the injury of the company. It is lamentable, but true, that a collective body will sometimes condescend to acts which each member would shrink from in his individual capacity. Lord ALTHORPE, a most upright and honorable man, admitted that he had, "in an off-hand way," said, "that he did not intend to propose the establishment of joint-stock banks in London, because he thought such was the law." Such was the law fully believed to be by all mercantile men. The privileges of the bank had been supported by that belief; they were in actual existence, and had been long enjoyed by the corporation. They may be argued away by special pleading; but no special pleading can prevent the fact from being most distinct, that for more than a century the Bank of England, by virtue of one act of Parliament, possessed certain prerogatives, which were the foundation of the new arrangement with government, and contemplated in the amount of payment; and that the latter, finding, by a novel construction of the deed, they might be abolished, did, without hesitation, that which they had no moral claim to do, by putting in force this new interpretation of an old act of Parliament. No wonder such conduct was impeached, or that the court of proprietors, justly indignant at that which in a private person would have been deemed a breach of faith, entered the important protest just recorded.

That the writer is justified in the view he has taken is confirmed by the following extract from a pamphlet by Mr. PALMER, who says: "A declaratory clause was inserted in the bank charter act, authorizing the establishment of those bodies in the metropolis. It is conceived that the bank had the more reason to complain of the minister's proceedings upon that occasion, it having been distinctly understood, during the negotiation, that the law affecting the formation of banks within sixty miles of London should remain untouched; and, upon the faith of that understanding, Earl SPENCER undertook to bring the bill into the House of Commons for the renewal of the charter of the bank."

This charter was important from many causes. The weekly account to be transmitted to the lords of the treasury was a wise provision, as it was no inconsiderable check upon the transactions of the bank, while the publication of the averages every quarter could produce no further effect than to present that information to the monetary world which had hitherto been wanting. But a yet greater object was achieved in the alteration of the usury laws, as the first relaxation of a principle which had weighed heavily upon the claims of commerce. The payment of one-fourth of the debt due to the bank was in consideration of the loss sustained by the latter of one per cent. on the amount lent to government.

On the 31st July, 1834, a special court of proprietors was held, to agree to the terms proposed of paying off one-fourth of the bank capital. The following resolutions were passed :

“ That a proposal from the chancellor of the exchequer to transfer to the bank the sum of £4,080,000 three per cent. reduced annuities, in liquidation of a fourth part of the permanent debt due to the bank, which will become due on the 1st of August next, be recommended to the proprietors for adoption ; provided the transfer be made so soon as the act of Parliament shall have passed authorizing the same, and the interest on the returned capital be paid up to the day of the said transfer.

“ That the court also concur in opinion with the court of directors, that it will be of advantage to the future management of the affairs of the bank to retain the proportion of debt when repaid by government ; this court do, therefore, in pursuance of the authority for that purpose, contained in the act of 3d and 4th WILLIAM IV., cap. 98, determine not to divide or appropriate the sum of £3,638,250, or any part thereof, amongst the several persons, bodies politic or corporate, who may be proprietors of the capital stock of the governor and company of the Bank of England on the 5th of October next.”

By an act passed to provide for the repayment of the sum, it was arranged that £4,080,000 reduced three per cents should be placed to the credit of the Bank of England, and form part of the public debt ; the bank to receive interest from the 1st of August, 1834, until the £4,080,000 should be written in their books, and continue a corporation till redeemed.

In the same year the bank allowed an interest of two per cent. on the balances of the East India Company, as an inducement to the latter to allow them to remain in their possession. In this year, also, the new four per cents were reduced ; and, by the proposed terms, the holders might either receive £100 stock, at three and a half per cent., not redeemable until 1840, or £70, at £5 per cent., not redeemable until 1873. The principal number chose the former, and the remainder form the holders of the new five per cents, amounting only to £430,000.

In 1834 the holidays of the Bank of England, which had been previously reduced to a considerable extent, were entirely abolished. The question is one of great interest. That an occasional relaxation of the frame is desirable to the toil-worn and the weary is unquestionable, and when it does not interfere with a public duty, is justice, and not generosity. Men were not born to labor in pent-up cities, breathing an impure atmosphere from morning to evening, to the exclusion of all that is

natural and healthful. Our forefathers were wiser than their descendants. They knew that to grant their servants a recreation was to benefit themselves. That to mingle with them in their sports, and to encourage them in invigorating pastimes, was politic as well as pleasant; and this great fact will once more be comprehended, because it is a question of self-interest. It will yet be understood that a day passed in the green fields, in the fresh air, or on the gay river, produces a desire no less than a capacity to serve; and that to make a man believe that his interests are cared for, will induce him to regard the interests of his employer in a tenfold degree. These things are not written of the Bank of England. The writer rejoices in bearing testimony to their great and honorable liberality; and it is a curious incident in the history of the holidays, that the very persons by whose solicitation they are stated to have been abolished, made, at a subsequent period, an application to have them restored.

In 1834 a great sensation was created throughout England by a circumstance which was only important from its connection with the corporation. Mr. RICHARD MEE RAIKES, governor of the bank, a gentleman universally respected, was compelled, from various unforeseen events, to announce a suspension of payments, which was followed by the appearance of his name in the list of bankrupts. The rumor spread among the less-informed class—among the dwellers in the suburbs, and the inhabitants of the country, that the governor of the bank had failed. The annuitants and small class of fund-holders, who look upon the head of the establishment as an integral part of the corporation, regarded their fortunes gone, and their property forfeited. The autumn dividends were just due; and it was remarkable to witness the earnestness with which they were applied for. The offices were crowded with applicants; and, if the slightest delay occurred, though occasioned by their own ignorance, they regarded it as an invidious delay of their rights, and a confirmation of their fears. Time, however, in this as in other things, brought "healing on its wings," and confidence to the breasts of the public creditors.

The commencement of banks in the metropolis with more than six partners demands a brief remark. "The London and Westminster Bank" and "London Joint-Stock Bank" were the first establishments of the kind, and, from a combination of causes, have commanded complete success. Mr. GILBART has, in his history and principles of banking, discussed, in a very able manner, the comparative merits of joint-stock banks and private banking-houses; and, though he may be regarded as a partial, if not a prejudiced writer, there is an equitable statement of truths in his essay, which demand respect, at whatever opinion the reader may arrive. The formation of the bank to which this gentleman is attached is memorable from the dislike evinced to it by the private bankers refusing to allow a clerk from the new establishment to attend at the clearing-house. The directors of the "London and Westminster" also considered themselves aggrieved, because the Bank of England declined to allow them a drawing account, and alluded to both these circumstances in their yearly report. Such occurrences are incidental to

all new concerns, and the rights of the bank stock proprietors are the bounden charge of those whom they choose to manage their affairs.

In 1834 the new bank applied to the House of Commons for the privilege of suing and being sued, by its chairman. Considerable opposition was shown; and Lord ALTHORPE, who thought that Parliament would not be justified in granting the application, moved "that the bill be read that day six months." It was stated, however, that this bank had been established on the faith of the declaratory clause introduced by Lord ALTHORPE, and that, out of seventy private banks, twenty-two had failed, in twelve years, to the amount of seven millions, of which four millions had never been paid. The bill went through the lower, was introduced to the upper house, and there, after the expression of Earl GREY that it would be inconsistent with the exclusive privileges of the bank, it was resolved that certain questions should be framed for the consideration of the judges. These learned gentlemen declined answering them, and, as the session was near its close, the bill was withdrawn.

In 1834 symptoms of a dormant spirit of speculation might have been discovered in various propositions for foreign loans, joint-stock banks, and one, the London and Southampton Railway. The year 1835 witnessed a continuance of the same spirit; and in May, of that year, the speculation in Spanish funds, which had been extensively carried on, suddenly exploded. The bullion began to flow out of the bank, and by the 2d of June it was reduced to £6,150,000. In the following August a notice was issued by the bank, that advances would be made on exchequer bills, India bonds, stock, and other approved securities, at 3½ per cent.; the previous rate for similar advances being 4 per cent. In August, 1835, the proposition for the West India loan was made; and, in the opinion of those opposed to the bank, the above reduction of interest added a stimulus to the excitement then prevalent. The bullion in the coffers of the bank, which, on the average of the three months before October, 1833, had been £10,900,000, had fallen by the June average of 1835 to £6,150,000. This reduction was considered by Mr. PALMER, in his "Causes and consequences of the pressure upon the money market," to arise from the loans to Portugal and Spain. "These loans were going forward from July, 1833, until towards the end of 1834, when the profits realized upon the daily extending engagements in the foreign stock market engendered a further spirit of speculation in almost every kind of previously neglected South American, Spanish and Portuguese bonds, causing an enormous advance in all, and in some nearly 100 per cent. In short, until the spring of 1835, hardly a packet arrived from the continent which did not come loaded with every sort of foreign securities for realization upon our foreign stock market." But other causes were in operation, one of which is to be found in the measures taken by President JACKSON to establish a metallic currency in the United States, which partially assisted to drain the vaults of the Bank of England. The demand ceased in May, 1835; and the directors increased their circulation to the extent of five millions, from August to the close of the year.

The late Lord SYDENHAM (then Mr. POULETT THOMPSON) caused a

register of the various companies to be kept, the number of which amounted to between two and three hundred in 1836, with an aggregate capital of about two millions. Joint-stock banks were a favorite investment, and the shares of nearly all these companies bore a premium. Railways, also, from the success of the Liverpool and Manchester, were freely entered into. Mr. TOOME, in his "History of Prices," says, "new lines were proposed to intersect almost every part of the kingdom, and there was actually a swarm of railway projects starting up in every direction. The rage for undertakings of this kind was at its height in the spring of 1836, and numerous other projects for public companies were at the same time brought into notice. The most considerable of these were for mining purposes. And several of the projects proceeded on substantial grounds with fair prospects of success, along with many others that were absolutely worthless, and served only for the individual benefit of the projectors. But the good, bad and indifferent, contributed to a general activity of the share markets."

In July, 1836,* the rate of interest was raised by the bank to four and a half, and in August to five per cent. Those opposed to the establishment again blamed this policy, as too sudden a contraction of the currency. It was about this period, also, that the bank reduced their loans by refusing to discount all bills drawn or endorsed by joint-stock banks of issue, together with an immense amount of bills drawn from America, on and accepted by several first-rate establishments in this country, although the acceptors were considered to be of the most unquestionable solidity. The Chamber of Commerce at Manchester estimated the loss on cotton, wool, silk, linen and hardware, at forty millions, in addition to the moral and social evils which follow the deprivation of employment to the working classes.

The customary result of the wild love of speculation of 1836, to which allusion has been made, was witnessed in panic, prostrata credit, languid commercial operations, and a drain upon the Bank of England. The joint-stock banks felt the pressure. The Agricultural and Commercial Bank of Ireland suspended payments; and a fearful panic, from the stoppage of the Northern and Central Bank of Manchester, with numerous branches, was only prevented by the assistance of the Bank of England. During this period the bullion had been again diminishing, and on the 17th of November it had fallen to £4,933,000, and a fortnight after the determination had been taken to support the Northern and Central Bank, an account of which is given at a later period, it fell to £4,545,000. The

* The prices of bank stock from 1830 to 1836 were not wide apart, the lowest being 185, and the highest 225, viz.:

	<i>Lowest.</i>		<i>Highest.</i>		<i>Dividends.</i>		<i>Consols.</i>
1830,.....	194	..	208	..	8 per cent.	..	77½ @ 94½
1831,.....	189	..	204	..	8 "	..	74½ @ 84½
1832,.....	185	..	208	..	8 "	..	81½ @ 85½
1833,.....	190	..	213	..	8 "	..	84½ @ 91½
1834,.....	211	..	225	..	8 "	..	87½ @ 93
1835,.....	208	..	225	..	8 "	..	89½ @ 92½
1836,.....	199	..	219	..	8 "	..	86½ @ 92½

great importance of the corporation was experienced in its resolution to support* commercial credit; but the panic was, as usual, productive of many opinions as to the cause.

A pamphlet, published by Mr. HORSLEY PALMER, attracted great attention; answers poured from the press in attempts to disprove one of the positions assumed by him, that it was owing to the mismanagement and over-issue of the joint-stock banks. Mr. DAVID SALOMONS replied, and, among other causes, attributed the derangement of the currency to the "transaction between government, the public and the Bank of England, connected with the West India loan." "The joint-stock banks," says Mr. SALOMONS, "do not hesitate to repel the charge, and to accuse the Bank of England of having caused the mischief which they attempt to lay to the account of the joint-stock banks." Mr. SAMUEL JONES LLOYD, Mr. SAMSON RICARDO, with others, entered the lists, either in defence of the joint-stock banks, or in attack upon the Bank of England. And the question closed, doubtless, with the conviction of each, that his own theory was demonstrated.

* At this period England was aware and acknowledged her dependence upon the United States as a market. In 1842, it was contended by Lord JOHN RUSSELL and Lord PALMERSTON: "We are not, we cannot be independent of foreign nations, any more than they can of us. At least five millions of our people are dependent on the supplies of cotton from America, of foreign wool, or foreign silk. Independence of other countries, therefore, is a chimera which it is in vain for a great commercial nation to pursue; and even were it reached, it would be attended with no visible benefit. It is impossible that the time should ever arise when you might not find some part of the world from which you might derive your supplies. The true independence of a great commercial nation is to be found, not in raising all the produce it requires within its own bounds, but in attaining such a pre-eminence in commerce that the time can never arise when other nations will not be compelled, for their own sakes, to minister to its wants. There is nothing of such importance to this country as to extend its commercial relations with the United States of America. Were a free commercial intercourse established with them, there is no saying how long you might continue to furnish them with manufactured goods, or how extensive and lucrative might be the commerce you might carry on with them. However rising may be the manufactures of the United States, there is not enough of that species of industry, and probably there will not be for a very long time, to furnish with clothes and other articles of rude comfort this great population."—ALISON'S *Europe*.

† Early in 1837 the revulsion in the money markets of the United States occurred, preceded and caused by a rapid enlargement of the circulation of the State banks. This created in London a distrust of American bankers and commission merchants doing business in London. By the withdrawal of customary facilities to these, they failed. From the published statements of the concerns of several of the suspended London houses, it appears that there was due and coming due to them from the United States, about 1st June, as follows, viz.

To Messrs. THOMAS WILSON & Co.,.....	£ 1,350,000
To Messrs. TIMOTHY WIGGIN & Co.,.....	1,450,000
To Messrs. GEORGE WILDES & Co.,.....	1,000,000
	<hr/>
	£ 3,800,000
And due to other London houses, and to Liverpool, Manchester, &c.,	5,000,000
And to France,.....	1,500,000
	<hr/>
	£ 10,300,000

CHAPTER XXII.

LOSS OF THE NORTHERN AND CENTRAL BANK—APPLICATION FOR ASSISTANCE, NOVEMBER, 1836—STIPULATIONS DEMANDED—DIRECTORS AT MANCHESTER—PRIVATE LEDGER—APPLICATION OF MR. FRESHFIELD—ITS SUCCESS—CURIOUS DISCOVERIES—FAILURE OF MEDALE AND CO., BANKERS—ALARM AND ASSISTANCE OF THE BANKERS—DIFFICULTIES OF AMERICAN HOUSES—SUSPENSION—FOREIGN CREDIT—AID BY THE BANK OF FRANCE TO THE BANK OF ENGLAND—DRAIN OF GOLD—RESTORATION OF CONFIDENCE—NEW MODE OF MANIPULATING BANK NOTES—SUIT AGAINST THE LONDON AND WESTMINSTER BANK, APRIL, 1837.

THE committee appointed on joint-stock banks of issue in 1836 produced some curious disclosures.* The Northern and Central Bank of Manchester occupied a great part of its time, and the following are its most important results, in connection with a transaction which occasioned considerable comment. In 1834 this bank was established, with a paid-up capital of £710,000 and 1,200 shareholders, the united property of whom was considered equal to ten millions. Not one of the directors had previously been engaged in banking, and, unfortunately, they were prosperous to a great extent, at the commencement of their business, as it induced them to extend their branches in thirty-nine towns, without an adequate capital, and probably gave them an idea of the ease with which a banking connection might be formed, while it deprived them of the caution necessary to conduct it to a successful issue. The rule which the Bank of England had constituted, not to discount any

* The effects of the extraordinary flood of prosperity, the result of the important change made upon the currency laws in 1834, by declaring Bank of England notes a legal tender everywhere but at the Bank of England, already noticed, were very important, and are still felt in various branches of industry and social economy—money being abundant, and the terrors of the bankers of a run upon them for gold allayed by this great change. Advances were liberally made to carry on mercantile undertakings, and both railway and banking speculations exhibited a rapid increase. In the three years ending with 1835 thirty-four joint-stock banks were established; and in 1836 no less than *forty-four* new ones were set up—making in all two hundred joint-stock banks, with six hundred and seventy branches, all founded since the joint-stock system had been established in 1826. The issues of the country banks increased in a similar proportion. In the year 1836 they rose £1,500,000. Railway speculations underwent a similar increase. The number of bills for establishing new lines augmented from eleven in 1833 to thirty-five in 1836 and forty-two in 1837, and the capital expended in them swelled from £2,312,000 in 1834 to £22,874,000 in 1836. These four seasons in succession, at the same time, lowered the price of provisions to an unprecedented degree—from 55s. 9d. in 1832, wheat fell to 35s. 9d. in 1836. In a word, the perilous tendency of a circulation based entirely on the retention of gold, was, during these years, unequivocally evinced in a way directly the reverse of what had hitherto been experienced, but not less fatal; for exchange during those years being favorable, and the export of gold small, paper was issued in abundance, and speculation went on wildly and extravagantly.—ALBON'S *Europe*.

bill endorsed by a joint-stock bank of issue, was, however, felt severely by the managers of the Northern and Central, who found their paper refused by the discount houses of London, not because it was doubtful, but because it was impossible to re-discount it; as paper possessing the endorsements alluded to, although it had the signatures of the first bankers in the city, was sure to be rejected.

Mr. GILBERT stated it as his belief, that "this arose from the hostility of the Bank of England to joint-stock banks of issue, and they regarded them as rivals." But the idea of rivalry between the great bank of the empire and a provincial joint-stock bank is scarcely probable. It is more likely to have had its rise in the hope of restraining these banks from that over-trading, in which, at a future period, many were found to have indulged.

The mode of allotting shares was a remarkable feature in the history of these establishments. By some pertinent questions of Sir ROBERT PEEL, it was ascertained that shares in some of these banks were awarded to others at par, not for the establishment, but for the directors; that, "if shares were allotted to A. B. C., and A. B. C. could not take them, the directors made the profit," and that "part of the profits of the Northern and Central Bank were made by allotting shares at a premium." "It was usual," said one of the witnesses, "if you take an account to any bank, to have shares granted you if you apply for them." Thus the Northern and Central Bank received shares from the London and Westminster, the Yorkshire District Bank, and the Royal Bank of Ireland. These shares were not only divided among the directors for their private advantage, but the deposits were paid out of the funds of the Northern and Central Bank, to the amount of more than £50,000; and as this narrative proceeds, it will be found that the most unbusiness-like transactions were carried on. It must, however, be remembered, in extenuation, that banking is a science, and that the directors of the Northern and Central Bank were utterly ignorant of its principles.

The pressure experienced throughout England in 1836, and the general difficulty in obtaining discounts, was first felt by the managers in August. "The cause of our distress," said Mr. MOULT, the chairman, "was, that the Bank of England had set their face against discounting our paper, or the paper of any joint-stock bank of issue." The difficulties, however, had their origin in overdrawn accounts. Up to June, 1836,*

* The leading events bearing upon commercial and financial affairs for the five previous years (1831-1835) were as follows:

1831.—Parliamentary reform bill introduced in 1831 by Lord JOHN RUSSELL, rejected by the House of Lords, 8th October. The Bristol riots among the reformers occasioned by the visit of the recorder, October 29th; four persons executed in 1832 for participation in the riots. Free trade convention at Philadelphia, October 1. STEPHEN GIRARD died, 26th December, aged 84. Insurrection in Jamaica, 28th December. 1832.—Third reading of the reform bill carried in House of Commons, February 22, by a majority of 109. France agrees to pay 25,000,000 francs to American claimants. Attack by the American frigate *Potomac* on the Malay pirates. Veto of United States Bank bill by President JACKSON, 10th July. New tariff act passed by Congress, July. Ohio State Canal finished. Albany and Schenectady Rail-Road, Columbia Rail-Road, Pennsylvania Rail-Road, Newcastle and Frenchtown Rail-Road, completed. 1833.—English duty on advertisements reduced from 8s. 6d. to 1s. 6d.

no distress had been experienced, and the managers believed themselves so strong in a paid-up capital of more than half a million, that nothing could injure them. Great losses were, however, sustained in the branches, and these, with the scarcity of money already alluded to, contributed to add to their troubles. Mr. CASSELS, agent in London, wrote to the head bank that money was very scarce, and advised the directors to obtain discounts in the country, and send up all the cash they could gather, as a large amount would be required. On this urgent application for assistance £108,000 were procured, and intrusted to Mr. EVANS, manager at Manchester, who arrived in town on the 28th of November, 1836. In St. Martin's-le-Grand he called a conveyance, which took him to his hotel. "My mind was very much engaged upon the state of things generally," said this gentleman, in his examination before the committee of the House of Commons, "and the matters I should have to discuss; and at the moment of leaving the cab, I lost sight of the bag which contained the money, and left it behind me." This alarming discovery was almost immediately made, and in no very enviable state of mind he ran with all possible speed to overtake the conveyance. The attempt was vain; and Mr. EVANS instantly sought the authorities at the Mansion House, communicated with FORRESTER, and, assisted by Mr. BUSH, solicitor to the bankers, took the best measures which they could devise together to recover the property.

The loss was of the utmost importance. It was felt that the rumor of such an occurrence would affect the Northern and Central Bank very seriously. Mr. EVANS, therefore, accompanied by Mr. BRAIDLEY, determined to seek the assistance of the Bank of England, and at five o'clock on the same day they procured an interview with the governor. Mr. BRAIDLEY remarked, before the committee, "the loss of the parcel having become known, it occurred to him that, if published in the newspapers, a run might be created on the branches of the country, and that it might

and for Ireland from 2s. 6d. to 1s. Ice first exported to the East Indies from the United States, 18th May. Opening of the China trade to the English. East India Company charter renewed; ceased to be a commercial body. Bank of England charter renewed. Usury restrictions removed in England from all commercial paper having less than three months to mature. Mr. CLAY's tariff bill passed by Congress. Removal of the deposits from the United States Bank, September, 1834.—The Statistical Society, London, formed. Act against British lotteries passed July 25; that at Glasgow this year to be the last. Bank of England notes made a legal tender for the first time, on all issues above £5, August 1st. English stamp duties on almanacs abolished, August 13. Sir ROBERT PEEL, premier, December 10th. The Zollverein, a commercial league, became operative. The Chinese suspend intercourse with the English at Canton. The first bank in Indiana chartered. London and Westminster Bank commenced business, 10th March. Resolution of the United States Senate condemning President JACKSON for removal of deposits, March. Nomination of ROGER B. TANEY, as Secretary of the Treasury, rejected by a vote of 28 to 18. Abolition of slavery in British West Indies, August 1st. Baltimore and Ohio Rail-Road opened for travel to Harper's Ferry, 1st December. Bank of Maryland failed, 24th March. 1835.—ALEX. BARING created Lord Ashburton, April 10th. Duty on tea reduced to 2s. 1d. per lb. French indemnity bill passed, 18th April. Baltimore and Washington Rail-Road opened for travel, 23d August. Bank of Maryland riots in Baltimore, 8th August. Loss of \$20,000,000 by fire in New York, 16th December. Boston and Providence Rail-Road, Boston and Worcester Rail-Road, completed.

extend even to the injury of the Bank of England." When it was said to Mr. EVANS, "then the committee are to understand that the loss of the parcel was not the cause of your going to the Bank of England?" he replied unhesitatingly, "certainly not."

At this meeting, Messrs. BRAIDLEY and EVANS requested the bank to advance £100 to £200,000, on bills, promissory notes and other securities, and, as an inducement, offered to close two of their largest branches. During this interview no conclusion was arrived at, although the governor intimated his opinion that a larger amount of cash would be necessary to render them any essential service. By eight o'clock the same evening the parcel was recovered; and if the loss had been the sole reason of the application, it seems reasonable to suppose that the negotiation would have ceased.

On the following morning, however, it was renewed by Mr. BRAIDLEY, on the grounds that the Northern and Central Bank could not meet its engagements without the assistance of the bank. The first thing they were informed was, that the bank would make no advances, unless it were an absolute necessity, and that, as the help of the bank must become known, it would be advisable for them to go on without it, or proceed elsewhere. The applicants immediately withdrew to consult, and on their return declared it was a case of urgent necessity, and the following statement of the liabilities of the Northern and Central Bank was handed in :

Deposits,.....	£ 260,000
Circulation,.....	800,000
	£ 560,000
Cash in hand,.....	180,000
Excess of liabilities,.....	£ 380,000

The assets consisted in bills, notes and overdrawn accounts. £300,000 of marketable paper could be immediately given; and the overdrawn accounts were stated to amount to £900,000. On this statement the bank agreed to advance £500,000. £100,000 immediately, and £400,000 at a future period, upon the condition that all the branches, sub-branches and agencies should be closed, excepting only Liverpool and London. The bank also insisted that the London agents should have no repayment made to them until the debt of the Bank of England should be liquidated. Mr. EVANS considered his application to the Bank of England as something similar to going to a broker for it, without being expected to give any statement of the affairs of the bank. "We were not," he said, somewhat energetically, "called upon to pay off our deposits; we were not called upon to pay our circulation; they were both as high as they ever were, and the credit of the bank was very high throughout the country." The governor, however, took a very opposite view, and pointed out the decrease in their deposits to £260,000 from the large sum of £900,000, at which they had previously stood. It is both curious and instructive to compare the earnestness with which they thus applied for assistance, and the greatness of its necessity, with the remarks in which they indulged before a committee of the House of Commons, when their purpose was gained and the danger passed. Thus, Mr. BRAIDLEY calmly asserted

that he believed it was only the anxiety of the Bank of England for their own credit which induced them to grant the help, as, "if the information of the lost parcel got into the papers, and there should be a run on forty banks in different parts of the country, the consequences would be so serious that the evil would extend eventually to the Bank of England," and a national calamity occasioned, which he was patriotically desirous to avert, even at some sacrifice. Mr. MOULTON also "knew no other reason than that it would save a run upon themselves, as the bank had no love for them." It was added, "the assistance given by the bank was certain to injure us. If it had been refused, the directors were to proceed home as rapidly as possible to close the bank." The assertion "that the Northern and Central Bank was in a good healthy state," was scarcely compatible with "proceeding home as rapidly as possible to close the bank." After an important discussion, which lasted from ten in the morning until six in the evening, the following letter was signed, and arrangements made for the receipt of the money :

London, 29th of November, 1836.

Sir,—In consequence of the urgent necessities of the Northern and Central Bank, and under the severe pressure they now experience, we beg, on behalf of that establishment, to apply to the governor and company of the Bank of England for an advance to sustain the current engagements of the Northern and Central Bank. We are desirous of receiving immediately the loan of £100,000 upon the discount of the paper now submitted; and we request the aid of the bank for a further sum, not exceeding £400,000 beyond the above £100,000, to be advanced to us as may be found necessary.

We are, Sir,

Your very obedient servants,

BENJAMIN BRAIDLEY, *Director.*

THOMAS EVANS, *Manager.*

To the governor of the Bank of England.

One of the stipulations of the Bank of England had been for a full account of the affairs of the applicants; and by the 12th of December a specification was delivered which materially differed from the first statement, the deposits being £860,000 instead of £260,000. The attendance of some of the managers was instantly desired at the Bank of England, and the discrepancy was attempted to be explained; but an examination of the books at a later period "utterly destroyed the excuse." It also appeared, that after the advance of £600,000, a very large amount would be required to bring the business to a successful issue. The affair assumed so serious a complexion, that the governor informed the representatives of the Northern and Central Bank, that further relief could only be granted on condition of their books being instantly closed, as the bank would not continue assistance while they made fresh engagements, and that in consideration of this, and of the consequences likely to occur to the whole country if they stopped payment, they should receive the requisite aid.

In both these arrangements the bank had stipulated that the London agents of the bank, for which assistance was required, should postpone

their claims until those of the Bank of England were fully satisfied, and a letter to this effect was required before carrying out the agreement. To this the directors of the London and Westminster Bank demurred very decidedly, and it is said that the arrangement nearly fell to the ground. The interests of this bank, however, were involved to a considerable extent; and it is probable that their refusal was rather an evidence of disapprobation than of positive opposition. However this may be, they found it advisable to consent to the terms proposed. The directors of the Northern and Central Bank held a meeting, at which, after entering into a review of the transaction, and declaring "that the Bank of England had more than fulfilled their part of the agreement," they were compelled, however unwillingly, to consent to close their business.

The affair was so important that two of the bank directors, Mr. DOBREE and Mr. PRESCOTT, accompanied by Mr. J. W. FRESHFIELD, Jun., solicitor to the bank, immediately proceeded to Manchester, to take possession of the securities, and examine the affairs of the company. The investigation was most satisfactory. By an account rendered on the 17th of December, there appeared securities to the amount of £373,136, while, by the books, the almost incredible discovery was made, that of these so-called securities £104,740 consisted of dishonored, or, as they were delicately termed, "overdue" bills, and that very many were nearly worthless. Their advances had been on the most profuse scale. The directors owed the enormous sum of £290,000, while, with a liberality not usually awarded to these functionaries, the clerks were in debt nearly £14,000. The proprietors formed a large proportion of debtors; and of fifty-two principal ones at Manchester, thirty-five were shareholders; and of twenty-nine at Liverpool, twenty-one proved to be the proportion interested. These things would have been startling to any one; but to the directors of the Bank of England, accustomed to a precision little less than marvellous, they must have appeared most extraordinary. But this was not all. It was accidentally discovered that secret accounts were kept; and on application to examine them, some difficulty occurred. The private ledger was not forthcoming; and a letter, of which the following is an extract, was written by Mr. FRESHFIELD, demanding, as an unquestionable right, the possession of so important a document. It will also place, in a clear and forcible light, some more transactions of the managers of the Northern and Central Bank before the reader: "In the course of the inquiries undertaken by Mr. DOBREE and Mr. PRESCOTT into the assets of the Northern and Central Bank, it appeared that large debts were due to the company by the directors; and on prosecuting this, it was found that, partly in their own names and partly in the names of connections or friends, put forward avowedly to represent them, there were debts owing by directors to the company exceeding the enormous sum of £200,000. The principal security for these advances consisted of shares in the Northern and Central Bank; and Mr. DOBREE and Mr. PRESCOTT, therefore, felt it their duty to ascertain the existence of these shares; first, as a material part of the assets of the bank, and, secondly, as the fact represented to them, that the directors had agreed to hold their shares, tended to show their own confidence in the undertaking, and therefore to afford some excuse to the directors, in

intention, at least, in the course they had pursued. On opening this inquiry, however, Mr. DOBREE and Mr. PRESCOTT discovered that, while some of the directors were large shareholders, others had sold the greater portion of their shares, and that others had been buying and selling upon a scale which appeared too nearly to approach jobbing in the shares of the company. The worst feature of the case was, that while the directors had bought in their own names, and added by the credit of their station to the value of shares in the market, sales had been made in the names of third parties, and shares had been transferred to purchasers in the names of persons who were for that purpose merely fictitious, not having the shares in their names; and these shares, purporting to be transferred by strangers, were written from the accounts of directors, thus falsifying the transfer-book, falsifying the titles of purchasers and deceiving the public. In following this inquiry it appeared that 1,120 shares, placed in the names of the directors, were carried to the private ledger, the same book in which part of the enormous advance to the directors had been entered and kept from view. Mr. DOBREE and Mr. PRESCOTT, therefore, required to see that book; and not only has that been refused, but you have closed the investigation into the share accounts of the directors. It appears to Mr. DOBREE and Mr. PRESCOTT that the existence of the shares of the directors is most material, as part of the assets of the company; that the accounts in the private ledger are necessary for the elucidation of this and other matters of this inquiry, and they consider the withholding them a breach of the engagement with the Bank of England. In this opinion I entirely concur. Upon the mere verbal construction I am of opinion that the inquiry must be permitted, and that the particulars called for are strictly within the terms of the agreement; but this transaction cannot be allowed to stand upon so narrow a basis. The Bank of England have come forward upon public grounds to support an institution of such magnitude, that its failure, otherwise inevitable, must have been a public mischief; and they were compelled to do this upon such an emergency as not to allow of a previous investigation; but I insist on their right to every such information as a person in embarrassments must give to the person applied to for assistance, a full statement of the present situation and prospects of the company; and these can only be ascertained by an unrestricted inquiry into the past transactions of the company. And, to avoid any misunderstanding, I think it right to state, that I consider the production of the private ledger as now indispensable. It is a mere misapprehension of terms to treat such books as confidential. The private books of a trader or trading company are private from clerks; but it is to such books that reference must be made for the real state of the assets and profits of the company; and in this particular case the book is now known to contain the accounts of very large debts due to the company, which it is necessary and proper to investigate."

The following is an exact copy of the reply from the chairman of the Northern and Central Bank:

"Mr. MOULT has received your letter, dated 31st December, and sent for Mr. BRAIDLEY last night, but found him confined to bed. I am most

anxious to have every circumstance fully set forth for the satisfaction of Mr. PRESCOTT and Mr. DOBREE, and shall convene an early meeting to-morrow, (Monday,) to take into consideration your communication, and will forward, without loss of time, an answer.

“Broughton, 4 o'clock, 1st January, 1837.”

The private ledger was at last placed in the hands of the representatives of the Bank of England, and a discrepancy was discovered between the account tendered on the 17th of December, and that in the private ledger, by which the directors were indebted £90,000 more than had been represented.

Various circumstances were found out which prove the responsibility of a company, unless great care be taken to choose a direction well disciplined to their task. One director alone owed £70,000. In two months the board of managers had distributed among themselves 4,465 shares, at £1 premium, when they were selling in the market at £3 premium. Besides these, £3,465 were divided at a lower rate, also for their own benefit. “Some may be more deeply implicated,” says the confidential report to the House of Commons, “but justice requires that the case of Mr. STELL should be specially noticed. That gentleman had a large banking account with the company, and the directors invited him, at the latter end of the year 1835, to take a seat in the direction, to which he assented. Mr. STELL was already a proprietor of 1,400 shares, for which he had paid, but the directors proposed to give him an additional thousand shares at the premium of £3 per share, and consented, on his paying the premium, to allow the £10,000 to remain at his debit for two years certain, and a third year, if he required it, charging interest thereon at the rate of £4 per cent. per annum. Mr. STELL, in fact, paid £3,000 for premium; and these shares were allotted to him on the day, and no doubt at the same board, when the directors apportioned to themselves 1,000 shares, at £1 per share premium.” A further instance was that of Mr. JOHN FERNELEY, of Manchester, who declined receiving an appropriation of shares, although they were selling at £5 and £6 premium in the market; and when it was pressed upon him, he, to avoid a collision, sold them, and sent the proceeds to the chairman of the bank.

Another circumstance was brought to light, evincing the necessity of care in accepting dividends, unless it can be clearly proved that they arise from the legitimate profits of the company. For the year ending December, 1835, an interest of seven per cent. was declared. The actual business profits of the company being insufficient to sanction this division, the directors provided for the deficiency by assuming a profit on unsold shares. The company was originally to consist of 100,000 shares; of these, 29,104 remained unappropriated, and the expedient, which certainly merits praise for its ingenuity, was resorted to, of imagining them to be sold at £1 premium, thus producing a fictitious sum of £29,104, to assist in paying the dividend of seven per cent. These circumstances, combined, induced Mr. DOBREE and Mr. PRESCOTT to request that a committee of inspection, unconnected with the recent administration of the company, should be associated for the investigation of the affairs of the bank.

So liberally, however, had the shareholders been used, that a doubt was expressed whether it would be possible to find four of them who were not indebted to the company. The difficulty was overcome, and the Bank of England having secured its interests by entering judgment for one million, which would enable them, in the event of necessity, to come upon the proprietors of the Northern and Central Bank, left the immediate management of the affairs to this newly-formed committee. At the meeting which took place on this occasion, Mr. FRESHFIELD explained the accounts as he had found them; Mr. MOULT remarked, it was "an exceedingly fair statement." Mr. BRAIDLEY also added, "the statement is a fair one;" and both these gentlemen expressed their obligations to the directors of the Bank of England for the pains they had taken; Mr. MOULT adding, he was surprised at the temper and forbearance they had manifested throughout the investigation.

Among the joint-stock banks which had been established through the declaratory clause, in the act of 1833, the London and Westminster occupied a conspicuous place; and on the 5th of April, 1837, an important opinion was given by Lord LANGDALE, in the Rolls' court. The question which was left for his lordship to decide, was the right of this establishment legally to accept bills of exchange, payable at a less date than six months. It appeared that the St. Alban's bank had drawn a bill on the London and Westminster for £25, at twenty-one days date, which bill was duly accepted by order of the directors of the latter. The Bank of England considered that the acceptance of a bill of less date than six months, by any banking establishment containing more than six partners, and within sixty-five miles of London, was a violation of the principles of their charter. Lord LANGDALE was of the same opinion, and decreed that an injunction should be issued restraining the London and Westminster Bank from accepting at a less date than six months.

The commercial discredit at the end of 1836 and beginning of 1837,*

*In France the public funds had rapidly risen in 1836; the three per cents, which had been 76 in January, were at 80 in December. Bank of France shares had risen from 1,755 to 2,145 in the course of the year. The revenue for 1836, for the first time since 1830, was superior to the expenditure, the former being 1,000,700,000 francs, (£40,028,000,) the latter, 999,467,000 francs, (£39,960,000,) leaving a small balance at the credit of the exchequer. The imports and exports, which had been very depressed in 1833 and 1834, became much more abundant in 1835 and 1836; and speculation outstripping the progress of real profit, opened to the ardent imaginations of the people the prospects of future and unbounded gain, which soon, like a fever, seized upon and carried away all classes.—ALISON'S *Europe*, vol. 7, p. 201.

Numerous French societies were established on the principle of *commandite*, or limitation of the liabilities of partners to the stock subscribed, which, as it lessened the risk of such undertakings, increased the favor with which they were regarded by small capitalists, and the avidity with which, as a matter of speculation, the shares were sought after by the public. In the two months of January and February, 1838, no less than sixty-seven societies of this description were set up, with the legal formalities, in France, with a subscribed capital of 108,222,000 francs, (£4,730,000,) divided into 219,212 shares; and in March, the fever of speculation had increased to such a degree that companies, with a capital of 274,672,000 francs, (£11,000,000,) were established in addition, divided into 399,636 shares.—ALISON'S *Europe*, vol. 7, p. 227.

arising from the panic which followed the excitement of the former year, was productive of renewed assistance on the part of the Bank of England. Some private banking houses claimed and received gold to a large amount, on the representation that if aid should not be afforded, the most disastrous consequences must ensue. One banking-house, that of *ESDAILE & Co.*, stopped payment. Great anxiety was evinced throughout the city. Fears were entertained lest a run should commence on others. It was agreed, therefore, that each of the London bankers should pay £5,000, in order to prevent a catastrophe which might have become generally ruinous. By this policy the city was preserved from distrust, and the creditors of *Messrs. ESDAILE* received all their demands in full.

From the beginning of 1837 doubts had been entertained that "the resources of the principal houses in the American trade, vast as those resources were known to be, would not be sufficiently adequate to meet the enormous extent of their engagements." In February and March their difficulties had excited great attention; and it became doubtful to what extent their necessities would require assistance, and, until this doubt was expelled, great concern was felt in all monetary circles. The bullion left the bank coffers; and by the 7th of February it had fallen to £4,032,000. In this month the emergencies of the great American houses were notorious; and it afterwards became known that they had applied for and received assistance from the Bank of England. It was soon ascertained that a sufficient amount had not been granted to save them from falling; and in May, 1837, they again applied for help. On an investigation of the offered securities they were found inadequate; and, after a long and anxious deliberation, the directors came to the conclusion of refusing the request. The ramifications of these houses were so extensive, that it was evident great mischief must ensue from their destruction. On the 1st of June, 1837, the day on which the appeal was finally rejected, three great American firms announced a suspension of payments. For a week there was great distress, if not an absolute panic, as the houses alluded to were under acceptances, at the time of their failure, to more than five millions. By the absence, however, of much doubtful paper, the circulation became sounder; and, assisted by advances from the bank, to the amount of £6,000,000, the trade of the country revived. The years 1838 and 1839 witnessed a repetition of similar scenes. In nine months 3,300,000 quarters of grain were entered for home consumption. The large payments for foreign corn had depressed the exchanges, and the country was embarrassed still further by its financial relations with the United States. American securities had been over-imported, and there was a continued drain upon the bullion of the Bank of England, which was reduced from £7,073,000 in April, 1839, to £2,522,000, at which it stood in the following October. On the 16th of May an effort was made to stop this progressive drain by raising the discount to five per cent. On the 20th of June it was again increased to five and a half, with the further announcement that money would only be advanced on bills of exchange. Still the drain went on; and on the 13th of July a notice was issued that the bank would receive proposals for the purchase of the dead weight, either in money or in stock. The attempt failed, as the price offered did not reach its estimated value.

"They then," said Mr. NORMAN, "pledged a portion, and obtained credits in foreign countries upon it; which they made use of to the amount of about two millions and a half. They also borrowed £750,000 in exchequer bills from the East India Company, on the same security, a portion of which they made use of." The drain for bullion ceased about October. "I have no doubt," says the same authority, and it must be received with the respect due to a thorough comprehension of the subject, "that the foreign credit operated materially; it tended to restrict the circulation here, and it also furnished means of foreign payment."

The operation to which allusion is made, of "credits in foreign countries," was not unprecedented in the history* of the bank, having previously been resorted to in 1832 to 1836. An idea generally prevailed that the English corporation had been compelled to borrow bullion from its less opulent neighbor, but this was a misconception. The following, from "*The Times*," is a correct account:

"In July, 1839,† the bullion in the Bank of England had fallen below three millions 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 the 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

* As Bank of England notes were now declared a legal tender every where except at the Bank of England, they were, to all practical purposes, an inconvertible paper currency, except in those periods when bad harvests, foreign wars, or any other cause, induced a great drain upon the metallic resources of the country, and brought the notes back in multitudes to be exchanged for gold at the parent establishment. At this time, however, not only was there no such drain, but the very reverse was the case. So firm had the seasons been, and so great the progress of agriculture under the protective system, that the import of wheat had sunk almost to nothing; on an average of five years ending 1836, it was only 880,000 quarters, and in the two last years of the period it was under 80,000 quarters. Thus the gold was kept in abundance in the country, and the paper was still more so; for, in consequence of the practical inconvertibility of Bank of England notes *during prosperity*, the paper in circulation, including that of country banks, had risen since 1831 nearly three millions. No combination of circumstances could have been figured more likely to induce present prosperity, or one more certain to be durable, if the currency had been established on a proper foundation. Unhappily, based as it was upon the retention of gold, which, in the nature of things, could not be permanently retained, it stood upon a sandy foundation, and upon that gold being withdrawn numberless calamities ensued.—ALISON'S *Europe*, vol. 7, p. 145.

† It was the *incessant fall* in the price of commodities of every sort, which had now gone on, with only two periods of intermission, of two years each, for twenty years, which was the cause of this universal and unheard of distress. With the exception of the years 1824 and 1825, when the small-note bill temporarily suspended the decline, and the years 1834 and 1835, when the joint-stock bank bill and the bill making Bank of England notes a legal tender, save at the Bank of England, produced the same effect, the whole period from 1819 to 1839 had been one of incessant fall of prices. The chief articles of commerce had declined in money value, during that time, 50 per cent.; many much more.—ALISON'S *Europe*, vol 7, p. 321.

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 & Co.**, or those whom they should name, and this house engaged to draw three months' bills for forty millions of francs on various houses in Paris. These bills, which **BARING BROTHERS & Co.** negotiated on '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 in 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 **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 credit 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 lowest sum to which the bullion was reduced was £2,300,000; but from this amount the reaction took place, and the monetary affairs of the bank were restored to their ordinary footing; and when, in 1839, the Bank of the United States of America applied for that assistance which was required through pressure and difficulty, they were enabled to offer £300,000, which, however, being deemed insufficient, was rejected by the latter.

Mr. **PALMER** attributed the drain of bullion to three causes: "The first I take to have been the very large amount of American securities that was sold, or for which credit had been given in 1838, and to February, 1839, which increased considerably the amount of bills upon London, in the continental markets; the second cause I attribute to the unprecedented extent of the purchase of foreign corn, in almost every

America. The importance of their transactions with this country may be gathered from the fact, that two gentlemen were confidentially employed by them to visit America, on the important question of representing their interests, and assisting them in procuring an adjustment of their accounts.

The use of bank notes, independently of their legitimate value, appears to be incalculable. It has been seen that they may be pasted on a village casement, in company with a ballad, to keep out the wind; and that an Algerine slave may make them the medium of communication with his friends in the north. But the most extraordinary power to which they have been placed is to be found in what our authority calls "manifolding." A person carrying on a somewhat extensive business in the provinces, being in want of cash, and in possession of a £50 note, came to the resolution of cutting it in two. With one part he went to a moneyed acquaintance, told him he had just received it by post, and that the other would follow in a day or two, and it would be a great convenience if his friend could advance him cash to the amount on its security. The person to whom he applied consented to the request. Having been thus successful with one-half, he determined to try the other; with it he proved equally fortunate, and thus his £50 note procured him £100. The game was too profitable to be given up at once; so he went to a banker, and demanded a £100 note with the cash he had received. Again he had recourse to the process of cutting; again he victimized two acquaintances, and thus procured £300 for his £50. With the money thus acquired he departed, satisfied with having gained £150 thus easily.

In 1836, in consequence of the failure of several East India houses, and the discredit which was generally felt, a resolution was passed authorizing the issue of bills of the Bank of England, payable at sixty days' sight.*

* The public funds of Great Britain have undergone some fearful vicissitudes. In 1700, on the death of the King of Spain, they fell to 50 per cent. After the peace of Utrecht, in 1715, they rapidly rose, and between 1730 and the rebellion in 1745, were never below 80; but during the rebellion sank to 75. They fell to 53 in 1782, at the close of the American war; and, mounting afterwards to 97½, in 1792, fell, in 1798, to 47½. This was the lowest they ever reached. Between that and the highest point, 107, attained in the year 1787, the difference was equivalent to 127 per cent. above the minimum price, sufficient to annihilate many fortunes; or to confer great wealth on those who purchased when the funds were at the lowest. From 1755 to 1844, a period of nearly ninety years, consols were always below par.

In the eighteenth century, consols were frequently, and for long periods, at or above par, viz.:

Year.	Highest Price.	Lowest Price.	Year.	Highest Price.	Lowest Price.
1732,	101 per cent.	96 per cent.	1743,	103 per cent.	100 per cent.
1733,	103	92	1749,	102	91
1736,	103	100	1750,	101	98
1737,	107	105	1751,	103	97
1738,	106	102	1752,	106	101
1739,	105	97	1753,	106	104
1740,	101	98	1754,	104	102
1741,	101	98	1755,	101	90
1742,	102	98			

CHAPTER XXIII.

KEXCHEQUER BILL FORGE BY EDWARD BEAUMONT SMITH—NEW DISCOVERY—LEGAL DECISION—INTERNAL ALTERATION IN THE CIRCULATION AND NATIONAL DEBT DEPARTMENT—GREAT CONTINENTAL CONSPIRACY BY M. DE BOURBEL, 1839—1840—ITS DEVELOPMENT AND DISCOVERY—FATE OF THE PERPETRATORS—TRIBUTE TO "THE TIMES."

In the month of October, 1841,* the members of the stock exchange were startled with the rumor of a series of forgeries, the ramifications of which were said to be so wide that no person could tell to what extent they had penetrated. It was stated that a large proportion of the ex-

* The period from 1836 to the beginning of 1841 was pregnant with important financial and commercial events in both Europe and the United States, including the momentous revulsion of 1837 in the United States, and the distress in England. The following were the leading events of the period:

1836.—Death of N. M. ROTHSCHILD, at Frankfort, July 28. Charter of United States Bank expired, March 4, and succeeded by Pennsylvania United States Bank. Reduction of the newspaper stamp duty in England, 15th September. Failure of the Commercial and Agricultural Bank of Ireland. Anthracite coal used for steam-boats on North River. Independence of South American republics acknowledged by Spain, 4th December. 1837.—Panic in the London market, June. Failures of American bankers in London. Further modifications of the usury laws of England. Failure of banks in the city of New-York, May 10. Grand Junction Railway, England, opened 4th July. Revolt in Canada. Mont de Piété, Limerick, established. 1838.—Railway partially opened from London to Southampton, May. London and Birmingham Railway opened, September 17. Arrival of the steamers *Great Western* and *Sirius* at New-York, from England. Reduction of taxes on paper and newspaper stamps and assessed taxes. International copyright act in England, July 31. Wreck of the *Forfarshire*; heroism of GRACE DARLING, 5th September. Royal Exchange, London, burned, 10th January. Resumption of specie payments in New-York, May. Sub-Treasury bill defeated in Congress, June. United States Exploring Expedition, under Captain WILKES, left Hampton Roads, 19th August. Imprisonment for debt abolished in England. 1839.—British treaty of commerce with the United States, January 19. Eastern Railway opened to Rurnford, June 18. Penny postage act passed, August 17. Slave trade suppression act passed in England, August 24. British trade with China stopped, December. Second suspension by the banks at Philadelphia, 9th September, followed by bank failures in the South and West. Western Rail-Road, Worcester to Springfield, opened, 1st October. Union Bank, London, commenced business. 1840.—Penny postage adopted in England. Postage-stamps and stamped envelopes come into use, May. London and Blackwall Railway opened, July 4. The opium war in China. The Chinese fort at Amoy destroyed by the English, July 8. Island of Chusan seized, July 5th. Blockade of the Chinese coasts, July 10. Antarctic continent discovered by WILKES, 19th January. First steam vessel at Boston arrived from England, 3d June. First CUNARD steamer (the *Britannia*) arrived at Boston, 18th July, and the *Acadia*, 17th August. Fiscal bank bill vetoed by President TYLER, 16th August. Bankrupt law passed by Congress, 18th August. Bill for distribution of public lands passed by Congress, 23d August. Fiscal corporation bill vetoed by President TYLER, 9th September. Loan of \$12,000,000 authorized by Congress.

chequer bills, then in the market, were forged. Great alarm spread throughout the holders of these securities. No one knew how far he might be involved, and there was no mode of testing their authenticity. The report continued to increase; and the public were made aware of a fraud so great that it jeopardized the prosperity of many first-rate houses, and so dishonorable that it is difficult to find an excuse for one who had possessed the confidence of his superiors for twenty-eight years, and who, by his nefarious transactions, disgraced alike himself and his connections. The Bank of England were deeply interested in the question, as exchequer bills formed a deposit on which they frequently advanced money. The species of bill chosen was the supply bill, issued under the authority of various acts of Parliament, and either paid off or exchanged, according to the option of the holder, after the expiration of a year. They pass with as much facility as a bank note, and are, from many circumstances, a favorite investment. In 1841, Mr. DAVID HÆS, a member of the stock exchange, was requested to lend money on exchequer bills; but the interest offered of six per cent. seemed so strange to this gentleman, who had lent £20,000 at four per cent., that his suspicions were aroused, and he immediately entered into a communication with the chancellor of the exchequer. To those who are uninitiated in the mode of transacting business at the stock exchange, the following evidence of Mr. HÆS will prove both novel and interesting: "I had been," said this gentleman, "in the habit of lending money on foreign stock, but thought it imprudent to continue; and that I would take it out of the foreign market and lend it on English security. I lent £20,000 on exchequer bills at four per cent. I was walking up Broad-street about ten or eleven o'clock, on Tuesday morning, with a friend, when a person crossed over the way to me, and said, 'You are the man I want; will you lend me some money on exchequer bills?' I said, 'Yes, I will; it depends upon the amount, the interest and the time.' He says, 'The interest is six per cent. for three months; you may have £10,000 worth.' I thought that very good interest certainly. But he parted with a man on the opposite side of the way. I, at that time, did not consider him a man likely to have the bills in any way at all. He said, 'You can have ten, or you can have twenty.' I am not sure whether it was not more. He said, 'We will take the money from to-morrow, but begin the interest from to-day.' The amount of interest I do not care for at all, but we are not in the habit, in the city, of giving up a day's interest; and I said to the person with me, 'Here is something smoky;' and said to the man who offered me the bills, 'Do not consider any thing binding in what I have done with you.' I went to the stock exchange, and said to the man to whom I had been lending on exchequer bills, 'This is a pretty joke; I lend you money at four per cent. on exchequer bills, and go out and get an offer at six!' 'Oh!' said he, 'You may let me have mine back; but I will refer you to another man.' I communicated with that other man, and he told me I had better go over to a banker's in Lombard-street, and ascertain the fact. I went there, and, combining all the circumstances in my mind, it struck me there was some robbery, and I made up my mind and sat down, and wrote to the chancellor of the exchequer. The whole did not occupy me twenty minutes." This

important letter, through which the transactions to be related were brought to light, requested a few minutes' conversation, on the plea that the importance of the writer's communication as to what was going on in the exchequer bill market, was such that he was led to consider the chancellor would not think his time lost if he devoted it to this communication.

On the following morning an interview was granted, and Mr. HÆS detailed the transaction, mentioning that the doubts of Mr. JOHN FRANCIS MAUBERT had been awakened on a previous occasion. This gentleman also had a meeting with Mr. GOULBURN, who was informed by him that in November, 1839, he had been paid seven per cent. on exchequer bills, when the market rate of interest was only six and a half per cent.; that as he considered the circumstance remarkable, he had declined any further transactions with the same party, and the event was only recalled to his mind when the decision and promptitude of Mr. HÆS had brought the affair to light. So searching was the inquiry immediately instituted, and so easy of detection was the fraud when suspicion was aroused, that by the 25th of the month, EDWARD BEAUMONT SMITH, chief clerk in the issuing office of the exchequer, was taken into custody. "Availing himself of his official capacity," said the chancellor, "the offender has taken the bills from the office in which he served, in order to forge the name, whose signature they were bound by law to bear." In every other particular they were genuine exchequer bills, and there was, therefore, no difficulty in procuring money on them. But a confederate was necessary; and confederates in crime are rarely wanting when wealth is to be attained. ERNEST RAPALLO and ANGELO SOLARI, foreigners, long resident in England, were the agents employed. It was only advisable to raise money on these bills in the way of loans, as, if they should obtain a general circulation, it was possible that duplicates might pass into the hands of the same party, whose doubts would be aroused; and it was certain, were this danger even avoided, that at the regular periods of paying off or exchanging them, a discovery must inevitably be made.

For five years did EDWARD BEAUMONT SMITH, ERNEST RAPALLO and ANGELO SOLARI confederate to employ the vast power lodged in the hands of the first, in defrauding the public. By introductions to brokers and bankers, by plausible assertions that there were friends, great capitalists, who were advancing money, and last, not least, by the offer of a higher rate of interest than that of the market, did these men succeed in their designs. Upwards of £800,000 were thus procured; and as another proof that money wrongfully gained is easily lost, they paid upon the stock and share markets large differences with their dishonest gains; in all probability flattering themselves that, by some fortunate hit, their liabilities would be paid and their fortunes secured.

It was invariably stipulated that the very bills which were pledged should be returned when the money was repaid, or on other exchequer bills being given. But this was not unusual; it being a recognised principle on the stock exchange that the borrower had a right to demand a restoration of the same documents which he had advanced. On one occasion some of them got into the market, and when the time expired the same bills were not of course forthcoming. As soon as the discovery

was made that eleven of the papers returned were not those which had been lent, great anxiety was evinced, and after much trouble they were procured, at an expense of £50. It appears strange that these combined facts did not lead to detection. The fears of the money-lenders were, perhaps, allayed, by a high rate of interest, and probably many shut their eyes, if not wilfully, yet with that obstinate resistance to truth so frequently shown under circumstances which promise large profits. It has been seen that Mr. MAUBERT had some doubts about the fairness of the transaction in which he had been engaged, and the small difference of one-half per cent. justified him in remaining quiet, but immediately the crime became public, a hundred incidents could be remembered by others; and a hundred communications made to the chancellor of the exchequer, either one of which, sent at the proper time, would, in all probability, have led to the immediate discovery of the fraud. The Duke of Wellington positively asserted, that though there were many innocent sufferers, yet a great number of the holders of the fraudulent exchequer bills were believed to have a knowledge that they had been issued under fraudulent circumstances.

The great alarm of the possessors of these securities may be conceived; and it was doubtful in what light government would regard many of them, as it was understood that the caution used, with the amount of the interest received, would be taken into consideration, lest those who had wilfully closed their eyes to the deception should be rewarded. A committee of the House of Commons was appointed, who delivered their report, and the result was a commission to inquire into the whole transaction. During this period, the owners were utterly ignorant as to the treatment they would receive. Their claims were strongly supported by the press; and the report of the committee was important, as it proved that an enormous power had been vested in the hands of the defaulter. "The sole direction of the quantity of paper to be manufactured," said this document, "of the plates to be engraved, and the custody of the moulds, plates, and of the paper unprinted and printed, of the press, seal and counterfoils, as well as the entire preparation of the exchequer bills, were entrusted to the uncontrolled discretion and integrity of the senior clerk of the department in which the bills were prepared, and, during the absence of his assistant clerk, unchecked by any regular examination of the stores or of the tradesmen's bills." This extraordinary power was commented on by the press. "If government had secured the exchequer seal by placing it in proper custody, and providing for its use only in the case of certain authorized persons, it would have been impossible for any single exchequer clerk, year after year, to issue hundreds of forged bills properly stamped."

The Bank of England was deeply interested. On the 21st of September, they had advanced to Mr. TOMKINS £11,000 for one month, on the security of certain documents, purporting to be exchequer bills. The money had been lent upon condition that if they were not redeemed at the expiration of the time, the bank should be at liberty to dispose of them and pay themselves, with interest. At the proper period, Mr. TOMKINS redeemed three, but being unable to take up the remainder, they were sent into the market, and pronounced spurious. An action was

brought against Mr. TOMKINS by the Bank of England to recover the amount, and a verdict given in their favor.

The arrangement by which government met the views of the holders of the exchequer bills was considered fair and equitable. In February, 1842, it was announced that of the £377,000 in circulation at the time of the discovery, £262,000 would be paid. The cases were divided into four classes, distinguishing the various degrees of care which had been evinced by each. Great endeavors were made to procure a remission of SMITH'S sentence, but the efforts were vain, and the punishment of transportation was awarded to the offender, who, with his accomplices, had received altogether the amount of £385,000.

The long period during which these forgeries remained undiscovered speaks loudly for the inefficiency of government arrangements. Against a combination of treacherous men it is almost impossible to guard, but the public have a right to demand that at least there shall be some mode of quickly detecting, even if it be impracticable utterly to prevent fraud.

The internal alterations of the bank, which commenced in 1839 and lasted until 1845, claim a calm, unbiassed statement. While in the secretary's office, where he had been since 1837, Mr. WILLIAM RAY SMEX was employed to draw up some important documents for the governor, a task that was performed greatly to the satisfaction of the latter, it occurred to Mr. SMEX that a proposal to simplify the working of the dividend warrant, and the check offices, the latter of which was so termed from its operating as a check on the payment of the national debt, might be favorably received; and that he might compromise no one save himself in the event of failure, he handed his proposition to the governor without acquainting the chief accountant. By the proposed alteration he stated that the work of the check office, employing three principals and twenty-one clerks, would be accomplished more effectually with two principals and seven clerks. The project was approved, a committee of directors appointed to inquire into its merits, and after an anxious investigation, the more so as it emanated from a young man whose financial abilities were not then generally known, the proposition was adopted, and the scheme carried out. This important check on the payment of the national debt, with all the intricacies involved in 600,000 warrants, being successful, Mr. SMEX immediately presented to the governor another plan for remodeling the whole circulation department of the bank. The importance and perfection of the project may be understood from the fact, that after it had been approved by the committee, although it was reconsidered, then sent to another committee, then altered, and again re-altered, the original plan, after several months close and careful inquiry, was ordered to be carried into execution.

The scheme was simple. It was, however, interesting to the public, as, in the day of its adoption, the bank ceased to re-issue its notes. By the old system, the numbers, amounts and dates of the latter were copied into books, in the order in which they were received. The amounts were then added, and the notes posted in a ledger, that they might be referred to for the courts of law and the public, in cases of fraud or litigation. These postings were afterwards examined from a copy of the cash books,

in which the notes were entered, giving the balance of each ledger. The new system abolishes the entry in the cash books, and stamps every note on its entrance with a number which gives the full particulars of the parties who send it in. The notes are then arranged numerically, thereby saving the copying of the date and number, except the last two or three figures, and altogether saving the entry of the amount; while the posting, which before took fifty, now employs eight clerks. As the circulation is nearly numerically doubled, it is impossible to say what amount is saved to the public; but, judging from the number stated to be employed by the report of the committee of the House of Commons, it is probable that the old plan could not be reverted to under eighty extra assistants.

On the day of its commencement one hundred and twenty clerks were employed. From the novelty of the various operations, the balance, the great proof of success, was not arrived at till near eight o'clock. On the second day of its trial, the same result was arrived at by five o'clock. On the third it was tried by three o'clock, but without the same success, being £5 deficient. Every plan that could be imagined was tried to discover the supposed error. For seven hours were the clerks of the department employed in examining and re-examining the books. For seven hours were they detained investigating and re-investigating the notes, of which the books were a copy; and it was curious to witness a young man of three and twenty, with unchangeable confidence in the soundness of his system, directing, or attempting all those experiments which a perfect knowledge of the accounts suggested as most likely to discover the presumed error. At ten o'clock the search was given up; and the ruin of the new system seemed complete. The information spread rapidly that the office had separated without a balance; and it could have been no pleasant task to Mr. SMEE to meet the governor next morning with the news. The confidence of the latter, was, however, complete; the plan went on; a mode of detection was adopted; and it is to be presumed that the dread of discovery produced the note, as the balance, a few days afterwards, was £5 over, and the very note which had been proved to be missing was found to have been returned.

A change in the working of the circulation department had long been considered desirable. Mr. MELLISH, one of the directors, and member for the city, took considerable interest in the accomplishment of an alteration; and on one occasion there is a tradition that, being desirous to ascertain the real nature of the duty, he announced his determination to the principal of the accountant's office, to come and attempt a day's work. The morning arrived, and with it Mr. MELLISH. The day was a heavy one; the business was new; and the books were brought him with all the gravity suitable to the occasion, and perhaps more frequently than was absolutely necessary. They came too fast for him. In vain he exerted himself with all the energy of which he was capable; there was to him a difficulty in finding the proper folios; that which clerks, accustomed to the operation, performed almost intuitively, was a great exertion to a novice, and, long before the day had passed, Mr. MELLISH beheld such an accumulation of ponderous tomes, both before and behind him, that he gave up the attempt in despair, and from this period an alteration was made in the amount of labor, which was perhaps more in proportion

to the clerks' views of propriety than before. The same gentleman—and these things, trifling in themselves, are an evidence of the desire of the direction to improve the economy of the establishment—saw the principal of the office in which he had worked in the area of the Royal Exchange. Immediately accosting that gentleman, he earnestly addressed him on the subject of the proposed alteration, and seizing the button of his coat, pulled at it with the same energy with which he was talking, nor was it until the button was divorced from the coat that the individual whom the director held captive was enabled to make his escape. Mr. MELLISH may almost be said to have died in the service of the corporation. On the night of the fire of the Royal Exchange, although but recently recovered from an attack of gout, he came down to the bank, the thermometer standing about ten degrees below freezing point, saw every thing done to secure its safety, and died from his exertions. Perhaps no man would have been more pleased with these alterations than Mr. MELLISH, had he lived to have witnessed them. But singular enough, it was stated at the time, that the greatest difficulty Mr. SMEE had to surmount was, that Mr. MELLISH had proposed several years before an alteration with a similar object, and had abandoned it.

From the above period various alterations occupied the attention of Mr. SMEE, till the spring of 1842, when a committee was appointed. They reported the triumphant success of the plan, and it has been in working ever since. In the following week, the same gentleman proposed another alteration in the circulation department, by which the whole of the post-bill office was successfully re-modeled. Mr. WILLIAM RAY SMEE's influence was now doubled; and the next step which he took was the first movement in the alteration of the national debt department, by which the posting in the dividend office was abolished. Success produced confidence; and the proposition which followed for an entire alteration in the management of the national debt, almost involved in its failure or success the payment of the dividends at the appointed time to the public creditor. Looking calmly back on the magnitude of this transaction, it appears singular to reflect on the confidence reposed in Mr. SMEE. It is impossible to magnify the greatness of the operation, for the balance of 600,000 accounts was to be procured by it, and it is impossible to deal with any thing more extensive than the national debt of England. The confidence was, however absolute; and success justified the confidence.

The bank—like other large establishments—is an epitome of the world. Men are contented to abide by their old institutions, and deprecate change as evil. It was very natural that those who had followed one particular plan for thirty or forty years should be prejudiced in its favor. This plan, by a high and competent authority, (Mr. HIGHAM, Comptroller of the National Debt Office,) had been pronounced perfect in all its details; and a proposal to alter perfection must have sounded to these gentlemen something like presumption. It was natural enough for those who knew the working of the old system to think that a new plan must fail; to be slow in recognising its advantages, and to apprehend a want of safety in various departments which had hitherto been regarded as perfect. It is hardly too much to say, that the proposer was deemed arro-

gant by some, and that it was firmly believed by others that he would not succeed in procuring the requisite balances. To enter into a description of the new, would be useless, without doing the same with the old arrangements; but their importance may be gathered from the fact that the dividend books, from which the public creditor receives his interest, are now commenced a week earlier than before, while, during the remainder of the time that the books are closed for transfer, certain operations are rendered less laborious, and the officers have less to do than heretofore.

The task was difficult. Involving as it did the most important operations of the bank, with consequences to the corporation no less than to the projector in the event of failure, it is probable that both the governor and chief accountant experienced great anxiety during its progress. Mr. SMITH himself, with a most remarkable confidence, never shaken by any apparent difficulty, went through it with unswerving decision. But the labor was not trifling. To initiate those in a new, who had grown gray in the practice of an old, system—to explain the intricacies of a fresh plan to those who would have preferred proceeding in the good old path, and who, at first, unavoidably confused the one with the other—to find out errors which had occurred through ignorance of the detail, and which required a complete knowledge of it to detect—appeared to require an older head than his who now attempted it, and who pursued his task with a most unalterable faith in the excellence of his scheme. The plan was successful; the balance was obtained; and a most important result, far greater than any pecuniary consideration, was arrived at.

The directors were enabled so far to consult the accommodation of the public, as to enable the transfers in the various offices to be made eight or nine days later than usual; the business which formerly occupied about thirty-two days being accomplished in about twenty-three. That this is a most important result, and that it would be found highly beneficial during monetary crises, may be gathered from the fact already given, that during the panic of 1825, when the demand for money was so extensive, upwards of one hundred transfers were daily made as a favor, and after much trouble, by those whose necessities compelled them to sell stock.

The importance to the banker and the merchant can scarcely be overrated, as there must ever arise periods of pecuniary difficulty when the advantage of having a command over money in the funds is to the possessor almost incalculable. The complete results, however, of these stock-office arrangements, whatever importance may be attached to them, are probably not yet attained either by the bank or the public.

It is possible that these pages may be perused by parties engaged in similar attempts in other establishments. Let them not imagine that these alterations in the economy of the Bank of England were effected with the ease with which they have been related. Let them remember that great operations are liable to great difficulties; that they may have to contend with the power of the strong and the jealousy of the weak; that in some there may be the pretension which promises much, but produces nothing, while the capacity of others may be only employed in condemning that which they cannot improve. To alter the system of a

century is no trivial task; to carry those alterations into effect requires no ordinary mind; and with all the appurtenances of power resolution of no common nature is demanded. The abuses with which we are familiar are sanctioned by time, or appear so woven into the fabric, that in destroying the one we seem to tear down the other; and whatever the change, there are always so many antagonistic interests, and so many important considerations, that, to adopt the words which an Edinburgh reviewer applied to Sir SAMUEL ROMILLY, he who would alter must, in all probability, "share the fate of all propounders of change in any institution, be derided by some, and by others be regarded as the advocate of a desperate cause."

Various efforts were made in 1843 to procure a salutary relaxation of the labors of clerks in banking establishments, although without success, as the attempts made by benevolent persons to procure an additional hour have hitherto failed. The argument was adduced that other classes worked longer than clerks; and this obtained favor with those who were against the movement. In May, 1843, the Bank of England, in compliance with a request of the members of the stock exchange, gave notice that no transfers would be allowed after one o'clock on Saturdays, and that the future public days would be Tuesday, Wednesday, Thursday and Friday, for all the stocks. In the same year the light sovereigns were called in, and much uneasiness occasioned to the poorer classes. The bank received only large quantities; the poor man, therefore, was left to the mercy of the small tradesman. Sixpence, and occasionally a shilling was demanded, and the holder could only complain and comply.

Every arrangement was made by the directors to forward the business; but in this, as in other instances, much dissatisfaction was evinced. Those who were compelled to apply were sometimes obliged to wait, and their detention generally gave birth to a letter in the daily papers, about loss of time, bad arrangements, with unfair complaints against the clerks. There is no public establishment in which so much accommodation is afforded to the public, or where such attention is shown; and there is no place against which so many unjust charges are brought. They generally emanate from the small holders of stock, who fancy that the privilege of receiving their dividends twice a year is to be accompanied by a deference, an obsequiousness and a promptitude which the moneyed man and the banker never think of claiming.

The total amount of light coin received from the 11th of June to the 28th of July, 1843, was £4,285,837, and 2½d. was the loss on each, taking an average of 35,000. The large sum of £1,400, in one pound notes, was paid into the bank this year. They had probably been the hoard of some eccentric person who evinced his attachment to the obsolete paper at the expense of his interest. A few years afterwards a £20 note came in which had been outstanding for about a century and a quarter, and the loss of interest on which amounted to some thousands.

It is now the province of the writer to relate one of those occurrences which occasionally interest the somewhat uneventful hours of a commercial community. The union of rank, talent and accomplishment, with fraud, dishonor and dishonesty, forms, in the present instance, a relation sufficiently interesting to pass an hour by the winter fire-side, and suffi-

ciently striking to demand the attention of the monetary man, and the notice of the observer of human nature.

Florence, the beautiful capital of the grand duchy of Tuscany, is, both from its natural advantages and its acquisitions in art, the chosen residence of many members belonging to the most aristocratic families from every country in Europe. Some reside from choice, others from necessity. Some are of unimpeachable honor, others are of broken fortunes and questionable reputation. None were more remarkable, from a combination of the latter, than the Marquis DE BOURBEL, whose family was, according to his own showing, as old as the "rocks of Provence," and CUNNINGHAM GRAHAM, of Gartmore, whose name is a sufficient description of his country. Although there might be a little gasconade in M. DE BOURBEL's description of his race, there is little doubt that he was of an ancient stock, which could be traced back to the *gentillard*, or small gentleman of Normandy, a rank somewhat analogous to the better class of English yeomanry. The Marquis, whose immediate ancestor is said to have filled some subordinate situation under the Governor-General of India, entered life with no ordinary advantages. While young he became attached to the French embassy in Portugal, and afterwards at Copenhagen. From such situations many men of less capacity have risen to wealth and honor. This was not the fortune of the Marquis DE BOURBEL, who, from some cause or another, sunk to the unenviable reputation of a gambler, duellist and *roué*. His accomplishments were varied. A great linguist, a good draughtsman, a fine equestrian, and a skilful fencer; he rode, fought and fenced, until he became a member of the secret French police, a degradation sufficiently accounted for when it is added that he was universally regarded as a thoroughly *mauvais sujet*. He appears, indeed, to have been one of those specious, agreeable persons, whom good men pity, and with whom bad men associate. His wife, an Englishwoman, who, with her fortune, had been caught by the showy exterior of the Marquis, died broken-hearted, shortly after his elopement from her with her maid, or with an opera-dancer, history is uncertain as to which. But even the laxity of the Italian morals found the Frenchman too bad for it, and he was compelled in some measure to submit to public opinion, by retiring to a country-house, near Leghorn, on the road to Florence.

The seclusion of the Villa Micali, the name of the place to which DE BOURBEL retreated, was often enlivened by the visits of the remarkable man who has already been named, CUNNINGHAM GRAHAM, of Gartmore, in Scotland. The bad pre-eminence of the Norman was rivalled by the cool craft and unprincipled design of the Scot. A large estate which had devolved to him he had squandered; the fair fame of his ancestors he had disgraced; the honorable name which had descended with his estates he had tarnished; and, in 1828, he was compelled to leave Scotland to avoid his creditors, in an exile which ultimately brought him to Florence, and made these two dangerous men acquainted. GRAHAM, like his friend, was a person of considerable accomplishments. There was, moreover, a refinement and taste in him which was absent in his companion. Although he possessed a love for the fine arts, it was in the more imitative and mechanical ones that he excelled. With a turn-

ing-lathe he formed tools; and possessed sufficient skill to work on rare engravings of RAFAEL MORGHEN, and the *chef d'œuvres* of DOMENICHINO and GUIDO RENI, which he traced with singular success.

Such were the two men who sought each other's society at the Villa Micali, and who first brooded over the artful and daring fraud that sought for its victims all the great European bankers, and which, in its unparalleled boldness and cupidity, looked to the gain of a million sterling as its reward. The idea was worthy the crafty brains from which it emanated; and in order to carry the gigantic crime into execution, it was proposed to forge those "lettres circulaires," (better known in England as letters of credit,) which are obtained from the principal bankers, for payment by their foreign correspondents.

These letters, which are issued for sums varying from £100 to £10,000, are very much alike, and are all engraved in black with blank spaces for the amount, the name of the bearer, and the banker's signature. The great credit and immense business of the house of GLYN & Co., made them fixed upon as unwilling assistants in this bad transaction. On the letters used by this firm their initials are stamped. Below them is the blank space for the various sums to be entered, which are paid until the amount of credit is exhausted. As an assistance to the holder, the names of the principal places of Europe are annexed, with the bankers to whom the credit is addressed; thus, to the first, of Abbeville, is given that of Messrs. DAVERTON and THOLOME, and to Zante, LAWRENCE HAYES & Co.

The difficulties were many; but such men as DE BOURBEL and GRAHAM delight in surmounting difficulties where wealth is to be achieved. One necessity was a continental banker to aid them with his experience; another and less difficult one was the want of a circular letter of credit, on which the imitative capacity of CUNNINGHAM GRAHAM might exercise itself. ALLAN GEORGE BOGLE, a native of Glasgow, son of a West India merchant, Lieutenant in the Royal Navy, and GRAHAM's son-in-law, was stated to be chosen by the conspirators to aid them in their bad design. He first obtained a situation as clerk to a banker at Florence, through his father-in-law's interest, and then contrived to enter into partnership with Mr. KERRICH & McCARTHY, one of whom had commercial connections of the very highest credit, which produced a profitable business to the new firm of BOGLE, KERRICH & Co.

The intimacy of DE BOURBEL and GRAHAM increased, and the tracing room of the latter was chosen by them for their many conferences. Here, by means of a machine ostensibly employed in tracing pictures, they employed themselves in imitating signatures, until they arrived at the most unerring accuracy and verisimilitude.

The commercial connections of BOGLE, KERRICH and Co. were, in the mean time, rising fast into the highest credit. In March, 1839, a great move was made in the plot by the introduction of the Marquis DE BOURBEL as a constituent to BOGLE, KERRICH and Co.; and the next step was a visit of DE BOURBEL to London, to accelerate those branches of the scheme which could not be forwarded out of the great English capital. No sooner had the Marquis found himself in England than he discovered a valuable assistant in the person of an old friend, the Baron D'ARJUZON,

a son of a peer of France, who was president of the college of the electoral department of the Eure, and had been first chamberlain of HORTENSE, wife of LOUIS BONAPARTE. The vicissitudes of a gambler's life were a fitting introduction to the risks of the forger; and D'ARJUZON readily joined the designs of his comrade.

The first object was to procure the kind of paper used by GLYN and Co. in their circular; an operation necessarily of great difficulty, but one in which they were successful. The next was to get the letter of credit engraved, previous to which it was requisite to procure one from the banker whose paper was to be imitated, and whose signature was to be forged. In the month of January, 1840, an application was made to them for a letter of credit. The transaction was regular, the money was paid, the document handed over, and the work of iniquity proceeded with expedition. The master mind of DE BOURBEL was in a congenial element. One engraver was employed for the copper-plates; the seal of the instrument was engraved, and copies struck off at the apartments of DE BOURBEL, which were then forwarded to Florence, to CUNNINGHAM GRAHAM, who added, by means of his tracing machine, the names of GLYN, HALIFAX, MILLS and Co. All was now ready for the perpetration of that plot, the discovery of which interested every great commercial house in Europe. Other assistants were procured to the number of six, amongst whom were the son of CUNNINGHAM GRAHAM, and MARIE ROSALIE D'ARJUZON, who was to travel under the title of the Countess of Vandec, with one who called himself the Count de PAINDRY, but whose title is nowhere to be found among those of the aristocratic families of France.

The 19th of April, 1840, was the day chosen for a simultaneous presentation of the forged letters. The bankers of Italy, Belgium, and the towns on the Rhine, were chosen as the chief victims. America, India, Algiers, or Egypt, was to be the *rendezvous* when the robberies were effected. The chief conspirators were in high spirits. The elder GRAHAM declared, in some intercepted correspondence, "that the letters were perfection, and that it would be impossible to refuse them." DE BOURBEL wrote to GRAHAM, the younger, to be of good courage, to act vigorously, that all was right; "and a proof that all is right is, that BOGLE lets him come and embark in the affair. BOGLE and your papa are convinced that all will turn out well, and that the letters of credit must be paid."

After an interview of DE BOURBEL with BOGLE on the 21st of April, in a private room, which lasted upwards of two hours, the Count de PAINDRY commenced his operations by presenting a letter of credit to Messrs. BOGLE, KERRICH and Co.; and received upon it the sum of £200. The confederation by this time had opened the campaign in various parts of Europe. At Genoa, Messrs. GIBBS and Co. paid £1,500 on the faith of the letter. At Turin, £600 was obtained from NIGRA and SON. At Milan, £800 were procured from PASTEUR GIROD and Co.; and on the following day the same amount was procured from LOUIS LAURENT and Co. Rome next witnessed the pollution of their presence. £200 were procured from M. LE MESURIER, and the next day £1,300 more were demanded. So large a sum made the cautious Italian hesitate. It was the first time he had honored any letter of GLYN and Co. PIPE, one of the

subordinate agents affected great indignation. His father had sent him out to purchase pictures on commission, and should the money not be immediately paid, he should forthwith replace what he had received, return to England, and cause his father to enter an action against Messrs. GLYN for damages. The high tone of this man, a consultation with the English consul and another gentleman, together with a full consideration of the circumstances, unfortunately, procured the payment of the money.

Florence witnessed a curious scene in this romantic drama. It has been related that the Count de PANDRY had procured £200 from BOGLE, KERRICH & Co. On the following day, on the arrival of Mr. KERRICH, he found the count in earnest conversation with his other partners. A shopkeeper of the name of PHILLIPSON had doubted the authenticity of the letter, and the high-minded count could not think of retaining the money, lest it might possibly injure a reputation so unsullied as his own. "At first," he said, "I determined to pass this over; but, on reflection, it is a matter which touches my honor; and rather than have my name brought in question, I have resolved to return your money, and request you will write to your correspondents and re-assure yourselves in the matter."

It may be easily imagined that, however Messrs. KERRICH and MACARTHY, the partners of BOGLE, might applaud so honest an action, it was not without its reward to the accomplished count. An entry was made in the letter as follows: "The above payment cancelled by desire of the bearer. BOGLE, KERRICH & Co.;" and this would tend to convince other houses of the correctness of any transactions he might have with them. From Florence he sought Bologna, where he procured £347 from Messrs. LANDI & RONCADELLI; and at Venice a further sum of £40 from DUBOIS BROTHERS. At Trieste, Messrs. ROUTH paid him £1,612 6s.; and one of the partners was so struck with the count's pleasing manner, that he invited him to his opera-box in the evening, and allowed him to accompany him home to his private residence.

Affairs were progressing equally favorably on the Rhine. The Countess VANDEC, in order to support her rank, traveled in her private carriage with a courier. At Coblenz she obtained £500 from DEINHARD & JORDAN, and from GOGEL, KOCK & Co. £520. At Mentz she procured £500 from HUMAN & MAPERS FILS, and, satisfied with her success, proceeded to Paris. At Liege, D'ARJUZON and a confederate obtained £100; and at Brussels £750 from ENGLER & Co. Ghent was assailed by them on the 23d; but Messrs. MEULEMEESTER & SON refused to honor the letter, on the ground of not having received advice from GLYN & Co. On the same day, the letter of credit presented to ENGLER & Co. was presented to M. AGIE, at Antwerp. This gentleman, surprised at a further advance being so soon required, refused to honor the letter, on the ground of want of advice. The truth was that M. AGIE suspected a fraud. He intimated these suspicions to M. ENGLER, who immediately communicated with the police; and IRELAND (one of the subordinate agents) was apprehended on the 25th of April, on board the Ostend steamer, bound to London.

The news passed into the Brussels journals; from thence to GALIGNANI's Paris papers; and before the ramifications of the conspiracy could

be discovered, different parts of the world received the actors in the plot. The names of DE BOURBEL and GRAHAM were implicated. Mr. KERRICH was startled by the receipt of some documents from her majesty's envoy at Florence, in which the name of BOGLE was seriously compromised. The distress of mind of the latter appears to have been great; and, after some agitated interviews with his partners, he declared his determination of retiring from the firm, a letter to this effect being drawn up by Mr. MACARTHY.

The first intelligence in England of this fraud was received by "*The Times*" newspaper, in which a letter was published wherein Mr. BOGLE's name was introduced as one of the fraudulent parties. The letter stated "that a great forgery company, established on the continent, had lately been detected and blown up; and that the object of the company was to plunder the continental bankers by means of forged letters of credit, purporting to be of the banking firm of GLYN, MILLS & Co., of London." The letter then gave the names of the conspirators, and among others included that of BOGLE, who immediately commenced an action against the proprietors of "*The Times*" newspaper, as he was unable to support the idea of his name and character being questioned. The behavior of the conductors of "*The Times*" was worthy of their high reputation. Disregarding expense, they sent Mr. DOBIE, their solicitor, and Mr. KIRWAN, a barrister, to the continent; there, after an anxious search and harassing difficulties, a body of evidence was obtained from which the above circumstances have been collected, and which, perhaps, have never been surpassed in the annals of jurisprudence.

The character of the plaintiff was estimated at one farthing by the jury, which was the amount of damages granted by them. The judge refused to certify; and the expenses of Mr. BOGLE, therefore, were paid out of his own purse. The testimony paid to the proprietors of "*The Times*" was worthy the vigorous and honorable course of that paper; nor is it possible to praise too highly the promptitude which published the account, the boldness which printed names at a risk so great, or the skill that collected the evidence which justified its conduct in the eyes of all Europe. The following will give some idea of the fate of the various conspirators:

DE BOURBEL retreated to Spain; but is supposed to have been in London at the time of the trial, and to have supplied BOGLE with cash, and what would be more valuable, with the counsel of his crafty brain.

The Count DE PAINDRY was overtaken in Moldavia, and compelled to disgorge some of his plunder; was delivered over by the police of Constantinople, and sent to Genoa, and thence to Aix, where the court declared its incompetency to take cognizance of the affair, and he was dismissed. ALEXANDER GRAHAM died at a *maison de sante*, in great want and misery.

GRAHAM the elder, D'ARJUZON, his mistress, and PIPE, do not appear to have suffered any molestation on account of their share in the transaction, other than that they were compelled to decamp very suddenly; so that the only party punished in connection with a fraud of unexampled magnitude, laid with consummate skill, and put into execution with boldness that ensured its success, was the journal which put the commercial

men of all Europe on their guard, broke up the confederacy,* and prevented the loss of thousands. The expenses of "The Times" are known to have amounted to many thousand pounds.

"The bold and manly conduct of 'The Times,' in publishing the original account of the confederacy, the resolution with which they stood the attack, as well by pleading justification instead of an evasive plea, as the enormous expense they went to to support the plea, and the important consequences resulting from the whole proceeding, did not escape the observation of the merchants and bankers, and was greatly appreciated by them. A committee was formed; subscriptions poured in from every quarter; the corporation of the city, the companies, the incorporated bodies of every kind, merchants, bankers and tradesmen, and even private parties, hastened to forward very handsome contributions. Nor were the leading merchants and bankers of the continent at all backward; they, indeed, were the parties chiefly aimed at, and they came forward very handsomely, so that in the course of a few months the subscription amounted to £2,700.

"The proprietors of 'The Times' now added another honor to those they had already gained, for, declining any of the customary forms in which tributes of this nature are usually embodied, they requested that some mode should be chosen by which, at once, the memory of the occasion might be perpetuated, and the community benefited; and it was finally decided, that, with the exception of the expenditure of a trifling sum in tablets, with suitable inscriptions, one to be placed in the Royal Exchange, and the other in a conspicuous part of 'The Times' printing establishment, the whole of this sum should be appropriated to the foundation of two scholarships, to be given to youths elected from CHRIST'S Hospital and the city of London school, to the universities of Cambridge or Oxford."

* The forgery of bank notes has been lessened of late years by means of greater skill in engraving, and a better quality of paper. The *Edinburgh Review*, on this question, said: "It must not be forgotten that an improvement in bank paper, far short of what could be accepted as a substitute for cash payments, would be an object of the utmost public importance. When that paper is restored to its original character, and once more rendered secure against the evil of excessive issue, it will still be liable to attacks from the other evil of forgery, which has arisen and become formidable during the fatal period when payments were not made in money. The former mischief may be immediately removed, but the effects of the latter must continue, in some degree, for some time. When we return to our ancient system, we ought to return to that part of it which consisted in the prohibition of the issue of notes under five pounds. The great body of forgeries consists in notes of one pound. In the last year they were about thirty thousand. But the crime created by these small notes has spread to the larger, which, when they circulated alone, can scarcely be said to have been forged at all. Five hundred forged notes, of ten pounds and upwards, appear to have been detected in the last year by the bank. How many more never reached them we cannot conjecture; they were, probably, numerous; though we should be inclined to make a large deduction from the estimate of a respectable member of Parliament, who said, that half the Bank of England notes circulated in the three northern counties were forgeries. After the resumption, indeed, of cash payments, forgery of the large notes will be immediately limited by the skill and leisure of the class among whom they circulate, and by the facility of refusing paper when there is a power of procuring money.

FOREIGN BANK STATISTICS AND FINANCIAL AFFAIRS.

I. *Bank of France, 1861-1862.* II. *Credit Foncier, Paris.* III. *French Railways.* IV. *French Colonial Banks.* V. *French Finances.* VI. *French Contracts.* VII. *French Dividends.* VIII. *Banks of Scotland.* IX. *Banks of Ireland.* X. *London Joint Stock Banks.* XI. *New Foreign Loans in England.* XII. *Robbery of Bank of England Note Paper.* XIII. *The English Money Market.*

I. BANK OF FRANCE.

LIABILITIES.	Aug. 1862. France.	July 1862. France.	Aug. 1861. France.	July 1861. France.
Capital of the bank,.....	91,250,000 ..	91,250,000 ..	91,250,000 ..	91,250,000 ..
New capital of the bank,.....	91,250,000 ..	91,250,000 ..	91,250,000 ..	91,250,000 ..
Profits in addition to capital,.....	2,316,506 ..	2,316,506 ..	2,316,506 ..	2,316,506 ..
Reserve of the bank and branches, ..	12,996,750 ..	12,996,750 ..	12,996,750 ..	12,996,750 ..
New reserve,.....	2,125,000 ..	2,125,000 ..	2,125,000 ..	2,125,000 ..
“ in real property,.....	4,000,000 ..	4,000,000 ..	4,000,000 ..	4,000,000 ..
Notes in circulation,.....	782,426,125 ..	794,113,175 ..	757,922,475 ..	781,073,675 ..
Drafts drawn by bank and branches, ..	4,244,120 ..	5,097,590 ..	4,919,177 ..	5,423,621 ..
Deposit at sight,.....	5,613,310 ..	5,347,861 ..	5,990,318 ..	6,799,228 ..
Treasury account,.....	100,168,371 ..	124,599,157 ..	124,006,005 ..	121,405,826 ..
Accounts current at Paris,.....	161,579,898 ..	181,960,056 ..	156,522,567 ..	172,842,119 ..
“ in the branch banks,.....	33,523,748 ..	34,240,598 ..	29,654,157 ..	27,624,625 ..
Dividends payable,.....	2,324,639 ..	6,886,898 ..	2,412,027 ..	6,222,524 ..
Interest and dividends,.....	2,502,428 ..	8,112,294 ..	2,890,524 ..	7,667,022 ..
Various discounts and interest, ..	3,767,590 ..	1,478,490 ..	4,907,796 ..	2,265,292 ..
Re-discounts at Paris and branches, ..	1,405,519 ..	1,405,519 ..	1,284,567 ..	1,284,567 ..
Sundries,.....	2,069,229 ..	5,863,255 ..	1,177,839 ..	6,060,127 ..
Total francs,.....	1,824,522,748 ..	1,891,222,655 ..	1,809,167,415 ..	1,800,622,244 ..
Assets.				
Cash and bullion,.....	107,005,260 ..	98,143,098 ..	89,842,627 ..	82,216,227 ..
Cash in the branch banks,.....	277,247,120 ..	294,078,867 ..	304,927,921 ..	299,761,261 ..
Commercial bills due,.....	427,070 ..	397,773 ..	641,122 ..	5,549,205 ..
Commercial bills at Paris,.....	266,463,197 ..	305,554,846 ..	252,521,278 ..	251,024,226 ..
“ by the branch banks,.....	226,976,222 ..	242,122,673 ..	229,220,117 ..	202,001,129 ..
Advances on deposit of bullion, ..	8,459,774 ..	10,454,224 ..	29,221,224 ..	42,024,424 ..
“ in the branch banks,.....	3,169,400 ..	2,429,500 ..	7,072,900 ..	7,925,200 ..
“ French public securities, ..	102,255,500 ..	117,141,200 ..	12,522,700 ..	12,408,200 ..
“ in the branch banks,.....	15,062,200 ..	16,429,200 ..	11,521,200 ..	10,227,400 ..
“ railway shares and bonds, ..	47,722,200 ..	47,627,200 ..	23,770,200 ..	22,244,200 ..
“ in the branch banks,.....	23,142,200 ..	26,222,200 ..	21,222,200 ..	20,212,200 ..
“ on Credit Foncier bonds, ..	422,200 ..	406,000 ..	606,700 ..	627,200 ..
“ in the branch banks,.....	222,200 ..	200,000 ..	122,200 ..	122,200 ..
“ to the government,.....	60,000,000 ..	60,000,000 ..	30,000,000 ..	30,000,000 ..
Government stock reserved,.....	12,920,750 ..	12,920,750 ..	12,920,750 ..	12,920,750 ..
Government stock disposable,.....	29,625,140 ..	29,676,140 ..	54,514,727 ..	54,514,727 ..
“ permanently invested, ..	100,000,000 ..	100,000,000 ..	100,000,000 ..	100,000,000 ..
Hotel, &c., of bank,.....	4,000,000 ..	4,000,000 ..	4,000,000 ..	4,000,000 ..
Property of branch banks,.....	5,212,622 ..	5,722,622 ..	6,024,645 ..	5,922,227 ..
Expenses of management,.....	640,277 ..	2,414,107 ..	507,722 ..	122,221 ..
Sundries,.....	15,217,222 ..	14,420,122 ..	21,277,222 ..	20,221,222 ..
Total francs,.....	1,824,522,748 ..	1,891,222,655 ..	1,809,167,415 ..	1,800,622,244 ..

Of this report and other financial matters, the Paris correspondent of the London *Economist* says:

In the July account of the Bank of France, special attention has been turned to the item "Advances to the Government," which presents an increase of 30,000,000 francs compared with the preceding month. The explanation of the increase is this: From the conditions on which the recent conversion of the *rente* was effected, the government had to pay on the 1st of July a sum of 35,000,000 francs, which, but for the conversion, would not have fallen due until the 22d September next; and as the bank, by a convention dating from 1857, is bound to make the government an advance of 60,000,000 francs without interest, the Minister of Finance thought it well to take half the sum to make the payment, instead of increasing the floating debt. The general opinion is, that the Minister has acted prudently. In consequence of the amalgamation of the new and old three per cent. stock, the Minister of Finance will have to provide for the payment, on the first October next, of 40,000,000 francs, which otherwise would not have become due until the 22d December.

II. The approaching establishment of a Credit Foncier Company in Italy excites great interest here, because French capitalists have embarked largely in it, and because its shares will be made matter for speculation at the Bourse. The partisans of the new company predict for it a career of usefulness and prosperity equal to that of its namesake in France; but its adversaries, and, of course, like every new enterprise it has adversaries, say that it takes too much on itself, inasmuch as, instead of confining itself strictly to mortgage operations like the French company, it proposes to do business as an agricultural and commercial bank; and they allege that the two sorts of operations cannot be well combined.

III. The banking firm of MM. LES FILS DE GUILHOU, jeune, are now making an issue of 50,000 shares of 500 francs, for the execution of the Charente railways lately conceded to them by the government. The length of the lines is 289 kilometres, (about 180 miles,) and the cost is estimated at 64,100,000 francs. The government gives a subvention of 20,493,000 francs, and the revenue anticipated, after deducting working expenses, is rather more than 3,000,000 francs. For the execution of the railway from Bergerac to Libourne, which has also just been conceded by the government, a company, under the superintendence of M. ROUGEMONT DE LOWENBERG, banker, is making an issue of shares. Lastly, an attempt is being made to form a company for making a railway from Arras to Etaples, with sundry embranchments, the total length being about 90 English miles. It is proposed to issue 9,000 shares of 500 francs.

IV. A long official report on the operations during the last four years of the five colonial banks of France—Martinique, Guadaloupe, La Reunion, Guiana and Senegal—has just been published. It represents, on the whole, the situation of the banks as satisfactory, and shows that their business has increased, and is destined to progress. The discounts, loans and advances made in 1857-8 were, in the aggregate, 56,406,187 francs; in 1858-9 they rose to 71,971,000 francs; in 1859-60 they were 65,035,436 francs; and in 1860-61 they were 72,654,514 francs.

V. FRENCH FINANCES.

M. ANDRÉ COCHUT, one of the ablest writers on financial questions in Europe, has published a remarkable article in the *Temps* on the subject of French budgets. He points out that they differ in two respects from those of England. First, he says, English budgets, apart from expenses for war and national defence, present great fixedness, and even as regards the debt, a decline; whereas in France the budget increases constantly in every department, civil, military, and for the debt. Secondly, he affirms that in the English budget the taxes are so contrived as to press as lightly as possible on articles of general consumption, in other words, on the mass of the population; whereas in France the exact contrary is the case. In proof of this he contrasts the taxes on the drink of the two countries. In England the malt and hop taxes are, he says, neither heavy nor vexatious, and the consequence is, that the consumption of beer is so large as to yield to the treasury more than £7,000,000 sterling. But in France the taxes on wines, he declares, are so heavy and so vexatious, that the French treasury derives infinitely less than that sum, (in 1859, for example, only 93,956,217 francs, rather more than £3,700,000,) and yet the population of France is considerably greater than that of England. "The said taxes," remarks M. COCHUT, "are feudal in character, and vary according to places, persons, and mode of purchase, the heaviest falling on the poorer classes. In fact," he continues, "the persons who are obliged to buy their wine day by day have to pay for a retail duty which augments with the price of the wine."

VI. TIME CONTRACTS IN FRANCE.

An action, which has excited considerable interest, has just been decided by the Tribunal of Commerce. At the end of 1860 MESSRS. MIREs and SOLAR, of the Caisse Generale des Chemins de Fer, issued 30,000 shares of the Pampeluna Railway, and undertook to reimburse the subscribers of them in the event of the shares falling at the end of a year below par. The shares were below par on the 1st January, 1862, a year after the issue. The present holders claimed from MIREs and SOLAR reimbursement at par. The demand was resisted, on the ground that the engagement was not good in law, that the demand had been made too late, that the year referred to was not from the issue, but from the date at which the working of the line commenced, &c. But the tribunal said that the claim must be admitted. The shares are nominally worth 500 francs, and are now at about 395 francs. Some persons prayed that the engagement of MIREs and SOLAR should be extended to all the shares of the company, and not be restricted to the 30,000, but this was not admitted.

VII. FRENCH DIVIDENDS—BANKS AND RAILWAYS.

The following are some of the companies which are now paying interest or dividends: Bank of France, 78f.; (on a par of 1,000 francs per share, or 7.80 per cent. for six months, market value of shares, 3,0

francs for 1,000 paid in;) Credit Mobilier, 25f.; (par, 500f.;) Nouvelle Montagne, 25f.; Compagnie des Transatlantiques, 12f. 50c.; Omnibus, Paris, 4f. 50c. shares, 12f. 50c. bonds; Roman Railways, 7f. 50c.; Docks et Entrepôts de Marseilles, 9f. 37½c. shares, 7f. 50c. bonds; Line of Italy Railway, 12f. 50c. old shares, 6f. 25c. new shares, 7f. 50c. bonds; Compagny des Entrepôts et Magasins de Paris, 15f.; Vieille Montagne, 12f. 50c.; Sous Comptoir des Entrepreneurs, 4f.; Mines de la Grand Combe, 30f.; Parisian Gas Company, 12f. 50c.; Compagnie Immobilière de Paris, 5f.; Credit Mobilier Espagnol, 9f. 30c. shares, 7f. 50c. bonds; Guillaume-Luxembourg Railway, 12f. 50c.; Lombardo-Venetian, 7f. 50c.; Austrian, 21f. and 8f. 50c.; Madrid to Saragossa, 12f. and 15f. shares, 7f. 50c. bonds; Saragossa to Pampeluna, 15f.; Seville, Xeres, Cadiz, 17f. 50c.; Portuguese, 20f. shares, 7f. 50c. bonds; North of Spain, 15f.; Cordova to Seville, 5f. 50c.; Livournais, 7f. 50c. The French railways, namely, the Eastern, Mediterranean, Western, Northern, Orleans, Lyons to Geneva, Dauphine, Ardennes, Lyons to La Croix Rousse, are all making different payments. Finally, the Bank of Belgium is now paying 50f. 50c. per share, balance of the dividend for 1861.

VIII. BANKS OF SCOTLAND.

Bank notes authorized by law to be issued by the several banks of issue in Scotland, and the average amount of bank notes in circulation, and of coin held, during the four weeks ending Saturday, the 28th day of June, 1862.

<i>Names and Title.</i>	<i>Authorized Circulation.</i>	<i>Average Circulation.</i>	<i>Average Amount of Coin held.</i>
Bank of Scotland,.....	£ 800,485	£ 456,685	£ 287,568
Royal Bank of Scotland,.....	188,000	489,337	381,745
British Linen Company,.....	488,024	501,576	318,496
Commercial Bank of Scotland,.....	374,860	522,111	275,129
National Bank of Scotland,.....	297,024	454,265	302,967
Union Bank of Scotland,.....	454,346	623,452	285,112
Aberdeen Town and County Banking Co.,...	70,133	144,386	92,030
North of Scotland Banking Company,.....	154,319	223,420	92,030
Dundee Banking Company,.....	33,451	46,560	30,163
Eastern Bank of Scotland,.....	33,636	38,977	17,760
Clydesdale Banking Company,.....	240,665	321,380	201,571
City of Glasgow Bank,.....	72,921	325,721	306,581
Caledonian Banking Company,.....	53,434	73,243	29,298
Central Bank of Scotland,.....	42,933	59,441	29,322

IX. BANKS OF IRELAND.

Bank notes authorized by law to be issued by the several banks of issue in Ireland, and the average amount of bank notes in circulation, and of coin held, during the four weeks ending Saturday, the 26th day of July, 1862.

<i>Names and Title.</i>	<i>Authorized Circulation.</i>	<i>Average Circulation.</i>	<i>Amount of Coin held.</i>
Bank of Ireland,.....	£ 3,738,428	£ 2,517,325	£ 557,351
Provincial Bank,.....	927,667	812,214	407,331
Belfast Bank,.....	281,611	308,282	206,876
Northern Bank,.....	243,440	230,740	173,542
Ulster Bank,.....	311,079	315,870	162,160
National Bank,.....	852,369	1,201,089	536,363

X. LONDON JOINT-STOCK BANKS.

The half-yearly meetings of the several joint-stock banks in London being now completed, the subjoined table has been made up, exhibiting their position. This table shows the period at which each bank was founded, together with its paid-up capital and the amount of liabilities, and also the guarantee fund possessed by each, the amount of distribution for the half year, and the rate thus paid per annum. The current accounts and deposits held by these establishments now amount to a total of £50,478,762, or more than 6½ per cent. in excess of the sum held at the corresponding period of last year.

Year Founded.	Banks.	Paid-up Capital.	Deposit Account.	Guarantee Fund.	Div'd and Bonus.	Rate of dividend and bonus per an- num per cent.
1834, ..	London and Westminster, ..	£ 1,000,000	£ 14,853,034	£ 250,000	£ 100,000	20
1836, ..	London Joint-Stock,	600,000	11,304,158	249,525	60,000	20
1839, ..	Union Bank of London, ..	720,000	11,415,320	50,000	45,000	12½
1839, ..	London and County,	571,892	7,703,170	175,000	26,578	10
1855, ..	City Bank,	300,000	3,449,540	80,000	15,000	10
1855, ..	Bank of London,	300,000	2,254,540	55,000	12,000	8
		£3,491,895	£50,478,762	£ 389,525	£ 258,573	

XI. NEW FOREIGN LOANS IN ENGLAND.

"It never rains but it pours." Within the last week, Venezuela, Peru, and Wallachia and Moldavia, have come to London to borrow money. Within the last six months, the list of borrowers on the stock exchange had already included the governments of Morocco, Turkey, Egypt, Russia, Italy and Portugal. The number of foreign loans has lately been so much above the average, that the conditions may fairly be argued to be peculiarly favorable; and since the conditions, whatever they are, show no signs of change for the worse, we may expect presently to hear of other governments wanting money and having security to give, if such there be. The prevailing desire on the continent to construct railways in every country where they are possible, and do not yet exist, is one among many causes which at once creates the want of capital, and presents a plausible security for its re-payment. Hereupon an obvious question occurs. Supposing there is no limit abroad to the desire of borrowing, is there not some limit in England to the power of lending? We answer, almost none; for this reason, England becomes the creditor, but usually sells the debt. That the borrowing nations of the world are permanent tributaries to the British capitalist is only true in part. The London stock exchange is undoubtedly the nursery-ground for foreign loans; there is found the most clement atmosphere; there the fittest soil for introducing the exotic plant; but, when it has fairly taken root, it becomes a marketable commodity for all conservatories; whether to flourish or to wither, no man cares less than the gardener who fostered its prime. Be the reason what it may, foreign bonds are not so largely held in England as is generally supposed, and much more largely than is generally supposed in Germany, Holland, Belgium and France.

All the appointments concerning them take place by choice in England for the sake of her monetary perfection and commercial exactness, but the symbols or bonds representing the obligations are, to a very considerable extent, endowed with foreign ownership. If, as we have said, foreign bonds do not remain permanently in this country, what is the inducement held out by the London stock exchange for their introduction there? Shortly, the plenty and the promptitude of loose capital, and the eager competition among the brokers or dealers, but still more the convenience of the monetary system, established and worked under English law. Perhaps the most important incident to the public obligations of foreign governments is the place where they are to be redeemed when due, and where the dividends are to be paid meanwhile. The lender desires a criterion by which to estimate beforehand the chances of his being defrauded by the too common expedient of debased coins, or of government notes, which are but base money under a less coarse name. In London, no matter what countryman he may be, he knows he will receive whatever sum he is entitled to in bank notes equal to the coin, or, at his own option, in the coin itself. Neither will he be deceived by an inferior quality of coin, for the sovereign is unaffected by seigniorage, and is kept in such admirable repair that, in the largest transactions, a creditor cannot be defrauded to the extent even of a grain of gold. Men, whose business lies in the way of foreign stocks, are very sharp-set on points of this nature, and, in their judgment, Great Britain offers the best spot, because the best medium, for the payment of debts. In France, though no bad faith is designed, the law is, at some points, defective. The holder of a French bank note may feel never so sure of payment in coin, but he is uncertain whether the coin will be gold or silver, light or of full weight; for among these four varieties the debtor has his choice. Second, however, to Great Britain alone France is entitled to respect, on account of her monetary system, and after her, or even along with her, we may rank Holland and Prussia. The European governments of mark which have destroyed the true base of commercial intercourse by means of forced paper are those of Austria, Russia and Turkey. In South America, Brazil is a prominent instance of a country whose producing and consuming powers are large, but whose commercial progress has been seriously affected by the debased condition of its currency. In North America, the history of the occasionally well-directed efforts to restore a sound monetary system, ending invariably in failure, is very instructive. The present situation of the money-market will probably, nay, does actually, accelerate and increase the business to be done in foreign loans, but, in no way, changes its usual course. Now, as ever, the introduction takes place in London, and now, as ever, the distribution abroad must follow. The effect of the low rate of interest for short loans is undoubtedly to induce the export of funds for temporary employment, but not for permanent investment. Thus, a merchant, or cambist, who is in credit, or who holds easily convertible securities, can obtain loans in London at a rate of interest from one to one and a half per cent. per annum. With the funds so raised he can buy bills or bullion suitable for the Paris exchange, where, in a few hours, without difficulty and with abundant security, an equivalent amount can be employed, as is called, "*en report*," or in loans

from month to month, at a rate of interest of from five to six per cent. per annum. The rapidity with which capital can be conveyed from one spot to another in this way, insures its flow from the cheapest to the dearest market as surely as water finds its own level, but gradually the cheap market and the dear market are brought into equilibrium, the current stops, and the normal position is restored. The inference is, that foreign loans will start earlier and travel slower, that is, be held in England longer than usual, but will arrive at their natural destination not the less. Thus, it appears, that although foreign loans are generally negotiated on the London exchange, yet that the existence of foreign debtors does not imply the necessity of English creditors. In other words, the debts of foreign governments must, by no means, be arrayed in the vast return of English assets. Only now we see that the new Portuguese loan, the moment it is established in London, is quoted at four per cent. premium in Lisbon, from which the inference seems to follow that the capital of Portugal was ready enough for investment on the Portuguese security, wanting only the encouragement of English management and good faith. It is precisely the same with ourselves. Great Britain, with her colonies, affords an enormous reservoir for the investments of her own thrifty people. The Imperial funds, the debts of India, Canada, Australia, railways and other public works, home and colonial, form a tolerably ample outfall for the surplus accumulation of British industry. For purposes of permanent investment it is not unnatural for a man to prefer the security, so long as he can get it, of his own and kindred governments, to the obligations of foreigners, however honorable, or of nations, however prosperous.—*London Globe, August, 1862.*

XII. ROBBERY OF BANK OF ENGLAND NOTE PAPER.

Considerable excitement prevailed on Saturday, August 16th, in the principal commercial circles in London, in consequence of a statement having gone abroad that the Bank of England authorities had received information that a large quantity of the paper manufactured for that corporation, for the printing of its notes, had been stolen from the premises of the firm engaged to prepare or manufacture it; and also, that a determination had been arrived at by the board of directors on the subject. The great obstruction which has hitherto presented itself to the manufacture and passing of forged notes has been the almost insuperable one of imitating the bank note paper, which is manufactured exclusively by one particular firm. It having come to the knowledge of the directors of the Bank of England that many of the forged notes which had been passed and paid were printed upon the *bona fide* Bank of England paper, that body of gentlemen determined to take the most active steps in order to discover how it was that any paper should have been abstracted from the manufactory of Messrs. PORTAL & Co., Laverstoke, near Whitechurch, in Hampshire, that being the only establishment where the genuine paper was made. The city police were consulted upon the matter, and Messrs. FRESHFIELD and NEWMAN, the solicitors to the bank authorities, were also called upon for their advice.

The result was the issue, on Saturday afternoon, of the following printed notice, copies of which were promptly forwarded to every police-station and commercial house throughout the kingdom :

"BANK OF ENGLAND NOTES.—£1,500 REWARD."

"Whereas the directors of the Bank of England have recently discovered that some of the paper manufactured for their notes has been feloniously taken from the mills of Messrs. PORTAL & Co., at Laverstoke, near Whitechurch, in Hampshire, and that such paper has been used in the fabrication of forged notes—Notice is hereby given, that a reward of £500 will be paid to any one who shall give such information as will lead to the apprehension and conviction of any person concerned in the stealing of the paper; and a further reward of £1,000 will be paid to any one who shall give such information as will lead to the apprehension and conviction of any person concerned in the fabrication of forged notes by means of such paper. Information to be given to Mr. Superintendent HODGSON, Police Office, Old Jewry, London; or Messrs. FRESHFIELD and NEWMAN, 5 Bank Buildings, London. By order of the directors.

"Bank of England, August 16, 1862.

"E. WELSH, Assistant Secretary."

Prior to the issuing of the above notice, the subjoined caution had been circulated among the leading mercantile firms and customers of the bank throughout the metropolis, and to the different banking firms in the principal provincial towns :

"CAUTION—BANK OF ENGLAND NOTES."

"The directors of the Bank of England hereby give notice, that it has recently come to their knowledge that some of the paper manufactured for their notes has been feloniously taken from the mills, and they desire to caution all bankers, money-changers, and other persons, in taking payment of Bank of England notes, not to depend upon the apparent genuineness of the paper alone, but to examine with increased care the printing also, and, in all cases, for their own protection, to obtain and preserve the names of the persons from whom the notes are received. By order of the directors.

"Bank of England, August 16, 1862.

"E. WELSH, Assistant Secretary."

The telegraph was instantly put to work, and the substance of the foregoing caution has been flashed to every important place in the kingdom, as well as on the continent of Europe. Fortunately, the means of inter-communication are now so complete and swift, that even should the fraud have been attempted upon an extensive scale, it may be checked by the fear of detection. Meanwhile, all persons will do well to act at once upon the caution now given, and to scrutinize all Bank of England notes with the utmost care, particularly where they are offered by strangers.

XIII. THE ENGLISH MONEY MARKET.

The Bank of England, on 24th July, reduced their rate of discount from $2\frac{1}{4}$ per cent., at which it was fixed on the 10th inst., to 2 per cent. The measure will excite criticism, and, perhaps, some apprehension; but if the bank, in dealing with the marketable commodity, money, are to act upon the principles which govern every other trading transaction, they had no choice but to adopt it. It is a disagreeable fact; but, owing

to the crisis in the cotton trade, the industry of the country is so reduced that there is no profitable employment for floating capital at a higher rate; but that is not the fault of the bank, and if the directors were to assume that, they could mitigate the evil by refusing to accept the only terms they can get, they would not only have to answer to their constituents for a needless sacrifice, but also to the public for arrogating to themselves functions which in no way belong to them. A low rate of discount is an objectionable matter, because it indicates that the openings for the advantageous use of money have become contracted; but if existing rates are too high to allow of its employment at a profit, an artificial maintenance of those rates, instead of diminishing the mischief, must increase it. Some persons will say, "Look to the impulse that will be given to reckless speculation." On the contrary, however, the policy of allowing money to find, at all times, its market value, is the only one by which the undue encouragement of speculation can be avoided. The reduction now announced will influence the foreign exchanges, and to that extent tend to check the extraordinary increase of bullion which creates the plethora that is viewed with alarm. Foreigners will have no temptation to keep their balances in our market, while our traders, on the other hand, will have more than the usual motive for making prompt payments abroad. Many mercantile transactions also may be entered into which might perhaps show a gain with money at 2 per cent., which would perhaps show none at 2½. Any attempt of the bank to retard all these natural processes would be attended with the usual penalties of impotent meddling. But there will possibly be another cry, that they should have waited till more was known of the prospect of the harvest. In the first place, it is not the business of the bank to speculate on hypothetical events; and in the next, it is certain that if they were to do so, the result would be simply mischievous. They might wait to see about the harvest, or about the American war, or about the prospects of Canada, or any other affair that may have a future influence on prices; and under such pretexts the public might be kept in uncertainty for ever, while the consequences of this assumption of farsightedness would be of the common order, namely, to demonstrate that the commercial world can best regulate its own affairs without the considerate aid or guidance of any joint-stock company whatever. If the bank, viewing the possibility of a bad harvest, were, in answer to exhortations about "prudence," to maintain the rate of discount during the next few weeks at a forced point, the effect, so far as the supply of food is concerned, would solely be to prevent the purchase of foreign grain, which a two per cent. rate of discount might induce, and thus to cause us to have to face the difficulty at a disadvantage which would otherwise have been averted.

The only previous occasion on which the bank rate was as low as two per cent. was ten years back, during the nine months from April, 1852, to January, 1853. The stock of bullion throughout that period was much higher than the present total; but there was then nothing analogous to the cotton crisis, which now limits our currency requirements. The average amount was £21,350,000, and at one time it stood at £22,232,138—the highest ever attained.—*London Times.*

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, YEARS 1861 AND 1862.

New-York Stock Board.	YEAR 1860.		YEAR 1861.		MARCH, 1862.		APRIL, 1862.		MAY, 1862.		JUNE, 1862.		JULY, 1862.		AUGUST, 1862.		9 Mos., '62.				
	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.															
United States six per cent, 1860.....	95	109 1/2	80	100	92 1/2	95	94	97	97 1/2	108	107 1/2	96 1/2	100	96 1/2	98 1/2	85	107 1/2				
United States six per cent, 1861.....	..	..	85 1/2	95 1/2	94 1/2	94 1/2	95 1/2	95	95 1/2	105 1/2	107 1/2	98 1/2	108	98 1/2	101 1/2	87 1/2	107 1/2			
U. S. five per cent, 1874, coupon.....	85	104 1/2	75	97	85	83	85	85	89 1/2	96	95 1/2	91 1/2	93	85	91	78	97 1/2				
Indiana State five per cent.....	88	98	75	98	78 1/2	79	77	79	70	84 1/2	..	..	..	..	..	75	84 1/2			
Virginia six per cent, bonds.....	78	95	86	81	80 1/2	83	85 1/2	85	60	86 1/2	56	59 1/2	53	57	51	49	61 1/2				
Tennessee six per cent, bonds.....	64	98	84 1/2	77	86 1/2	83	85 1/2	88 1/2	59 1/2	61	58 1/2	61	47 1/2	57 1/2	49 1/2	59 1/2	63 1/2	78			
Georgia six per cent, bonds.....	109	105	58	94	..	75	..	..	75	..	..	..	75	..	78	..	66 1/2	78		
North Carolina six per cent, bonds.....	76	100	44	83 1/2	69 1/2	70	68	67 1/2	73 1/2	74	64 1/2	73	65	67 1/2	60	74	..	..	
California seven per cent, bonds.....	89	93	71 1/2	88	86	87 1/2	85	89	89	96 1/2	94 1/2	91	96	94 1/2	100	78 1/2	100	..			
Missouri six per cent, bonds.....	61	84 1/2	35	73 1/2	51	64 1/2	49 1/2	53	50 1/2	54	51	58 1/2	45	45 1/2	49 1/2	40	56 1/2				
..	14	26 1/2	8	15	14	14 1/2	..	..	18 1/2	15	15	..	..	..	..	10	15			
Canton Company shares.....	8	17 1/2	4	9 1/2	7 1/2	8 1/2	8	8 1/2	9 1/2	9 1/2	9 1/2	..	7 1/2	7 1/2	..	8	9 1/2				
Cumberland Coal Co., preferred.....	70	107 1/2	50	100	86	98	97 1/2	111	109	119	115	118	104 1/2	116 1/2	107 1/2	119 1/2	91	119			
Pacific Mail Steamship Company.....	70	92 1/2	68	88 1/2	84 1/2	84 1/2	89 1/2	84 1/2	84 1/2	84 1/2	88 1/2	85 1/2	87 1/2	88 1/2	80 1/2	84 1/2	79 1/2	90 1/2			
New-York Central Rail-Road.....	8 1/2	43	17	40 1/2	35 1/2	37 1/2	36 1/2	36 1/2	36	45	44	49 1/2	43	47 1/2	44 1/2	35 1/2	54 1/2				
..	8	24	8 1/2	16 1/2	13 1/2	13 1/2	13	13	13	15	14	18 1/2	13	17 1/2	14 1/2	17	11 1/2	19 1/2			
Hudson River Rail-Road.....	8	24	8 1/2	16 1/2	13 1/2	13 1/2	13	13	13	15	14	18 1/2	13	17 1/2	14 1/2	17	11 1/2	19 1/2			
Hartford Rail-Road shares.....	8	24	8 1/2	16 1/2	13 1/2	13 1/2	13	13	13	15	14	18 1/2	13	17 1/2	14 1/2	17	11 1/2	19 1/2			
..	8	24	8 1/2	16 1/2	13 1/2	13 1/2	13	13	13	15	14	18 1/2	13	17 1/2	14 1/2	17	11 1/2	19 1/2			
Reading Rail-Road, preferred.....	37	55	30 1/2	48	30	33 1/2	30	33 1/2	30	33 1/2	37	35 1/2	35	35 1/2	35	43	28 1/2	45			
Hartford Rail-Road, preferred.....	30	49 1/2	30 1/2	45 1/2	41	41 1/2	43	45 1/2	45 1/2	49 1/2	50	60	54 1/2	59 1/2	59 1/2	69 1/2	47	69 1/2			
Michigan Central Rail-Road.....	84 1/2	78 1/2	39 1/2	61 1/2	53 1/2	58 1/2	58 1/2	58 1/2	58 1/2	58 1/2	63 1/2	68 1/2	57	63 1/2	59 1/2	69 1/2	47	69 1/2			
..	5	25	10 1/2	30 1/2	25 1/2	25 1/2	25	25	25	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	24 1/2	29 1/2	19	29 1/2		
Michigan S. & N. Indiana R.R.....	12 1/2	50 1/2	25 1/2	41 1/2	46	49 1/2	44 1/2	47 1/2	47 1/2	48 1/2	57	64	59 1/2	60 1/2	64 1/2	39 1/2	64 1/2				
Michigan S. & N. Indiana, guar.....	106	146 1/2	97 1/2	181	117	133	119 1/2	136 1/2	126 1/2	138	138	129 1/2	138	137	133 1/2	110	140 1/2				
Panama Rail-Road shares.....	51 1/2	89 1/2	55 1/2	88 1/2	61 1/2	66 1/2	57	63	60	64	60 1/2	66 1/2	65 1/2	61 1/2	67	65 1/2	55 1/2	66 1/2			
Illinois Central Rail-Road shares.....	55	83 1/2	55	74 1/2	61 1/2	70	66 1/2	68 1/2	69 1/2	73	69 1/2	73 1/2	69 1/2	67 1/2	67 1/2	65 1/2	65 1/2	64 1/2			
Galena and Chicago Rail-Road.....	19 1/2	49 1/2	30 1/2	38 1/2	47 1/2	40 1/2	45	41 1/2	41 1/2	47 1/2	44 1/2	49 1/2	45	48 1/2	44 1/2	54 1/2	33 1/2	54 1/2			
Cleveland and Toledo Rail-Road.....	49 1/2	54 1/2	30 1/2	38 1/2	55 1/2	59 1/2	56 1/2	56 1/2	56	66	63 1/2	60 1/2	60 1/2	60 1/2	63 1/2	49 1/2	50	60 1/2			
Chicago & Rock Island Rail-Road.....	81	100 1/2	84 1/2	109 1/2	89 1/2	94 1/2	88 1/2	94 1/2	84 1/2	94	97 1/2	90 1/2	96	95 1/2	101 1/2	86 1/2	101 1/2				
Illinois Central Construction bonds.....	79 1/2	87	73	81	83	83	79 1/2	83	80 1/2	85	80 1/2	83	85	87	85	99 1/2	79 1/2	99 1/2			
Pennsylvania Coal Company.....	80	101 1/2	79	93	87 1/2	91	89	92 1/2	88	100	92	100 1/2	91 1/2	97	97 1/2	100 1/2	84 1/2	100 1/2			
Delaware and Hudson Canal Co.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Premium on gold.....	1 1/2	3 1/2	1 1/2	3 1/2	3 1/2	4 1/2	3 1/2	9 1/2	3 1/2	8 1/2	9 1/2	19 1/2	16 1/2	3 1/2	9 1/2		

THE STOCK MARKET FOR AUGUST.

THE greater abundance of money in this market is fully indicated by the advance in the current values of stocks and bonds. There were large operations in the leading securities, including State loans, rail-road shares and bonds, and Government issues. Southern State bonds, in August, were generally lower than the highest sales of the year. Tennessee sixes sold $4\frac{1}{2}$ below the highest of July; North Carolina, $4\frac{1}{2}$; Missouri, $1\frac{1}{2}$; California seven per cents reached par, for the first time since 1859—being $23\frac{1}{2}$ above the lowest sale of this year.

In rail-road shares there was a material advance in August, owing to the increasing revenues of the principal lines. New-York Central Rail-Road shares sold $\frac{7}{8}$ above the highest price in July; Erie shares, $2\frac{1}{8}$; Harlem, preferred, 1.

In other shares, the highest price of the year was obtained in August, viz.: Hudson River R. R., $54\frac{3}{4}$; Reading, $62\frac{1}{4}$; Michigan Central, $69\frac{3}{4}$; Michigan Southern, $32\frac{1}{2}$; preferred shares, $64\frac{3}{4}$; Panama, $140\frac{1}{2}$; Galena and Chicago, $74\frac{3}{4}$; Cleveland and Toledo, $54\frac{1}{4}$; Illinois Central bonds, $101\frac{1}{4}$; Pennsylvania Coal Co., $101\frac{1}{4}$.

THE ENGLISH MONEY MARKET FOR SEPTEMBER.

WE copy from the London *Economist*, of September 6, the following summary of the market for the beginning of the month:

There has been a somewhat increased demand for money, but without any symptom of pressure. The usual requirements of the fourth of the month partly account for the trifling alteration in the state of the market, and the higher rates of money abroad may also have operated in causing some amounts to be temporarily invested in foreign bills. One considerable stoppage has occurred in Hull; but the amount owing to unsecured creditors is stated to be about one-sixth of the total liabilities of the house. The payments made, on the 1st inst., on the Portuguese, Turkish and Egyptian loans, were small—large sums having been paid up previously on the two latter issues. To-day money is again easy, and the rates of discount are those of last week—the temporary demand having fallen off. The £1,000,000 sterling sent to Constantinople, some time back, on account of the loan, is finding its way back. Nearly £400,000 has reached Paris, whence it will probably be drawn for India.

The following are the ordinary charges for paper, of various dates:

30 to 60 days,	$1\frac{1}{4}$ to $\frac{7}{8}$ per cent.	6 months, bank bills, $2\frac{1}{2}$ to 3	per cent.
3 months,	2 to —	6 months, trade bills, 3 to 4	“
4 months,	$2\frac{1}{2}$ to $2\frac{1}{4}$	“	“

The amount of money unemployed in the hands of dealers, on the stock exchange, is still very considerable, and the rate is from 1 to $1\frac{1}{2}$ per cent.

The following are the rates of interest allowed in London on deposits :

Joint-stock banks.....	1 per cent.
Discount houses at call.....	1 "
Ditto, with seven days' notice.....	$1\frac{1}{2}$ "

The alterations in the bank returns, this week, indicate increased demand for money. The addition to the bullion is £146,522. The reserve exhibits a falling off of £106,948, which would have been of greater amount but for the increase in the deposits.

Subjoined is a usual table, affording a comparative view of the bank returns, the bank rate of discount, the price of consols, the price of wheat and the leading exchanges, during a period of four years, corresponding with the first week in September, as well as in 1859 :

SEPTEMBER 6TH.	1859.	1859.	1860.	1861.	1862.
Circulation and post bills, ..	£24,326,000	£22,324,000	£22,151,000	£21,012,000	£22,248,000
Public deposits,	6,667,000	7,799,000	6,496,000	4,264,000	7,671,000
Other deposits,	12,124,000	12,067,000	12,481,000	12,196,000	14,973,000
Government securities,	14,189,000	11,220,000	9,868,000	10,260,000	11,069,000
Other securities,	11,100,000	19,016,000	20,101,000	17,702,000	19,641,000
Reserve of notes and coin, ..	12,041,000	9,798,000	9,214,000	7,469,000	10,965,000
Coin and bullion,	21,823,000	16,626,000	16,170,000	12,118,000	17,325,000
Bank rate of discount,	2 per cent.	2½ pr. ct.	4 per cent.	4 per cent.	2 per cent.
Price of consols,	108	96½	98½	98	98½
Average price of wheat, ...	44s. 9d.	44s. 0d.	00s. 11d.	52s. 6d.	56s. 4d.
Exchange on Paris,	25.25	25.10	25.12½	25.42½	25.15
" Amsterdam,	11.18½	11.14½	11.14½	11.19	11.15
" Hamburg, ...	13.9	12.5½	12.5½	12.10½	12.7½

PRIVATE BANKERS.

NEW-YORK.—LEWIS B. BROWN and LAWRENCE MYERS, Jr., are admitted to the firm of P. M. MYERS & Co., bankers, New-York city.

A. G. HEMINGWAY & Co., stock and bond brokers, are a new firm—A. G. HEMINGWAY, JOHN H. JACQUELIN, members.

MANNING & DE FORREST, bankers, &c., are a new firm—JOHN B. MANNING, A. H. DE FORREST, members.

OHIO.—ESPY, HEIDELBACH & Co., bankers, are a new firm at Cincinnati—PHILIP, LOUIS & M. HEIDELBACH, JAMES ESPY, JACOB SEASONGOOD, members.

ILLINOIS.—The firm of GREENBAUM BROTHERS, bankers, Chicago, has been dissolved.

IOWA.—The copartnership heretofore existing in Clinton, Iowa, under the firm of BUDD & BALDWIN, is dissolved. ELI B. BUDD will continue the banking business at the office formerly occupied by BUDD & BALDWIN.

BRAZIL.—Letters received of the bank failure at Pernambuco necessitated the stopping of the house of RICHARD ROSTRON & Co., of Manchester, with various branches in South America. Liabilities estimated at four hundred thousand pounds sterling. Some heavy defalcations had been brought to light in two Brazilian banks.

BANK ITEMS.

AUGUST DIVIDENDS.—Pennsylvania Coal Company, $3\frac{1}{4}$ per cent., payable August 16th; Pacific Mail Steamship Company, 5 per cent., payable August 22d; United States Trust Company, 4 per cent., payable August 9th; New-York Life and Trust Company, 5 per cent. ordinary dividend, and 5 per cent. surplus dividend.

BANK DIVIDENDS, AUGUST, 1862.

	Capital.	Feb., 1861.	Aug., 1861.	Feb., '62.	Aug., '62.
Bank of the Republic,.....	\$2,000,000	.. 5 ..	4 ..	† ..	† ..
Citizens' Bank,.....	400,000	.. 4 ..	4 ..	3 $\frac{1}{2}$..	4
Corn Exchange Bank,.....	1,000,000	.. 3 $\frac{1}{2}$..	3 $\frac{1}{2}$..	3 $\frac{1}{2}$..	3 $\frac{1}{2}$
Leather Manufacturers' Bank,	600,000	.. 5 ..	5 ..	5 ..	5
Manhattan Bank,.....	2,050,000	.. 5 ..	4 ..	4 ..	4
Marine Bank,.....	399,000	.. † ..	3 $\frac{1}{2}$..	3 $\frac{1}{2}$..	*1
Ocean Bank,.....	1,000,000	.. 3 $\frac{1}{2}$..	3 ..	† ..	† ..
Oriental Bank,.....	300,000	.. 3 $\frac{1}{2}$..	3 ..	3 ..	3
St. Nicholas Bank,.....	750,000	.. ..	† ..	† ..	3 $\frac{1}{2}$

Nassau Bank, Brooklyn, 3 per cent.; Bull's Head Bank, New-York, 4 per cent.

Albany, August 11.—VISCHEK TEN EYCK last week resigned his office as Cashier of the Commercial Bank, Albany, which resignation, we understand, is attributed to a disagreement between the late Cashier and other officers of the bank, in regard to its management. ELIPHALET WICKES, Esq., was unanimously elected Cashier in place of Mr. TEN EYCK, and JAMES MARTIN, the present paying teller of the bank, was appointed Assistant-Cashier.

Corning.—H. W. BOSTWICK, Esq., has been appointed Cashier of J. N. HUNGERFORD'S BANK, Corning, New-York, *vice* S. F. DENTON, Esq., resigned. Q. W. WELLINGTON & Co.'s Bank has commenced business at Corning, New-York. Q. W. WELLINGTON, President; SAMUEL RUSSELL, Cashier. ZERAH TODD, Esq., has been appointed Cashier of the George Washington Bank, Corning, New-York, *vice* Q. W. WELLINGTON, Esq., resigned.

Lockport.—H. D. OAKLEY, Esq., has been appointed Cashier of the Exchange Bank, at Lockport, New-York, *vice* F. N. NELSON, Esq.

Auburn.—Mr. AUGUSTUS HOWLAND, (not HARLAND, as before reported,) was, on the 14th of July, elected President of the Auburn City Bank, in place of F. L. SKIDDOW, to take effect from that day.

Schenectady.—At a meeting of the board of directors of this bank, held on the 14th of June, SIMON C. GROOT was appointed President, JAY CADY having declined a re-appointment.

MASSACHUSETTS.—W. H. FOSTER, Esq., has been again elected Cashier of the Bank of the Metropolis, Boston, in place of C. S. NEWELL, who has accepted an important trust in a distant city. Mr. FOSTER was Cashier of this bank when it first went into operation.

NEW-HAMPSHIRE.—J. E. DICKEMAN, of Charlestown, N. H., has been appointed Bank Commissioner, in place of A. J. ROWELL, resigned.

VERMONT.—The Rutland County Bank has commenced business at Rutland, Vermont. WILLIAM Y. RIPLEY, President; JAMES MURRELL, Cashier. This bank issues bills of the following denominations only, 1's, 2's, 5's, 10's and 20's.

MAINE.—The charter of the Lincoln Co. Bank, Wiscasset, Maine, has expired by limitation, the organizers not having complied with the law. We understand that there are a few bills in circulation; if so, they are worthless.

* \$1.00 per share.

† Dividend passed.

RHODE ISLAND.—The new directors of the Mercantile Bank, Providence, on the 14th of August, elected AMASA SPRAQUE, Esq., President, in place of WILLIAM H. GREENE, Esq., resigned.

Providence.—HENRY E. HUDSON, Cashier of the Bank of North America, Providence, has been appointed Pension Agent for Rhode Island.

Warwick.—WINGATE HAYS, of Providence, having been appointed receiver for the Warwick (Rhode Island) Bank, gives notice that all persons holding bills of the bank must deposit the same with him at his office on or before the first day of January, 1863, in order to be entitled to any dividend that may be declared out of the assets of said bank. The owner of each bill must write his name upon the back thereof before the same will be received, or receiver's certificates issued therefor.

CONNECTICUT.—Chapter 49 of the acts of 1862 of the Connecticut legislature provides as follows: SEC. 1. No incorporate bank or banking association in this State shall make any loan or discount, or in any way give credit to any individual, company or corporation, when the party receiving the same shall thereby become liable to said bank or banking association, for loans, discounts or credits obtained therefrom, to an amount greater than fifteen per cent. of the capital stock of such bank or banking association actually paid in.

PENNSYLVANIA.—H. A. STURGEON has been elected Cashier of the Mechanicsburg Bank, Pa., in place of L. KAUFFMAN, resigned.

DISTRICT OF COLUMBIA.—The following are the only regular banks of issue in the District of Columbia, and whose notes are received as bankable, namely, the Bank of the Metropolis, the Bank of Washington, the Patriotic Bank of Washington, the Farmers and Mechanics' Bank, and the Bank of Commerce of Georgetown. This information is given for the protection of the distant public, as notes of individual bankers have been issued in small sums. It is announced from Washington that the law of Congress, passed several years ago, forbidding the circulation in the District of Columbia of bank or corporation notes below the denomination of five dollars, will be strictly enforced after the 20th of September, and offenders prosecuted according to the statute. The government issues will supply the deficiency, and consequently exclude foreign notes of questionable or counterfeit character, as well as genuine ones of small denominations.

ILLINOIS.—The Mechanics' Savings Bank, of Chicago, has now been in operation for three months. Its President, CHARLES T. BOGGS, is one of the best citizens of Chicago, well known to the mechanical interests of that city, and for a long time Treasurer of the town of South Chicago.

MINNESOTA.—The State Bank of Minnesota has been removed from Austin to Minneapolis. The bank has now passed into other hands. Its removal to Minneapolis was authorized by an act of the legislature, which provides that no rail-road State bonds shall ever be deposited by it. In fact, it is the intention of the stockholders to use none but United States bonds, and chiefly of the kind known as 7 3-10 per cent. Treasury notes.

WISCONSIN.—The following State stocks were sold September 16th, by SIMKON DRAPER, by order of the Hon. WM. H. RAMSEY, Bank Comptroller, Wisconsin:

\$ 21,350 Illinois 6 per cent. State bonds,.....	@ 97
10,000 Michigan 6 per cent. State bonds,.....	@ 99½
6,000 Ohio 6 per cent. State bonds,.....	@ 103½
14,000 California 7 per cent. State bonds,.....	@ 105½
4,000 Wisconsin 6 per cent. State bonds,.....	@ 102
1,000 United States 6 per cent. bonds,.....	@ 101
42,000 Missouri 6 per cent. State bonds,.....	@ 47½
34,000 North Carolina 6 per cent. State bonds,.....	@ 65
22,000 Tennessee 6 per cent. State bonds,.....	@ 50½
4,000 Virginia 6 per cent. State bonds,.....	@ 55½
7,090 Louisiana 6 per cent. State bonds,.....	@ 55
500 Georgia 6 per cent. State bonds,.....	@ 77½

NEW-ORLEANS BANK SPECIE.—The following extraordinary document from the Confederate Secretary of the Treasury, under date of June 5th, 1862, explains (?) what has become of the coin of the banks of New-Orleans:

"It has been deposited in a place of security under the charge of the government, and it is not intended to interfere with the rights of property in the banks, further than to insure its safe custody. They may proceed to conduct their business in the Confederate States upon this deposit, just as though it were in their own vaults.

C. G. MEMMINGER,
Secretary of Treasury."

BANK SHARES.—The following are the bids made for the city bank stocks most dealt in at the N. Y. Stock Board:

Bank of New-York,.....	101	Bank of the Republic,.....	90
Mechanics' Bank,.....	108	Bank of North America,.....	95
Union Bank,.....	98	Hanover Bank,.....	78
City Bank,.....	115	Metropolitan Bank,.....	98½
Dry Dock Bank,.....	101	East Elver Bank,.....	88
National Bank,.....	90	Shoe and Leather Bank,.....	97½
Bank of Commerce,.....	92½	Corn Exchange Bank,.....	98
American Exchange Bank,.....	92½	Bank of the Commonwealth,.....	86
Phenix Bank,.....	100	New-York County Bank,.....	85
Importers and Traders' Bank,.....	92	Mechanics' Bank, Brooklyn,.....	100

Fractional Notes.—The Albany Journal says: "The Mayor, Chamberlain and his deputy, of Albany, were busily employed in signing the ten cent. notes issued by order of the Common Council. They are very handsome in appearance, reflecting credit on the engravers. A few of them were paid out by the Chamberlain, and as fast as they can be signed and registered they will be issued." This work is all done at Albany, in defiance of a law made there by the legislature, and of an act of Congress.

New-Jersey.—The Farmers' Bank of Mount Holly has issued notes of the denomination of \$1 25, \$1 50 and \$1 75, many of which are already floating about our city. Such an issue was not needed, in view of the approaching stamp currency. Not only are they troublesome to count, but the temptation they offer to those who alter bank notes is increased. We hope soon to hear that the bank has called in this most inconvenient form of currency, suggested by the wants of the community, or, at least, that it will limit the issue to a very small amount.

LONDON.—Mr. GEORGE PEABODY is literally persecuted by beggars in London. His noble deed of charity to the poor of London has aroused the avarice of the improvident and needy denizens of that city, who are reported by one of the daily journals as invading his privacy, interrupting his business and disturbing his peace generally. The only means of replying to applicants for charitable assistance is by a printed circular, in which Mr. PEABODY says, that if his means would allow him to assist all in adversity, nothing would give him more pleasure; but as they are not, applicants must take the will for the deed. To give to one-tenth that ask, would deprive Mr. PEABODY of the means of support in one month.

FRANCE.—The dividend of the Bank of France, for the first half of the present year, has been fixed at 78 francs, on the par of one thousand francs per share. This figure has occasioned some surprise; it is six francs more than that of the first half of 1861, and three francs more than that of the second half of that year; and yet business during the last six months has not been brilliant.

An arrangement has been come to between the Spanish and French governments, by which their respective claims on each other, some of which have been standing for many years, and the principal of which, on the part of France, is for the intervention in Spain in 1823, are settled by the payment by Spain of 25,000,000 francs in her own stock. The payment has been effected.

In the *corps legislatif*, a bill for according 178,371,282 francs *extra credits* for the present year has been under consideration. It will be voted, of course.

Notes on the Money Market.

NEW-YORK, SEPTEMBER 23, 1862.

Exchange on London, at sixty days' sight, 129 @ 129½.

The chief feature of the market for the present month has been the extraordinary accumulation of deposits with our city banks. In the middle of September, last year, the net deposits were 106 millions of dollars; they are this week officially reported at 149 millions, and the amount is increasing from week to week. As long as the war continues there will be, as now, a disinclination on the part of capitalists to enter upon new or extended fields of enterprise. Manufactures must remain on a limited scale, and be confined to those branches which are matters of present necessity. Capital, which has of late accumulated largely, must remain uninvested, and will be loaned at unusually low rates. We hear of transactions this month at as low a rate as three per cent. "on call," and at four per cent. for strictly first class paper. The banks find it difficult to obtain satisfactory commercial paper for their surplus means, and are, therefore, lending freely on stock collaterals at four, five and six per cent. We annex the current rates on loans in this market at the close of the past four months:

	June 23. Per cent.	July 23. Per cent.	Aug. 23. Per cent.	Sept. 23. Per cent.
Loans on call, State Stock securities,.....	3 @ 5 ..	6 @ 7 ..	5 @ 6 ..	4 @ 6
" other good securities,.....	5 @ 7 ..	7 @ 7 ..	6 @ 7 ..	6 @ 7
Prime endorsed bills, 60 days,.....	4 @ 5 ..	5½ @ 6 ..	6½ @ 7 ..	4 @ 6
First class single signatures, 4 to 6 months,....	5 @ 7 ..	6 @ 7 ..	6 @ 7 ..	5 @ 7
Other good bills,.....	6 @ 7 ..	7 @ 9 ..	7 @ 9 ..	7 @ 9
Names less known,.....	9 @ 12 ..	9 @ 12 ..	9 @ 12 ..	8 @ 12

The finances of the general government present favorable features. The imports are unexpectedly large, and as the duties average nearly thirty per cent., the revenue is fully equal to the amount anticipated. The imports for the month of August, with the withdrawals of merchandise from bond, were over \$16,600,000, and for the past eight months, \$152,000,000, which is largely in excess of any former period. The duties for the month of August were \$4,762,000, and for eight months, \$37,687,000. The demand notes now outstanding will, at this rate, soon be exhausted, and the treasury will, thereafter, receive only gold and silver for its customs duties. Assuming the interest on the public debt to be annually forty millions of dollars, which interest is, by law, payable in gold, the treasury will be able to meet this demand without any necessity of purchasing coin.

In our August number (p. 165) we showed the daily fluctuations in the market value of gold from 1st June to 19th July, and in our September number (p. 239) the fluctuations up to the 22d of August. We now continue the daily quotations to this date:

August 23,.....	15½ @ 15½ ..	Sept. 8,.....	17½ @ 19 ..	Sept. 18,.....	18½ @ 19
" 25,.....	15½ @ 15½ ..	" 4,.....	17½ @ 18½ ..	" 15,.....	17½ @ 17½
" 26,.....	15½ @ 15½ ..	" 5,.....	18½ @ 19½ ..	" 16,.....	16½ @ 17½
" 27,.....	15½ @ 15½ ..	" 6,.....	18½ @ 19 ..	" 17,.....	16½ @ 17½
" 28,.....	15½ @ 15½ ..	" 8,.....	19 @ 19½ ..	" 18,.....	16½ @ 17½
" 29,.....	16 @ 16½ ..	" 9,.....	18½ @ 19½ ..	" 19,.....	16½ @ 17½
" 30,.....	15½ @ 16 ..	" 10,.....	18½ @ 18½ ..	" 20,.....	16½ @ 17½
Sept. 1,.....	16½ @ 17½ ..	" 11,.....	18½ @ 19 ..	" 22,.....	16½ @ 17½
" 2,.....	16½ @ 17 ..	" 12,.....	19 @ 19½ ..	" 23,.....	17½ @ 18

Foreign exchange at present is controlled in its prices by the ruling rates for gold in this market.

This must continue as long as the suspension of specie payment lasts. Gold being at 17½ premium, and the true par of exchange on London being 9½ @ 10 premium, the two together form the present market price for bills on England. Foreign exchange, for the steamer of the 24th, is steady, with a moderate business doing at 129 @ 129½ for bankers' sterling. We quote: Bills at 60 days on London, 128 @ 128½ for documentary; 128½ @ 129½ for commercial; 129 @ 129½ for bankers'; do. at short sight, 129½ @ 130; Paris, at 60 days, 4.42½ @ 4.85; do. at short sight, 4.36½ @ 4.82½; Antwerp 4.43½ @ 4.87½; Swiss, 4.87½ @ 4.85; Hamburg, 49 @ 48; Amsterdam, 48 @ 49; Frankfort, 48½ @ 49½; Bremen, 93 @ 93; Prussian thalers, 85 @ 86.

The annexed is a summary of the closing quotations for bankers' bills on the places named, at sixty days' sight, at the close of the last four months:

	June 22.	July 23.	Aug. 23.	Sept. 22.
London, bankers' bills,.....	117½ @ 118	.. 131½ @ 133	.. 127½ @ 128	.. 129 @ 129½
“ mercantile bills,....	117 @ 117½	.. 130 @ 130½	.. 126 @ 127	.. 128½ @ 129
“ with bills of lading, 115½ @ 116½	.. 129 @ 129½	.. 125½ @ 126	.. 128 @ 128½	
Paris, bankers' bills,.....	4.81½ @ 4.76½	.. 4.85 @ 4.80	.. 4.45 @ 4.37½	.. 4.42½ @ 4.35
Amsterdam, per guilder,....	48½ @ 41½	.. 48½ @ 49½	.. 47½ @ 47½	.. 48 @ 49
Bremen, per rix dollar,.....	84 @ 84½	.. 92½ @ 94½	.. 90½ @ 92	.. 92 @ 98
Hamburg, per marc banco,...	39 @ 39½	.. 43½ @ 44½	.. 42½ @ 43	.. 42 @ 43
Frankfort, per florin,.....	44½ @ 44½	.. 48½ @ 49½	.. 47½ @ 48	.. 48½ @ 49½

The stock market, in the month of September, has been subject to violent fluctuations, owing to the complexion of the news from the seat of war. During some days the rise has been from three to five per cent. in some of the prominent securities of the Stock Board, and the market values this week are from one to five per cent. above those reported in our last No. Treasury demand notes have advanced to 114½ @ 115½. The 7.30 notes are readily taken at 104 @ 104½. The one year certificates are quoted at 99 offered, 100 asked. Government bonds, of 1881, have advanced from the August quotation of 98 and 99, to 102. The five per cents of 1874 are now quoted at 90½ @ 91. Loyal State loans are all higher than reported in August. Illinois war bonds are held at 98 @ 100; California seven per cents, 104 @ 105; Missouri sixes, 47½ @ 48½. Those endorsed by and issued to the Hannibal Rail-Road are worth 62.

The business in Custom-House demand notes has been very active. The quotations advanced to 115½. This price, however, brought out large amounts, and at the close they were offered at 115. The supply is held very strongly, as the weekly consumption at the Custom-House is rapidly absorbing the amount afloat. Of the \$60,000,000 originally issued, \$28,420,000 have been returned to the department and burned; \$48,000 have been returned, and are not yet burned; \$4,000,000 have been redeemed, but not yet returned to the department; leaving \$37,587,000 yet outstanding.

We annex the highest cash prices offered for eight weeks past, at the dates named, for the government and leading State securities in this market:

	July 10th.	21st.	Aug. 1st.	11th.	21st.	Sept. 1st.	11th.	20th.
U. S. 6's, 1881, coupons,....	108½	99	98½	99½	101½	101	100	102
U. S. 5 per cents, 1874,.....	90	86½	85½	86½	90½	89	88½	90½
Ohio 6 per cents, 1856,.....	107	105	104	104½	106	107	107	108½
Kentucky 6 per cents,.....	94½	94½	94	94	94	94	95	98
Indiana 5 per cents,.....	80	80	..	80	..	80	..	77
Pennsylvania 5 per cents,.	89	89½	91	92	92½	93½	99½	89½
Virginia 6 per cents,.....	58	58	54½	54	56	56	56	55½
Georgia 6 per cents,.....	72	70	70	70	78	78	78	78
California 7 per cents, 1877,	93	94	95	97	97½	93	100½	105½
North Carolina 6 per cents,	70	64½	66	65	66	67½	67½	66½
Missouri 6 per cents,.....	48½	47½	46	46½	48½	47½	48½	47½
Louisiana 6 per cents,.....	66	65	63	63	64	65	65	60
Tennessee 6 per cents,....	54	50½	50	50½	52½	49½	49	50½

In rail-road shares the market for the month has been active and at improved values. The rise is from three to six per cent. We note an advance in New-York Central shares, since the close of August, of three per cent.; Erie shares, 4; Harlem, 1; Reading, 5; Hudson River, 6; Michigan Central, 6; Michigan Southern, 8; Illinois Central, 4; Cleveland and Toledo, 5; Chicago and Burlington, 5; Norwich and Worcester Rail-Road shares have advanced to 58; Erie, preferred,

75½; Harlem, preferred, 41½; Michigan Southern, preferred, 65; Cleveland and Pittsburgh, 27½; Milwaukee and Prairie du Chien, 84; Delaware and Lackawanna, 100; New-Jersey Rail-Road, 188 @ 184.

The Baltimore and Ohio Rail-Road Company has declared a dividend of four and a half per cent. on the stock of the Washington Branch Rail-Road, for the half year ending 30th September, payable on and after that date at the Merchants' Bank of Baltimore; and a dividend of three per cent. on the stock of the Main Stem of the Baltimore and Ohio Rail-Road for the half year, payable on and after that date at the Merchants' Bank of Baltimore. Holders of the bonds of 1862, issued for the extra dividend, are notified that in order to secure the dividend declared on stock, it is necessary, in accordance with the terms of said bonds, to convert the same into stock prior to the closing of the books.

We annex the current cash quotations for leading shares in this market since the middle of July:

	July 11th.	21st.	Aug. 1st.	11th.	21st.	Sept. 1st.	11th.	20th.
N. Y. Central R. E. shares,.....	91½	92½	90	92½	98½	94	94½	96½
*N. Y. and Erie R. E. shares,....	84½	84½	83½	85½	88½	88½	88½	89½
*Harlem R. E. shares,.....	16	14½	14½	15½	16½	15½	15½	17
*Reading R. E. shares,.....	57	54½	56	58½	59½	61	59	64
*Hudson River R. E. shares,....	45½	48½	44½	47	48½	58	58	54½
Michigan Central R. E. shares,.	61	60½	59½	68½	67	69½	68½	78
*Michigan Southern R. E. shares,	26	25	25	27	30	31½	31½	33
Panama R. E. shares,.....	180	182½	183½	187	189	183	141	141
Baltimore and Ohio R. E. shares,	61	67½	64	64½	68	68	65	63
*Illinois Central R. E. shares,...	58½	57½	57½	59½	61½	63½	63	65
*Cleveland and Toledo R. E.	47	47½	47	48½	53½	58½	54½	57½
*Chicago and Rock Island R. E.,	64	64½	63	66	67½	67½	67½	69½
Galena & Chicago R. E. shares,	69½	70½	67½	70	78	73½	73½	74
Chicago, Burlington & Quincy,	77½	77½	78½	82½	85	87	86	90
Pacific Mail Steamship shares,.	105	107½	111	110	109½	111½	111	112½

The bank deposits in the city of New-York, according to the last weekly bank report, was nearly 150 millions. The specie has increased, since 1st January, fourteen millions, and the exchanges nearly eighty millions.

The loans, specie, circulation, deposits and exchanges of the present year have been as follow, at the dates mentioned:

1862.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
January 4,....	\$ 154,415,000 ..	\$ 28,983,000 ..	\$ 8,586,000 ..	\$ 111,789,000 ..	\$ 100,642,000
February 1,....	144,675,000 ..	27,479,000 ..	6,404,000 ..	112,057,000 ..	98,791,000
March 1,....	187,674,000 ..	29,828,000 ..	5,868,000 ..	107,974,000 ..	106,854,000
April 5,....	194,477,000 ..	38,764,000 ..	7,669,000 ..	94,082,000 ..	111,836,000
May 3,....	183,406,000 ..	35,175,000 ..	8,482,000 ..	109,684,000 ..	140,952,000
June 7,....	142,818,000 ..	31,248,000 ..	8,818,000 ..	126,566,000 ..	143,123,000
July 5,....	143,648,000 ..	31,790,000 ..	9,270,000 ..	127,496,000 ..	149,748,000
August 2,....	150,517,000 ..	34,022,000 ..	9,311,000 ..	127,112,000 ..	149,167,000
" 23,....	154,865,000 ..	35,588,000 ..	9,866,000 ..	143,847,000 ..	147,659,000
" 30,....	156,378,000 ..	35,640,000 ..	9,454,000 ..	141,971,000 ..	150,875,000
Sept. 6,....	153,485,000 ..	36,183,000 ..	9,645,000 ..	142,668,000 ..	154,074,000
" 13,....	157,828,000 ..	37,125,000 ..	9,719,000 ..	144,991,000 ..	155,818,000
" 20,....	153,399,000 ..	37,863,000 ..	9,789,000 ..	143,630,000 ..	179,681,000

This tabular statement presents singular features. The specie accumulation of the banks show that they are acquiring such a strength, that they may resume whenever the United States Treasury shall be ready. The circulation is now thirteen per cent. in excess of January last. The exchanges have largely increased. At Boston, the exchanges have been \$1,170,478,909 for the year.

Some discussion has recently arisen as to the practicability of an early and safe resumption of specie payments. It is obvious that this can be done only by joint action of the Treasury and the banks of the leading cities, and upon the return of peace. While it is seen that the banks cannot resume, in view of the heavy demand liabilities of the Treasury, it is conceded that, when the latter shall have reached their maximum, at the close of the war, they may then be reduced in

bulk one-third or one-half by a conversion into twenty year bonds. The cash liabilities of the government, like those of many suspended but solvent merchants, are too great for a speedy extinction. The government, like many merchants in a period of revulsion, must seek an extension upon these accumulated liabilities; and this extension will be readily granted by its creditors, who know that their claims are safe beyond any probable contingency. The present debt, or any other that can arise during the present rebellion, can be extinguished in thirty years by this government, through a sinking fund of one per cent. per annum. A more speedy extinction of the debt may be accomplished, if deemed desirable. Our government will be enabled to apply one hundred millions annually to the payment of the interest and to the extinction of the principal, without waiting for the gradual and certain, but slow, operation of a sinking fund.

Assuming that the rebellion will be brought to a close before January next, we shall then find that the prostration of business has led to an unprecedented accumulation of capital, and that this capital (to the extent of seventy-five millions of dollars here, and to equal proportions in other parts of the country) must seek investment in recently created Government securities. These securities, which now yield an interest of six per cent., will, in view of the permanent resources of the country and of the Treasury, in a state of peace, command soon a premium of 10 to 18 per cent., as they did after the conclusion of the Mexican war. As fast as this capital shall be again released by the Government, it will, under peaceful auspices, return to the legitimate channels of trade and manufacture. Money, now a drug in the markets of Europe at $2\frac{1}{2}$ per cent., will again seek investments in the public loans of a nation which Providence has ordained to be the granary of Western Europe.

The foreign exports of coin from New-York, from January 1st to September 30th, this year, has been \$42,844,000, being largely in excess of the export of late years, except the year 1859. The average for the past ten years has been \$30,025,500. The following table shows the export of each year, to the 30th of this month, since 1851.

YEARS.	Export.		YEARS.	Export.	
	8 $\frac{1}{2}$ Months.			8 $\frac{1}{2}$ Months.	
1852,.....	\$ 19,918,000		1858,.....	\$ 19,875,000	
1853,.....	14,775,000		1859,.....	56,444,000	
1854,.....	29,106,000		1860,.....	38,452,000	
1855,.....	24,844,000		1861,.....	8,266,000	
1856,.....	83,563,000		1862,.....	42,844,000	
1857,.....	82,564,000				

At Boston, their manufacturing stocks are firm but quiet. The companies that have stocks of cotton and wool on hand are reaping the advantage of the additional rise. Washington Mills has been gradually advancing until it is now held at par, and some of the creditors of the Bay State Mills can now hear the old concern mentioned without using hard words. The Lowell Company has on hand, we hear, \$400,000 worth of wool, at low prices. Holders of stocks in companies which have no cotton on hand are not in want of money, and can wait a while.

The steamer *Scotta* brings later markets from England, to September 18, with lower prices for cotton. Wheat steady; corn firm; flour irregular. The weather had been rainy, but the latest from London reports it fine again. Consols, 93 $\frac{1}{2}$ @ 93 $\frac{1}{2}$. The money report from London, to Friday, P. M., September 12, says:

"The bank return shows that there have been some large movements in the deposits, but they nearly balance each other. The decline in the private securities thus chiefly explains the increase in the reserve. There is a reduction of moderate amount in the coin and bullion. A considerable absorption of sovereigns has lately taken place for the home circulation, consequent on the unusually late requirements for the harvest—a circumstance which will explain the falling off of £318,682 in the bullion, shown in the bank return. The Melbourne advices announce the shipment for England, during the month, of £279,000 in gold.

"The demand for discount, since our last, was light at 1 $\frac{1}{2}$ @ 2 per cent., until yesterday, when a considerable increase took place, both at the bank and in Lombard-street. Rates became firmer, and nothing is now done below the bank minimum of two per cent."

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A NATIONAL SAVINGS BANK AND ANNUITY OFFICE.

Communicated to the Bankers' Magazine by J. F. ENTZ, Actuary and Accountant.

UNTIL very recently the United States could boast not only of being comparatively free from debt, but of being the only nation that had ever paid off its debts in full, principal and interest. In this respect it presented a strong contrast to the nations of the Old World, whose debts, the accumulated expenses of long wars and revolutions, hopelessly press upon the tax-burthened people. The events of the past two years have, however, changed the aspect of affairs. An unfortunate and fratricidal war has involved, for the protection of the constitution and the integrity of the nation, the creation of a debt, the magnitude of which bids fair to rival that of many of the encumbered nations of Europe. Large as the demands of the hour have been, however, they have exceeded neither the devotion nor the resources of the people. The vast wants of the government have not only been supplied without foreign aid, but considerable amounts of securities have been purchased back from European holders. It is not likely that any recourse to foreign aid will be had, or that the means of the country will fall short of the exigencies of the war. It is, nevertheless, the part of prudence to avail ourselves of every proper and practicable means of making the most of our resources, not only to maintain our financial independence, but to distribute the burthen so equally that no class of the community shall feel an undue share of its weight; that the payment of necessary taxes may be facilitated, and that

the ultimate extinction of the enormous debt may be gradually and efficiently provided for.

So far our banks, capitalists, and the people in general, have come forward most liberally; the bonds, Treasury notes and other certificates of indebtedness have been taken on reasonable terms; and, to the surprise of all Europe, who looked upon us as a ruined nation, and upon our government as utterly bankrupt, all the required means have been obtained at rates which not only have given proof of uninterrupted confidence and unlimited wealth, but also of a universal determination to sustain the credit of the nation. The ease with which these financial necessities have been met may, perhaps, have been increased by the circumstance that commerce, internal improvements and all industrial pursuits have been temporarily interrupted, and the capital engaged in these pursuits has sought a new channel of employment in furnishing the sinews of war. With the lapse of time, however, trade will again be restored, our manufacturing establishments again be in full operation, and our extensive and various enterprises recover their wonted activity. Then the capital now invested in government securities may again be wanted for other purposes, and, while we are still obliged to borrow, lenders may become scarce and cautious—preferring more profitable investments.

Capitalists are generally inclined to be selfish; if they find a fresh and vigorous demand spring up for their money, they are very apt to lay their patriotism aside, and give preference to the most profitable terms. Loans to the treasury may, sooner or later, become subject to their tender mercies, and meet with less favor as competition increases.

A national savings bank, in connection with an annuity office, would be a powerful agent in controlling and concentrating the surplus capital of the country. It would, in a great measure, render the treasury more or less independent of extortionate demands from banks and capitalists, who are at times prone to take advantage of circumstances, and to dictate their own conditions. The government, by offering favorable terms, such as it can afford to make, and such as it is now, and probably will, for many years, be obliged to give, and by inviting all classes to participate in the proffered advantages in large as well as small sums, the contributions will be sufficiently abundant to furnish ample means to the treasury. Should these exceed the current wants, they may be employed in purchasing outstanding bonds, and thus not only sustain their prices, but lay the foundation for a sinking fund for their redemption.

Savings banks are principally established for the benefit of the poorer classes, in order that they may safely accumulate their small earnings, and increase them by the addition of interest. It would be dangerous for them to invite holders of large sums, as that might extend their operations to an unwieldy point, and cause their ruin, in case of sudden drafts. To discourage these they lower the rate of interest on sums over \$500; and to prevent withdrawals, they allow no interest on sums withdrawn between the dividends. Their chief policy is accumulation.

The government stands in a different position; it need not fear expansion, because all the money obtained can be used for its own wants; and if not required for that purpose, it can be employed to take the public obligations out of the market, giving the savings bank the power to sell

them again, if circumstances should require it, or, if it should become desirable, in lieu of issuing a new loan. The ordinary savings banks are compelled to invest their funds, and do it in bonds and mortgages, at seven per cent., and often at six per cent., or in government or State stocks, on the best terms they can make. The government, on the other hand, is a borrower itself, willing to pay six per cent. per annum, and is sometimes compelled to grant a heavy discount, while paying interest on the par value.

It can, therefore, afford to allow six per cent. on long deposits without limiting the sums; the larger they are, the better. At such a rate it becomes the repository of all classes. The wealthy, who invest their money in bonds and mortgages, will prefer a deposit at six per cent., under the guarantee of the government, to an investment at seven, but subject to risks of defective titles, of depreciation of property, of failure in payment of interest, and consequent foreclosures. Those who purchase bank, insurance and rail-road stocks know, by their own experience that, though perhaps more productive, these are more precarious, and subject to sudden fluctuations, frequent failures in making dividends, and sometimes total depreciation. Those more cautious, and converting their means into government, State and city bonds, generally bearing a lower rate of interest, and still sold above par, experience a reduced income, and the final loss of the premium paid.

It is to be presumed that all those desirous of securing an investment of the best character, not subject to the vagaries of an ever-fluctuating stock market, and certain of the punctual payment of their income, will surely prefer a deposit in the National Savings Bank. Many widows and others who depended upon their perhaps scanty support, derived from rents, interest and dividends, have been sorely disappointed during the present revulsion, which could never happen under such a deposit system.

The industrial classes would likewise find increased benefits, and liberally patronize the bank. How important a part they perform in our finances may be seen by inspecting the report of the Superintendent of the Banking Department of the 1st of January, 1861, for the State of New-York :

The whole amount due 300,693 depositors, by all the savings banks of the State, was.....	\$ 67,440,397
The whole amount deposited in 1860,.....	34,984,271
Total amount withdrawn in 1860,.....	28,308,414

In twenty-four savings banks of the cities of New-York and Brooklyn, 255,485 depositors had \$55,780,572. Of these, the following are the oldest and most important :

Bank for Savings.....	52,480 depositors, ..	\$ 10,062,616
Seamen's Bank,.....	27,292 " ..	8,922,634
Bowery Savings,.....	44,003 " ..	10,294,995
Greenwich Savings,.....	18,076 " ..	3,898,339
Brooklyn Savings,.....	18,479 " ..	3,681,339

Fixing the rate at six per cent. per annum on deposits remaining at least six months, the probability is, that, in a short time, the permanent or long deposits would reach an extent of great magnitude.

At the rate of one cent a day for every one hundred dollars, equal to $3\frac{1}{4}\%$ per cent. a year, to be allowed on temporary deposits, a large amount would also be collected. In other savings banks interest is only credited on sums deposited six or three months before the dividend, and that which is withdrawn between the dividends bears no interest. This is unjust, and induces procrastination, most people waiting until the interest commences; but it is a source of profit to the bank, diminishes the clerical work by discouraging drafts, and has, consequently, a tendency to promote accumulation. The same object is, however, attained by allowing six per cent. on all balances remaining fully six months, while the lower rate of $3\frac{1}{4}\%$ allowed on sums deposited at any intermediate time, or on those withdrawn at any period, will incite the deposit of money as soon as it can be spared; exciting, therefore, economy, foresight and frugality; and should circumstances compel the depositor to draw upon it, perhaps to satisfy only a temporary want, he will not entirely sacrifice the fruits he anticipated. Although this rate is rather low, it is about equal to what trust companies generally allow for temporary deposits, and they do a considerable business in receiving sums that are waiting for a better investment, or such as are too small to invest otherwise. The National Savings Bank would secure a great share of these deposits, by allowing that rate for the whole time the money remains in its possession, with the additional benefit of raising it to six per cent. on what may remain over six months. There is a very numerous class to whom this arrangement would be particularly beneficial and inviting, since they are now completely shut out from all opportunities of earning any interest on the money that may remain in their hands for a short time. It is composed of those who live upon an income derived from salaries, dividends, legacies, rents, annuities, interest on various investments, &c., and which form their means of support; it comprises, in fact, nearly the whole community, from the millionaire down to the mechanic clerk or servant; nearly all receive their resources in, perhaps, monthly, quarterly or annual instalments, using a part for their daily expenses, while another must be appropriated for rents, doctors' bills, clothing, school bills and various other outlays. Some may absorb the whole income during the year, while others may be enabled to lay something aside, without being able to accumulate sufficient with which to make an investment, but all have more or less money in their possession until distributed. In the ordinary savings bank they receive no benefit, because no interest is allowed; in other banks it would lie idle; and in their own custody it would be exposed to many dangers, as theft, fire, &c. If they were permitted to place their money, as soon as received, into the savings bank, and to withdraw it again, weekly or when wanted, it would prove a convenient place of safe-keeping, while, low as the rate is, they would find, at the end of every six months, that more or less interest is standing to their credit. Considering the great number of persons, many of whom with large incomes, that would be induced to avail themselves of these facilities, it may be presumed that the amount deposited would be quite considerable, and that, although much of it would be constantly withdrawn, still a large amount would remain for the use of the treasury at a very low rate of interest.

So far, I have shown that these inducements would prove attractive to individuals of every standing, but they would be so likewise to corporations. There are, perhaps, more benevolent, benefit, odd fellow, masonic, and other societies, in the United States, than in any other country of the world. They all have their funds, mostly deposited in the savings banks, at the reduced rate if they exceed the limit. All these funds would henceforth be deposited in the National Bank, at the full rate. Even the savings banks themselves would find it to their advantage to make deposits there. They would probably invest all they can in bonds and mortgages, at seven per cent., but they would no longer purchase stocks that would not yield over six per cent., and which are liable to losses by fluctuations, nor would they keep so large an amount as they now do uninvested, in preparation for drafts, if they could freely deposit in the National Bank at six per cent., with a certainty that, in case of any emergency, their means would be available.

I am aware that no corporation, be its capital ever so great, could, with any prudence, enter into operations of such magnitude; but I cannot perceive any danger whatever in the undertaking, for an institution forming a branch of the public treasury, guaranteed by the credit of the whole nation, with unlimited means to raise funds. But if others can discover such dangers, I have no doubt precautionary measures may easily be devised, and salutary restrictions be established.

The National Savings Bank and Annuity Office should be represented at New-York, Boston, Philadelphia, Washington, and most of the principal cities of the Union, by branches; which should be required to send monthly, or even weekly, reports of their transactions to an auditor, under the special supervision of the Secretary of the Treasury, and who, by collating them, would be enabled to make his general report to Congress.

It will strike many of the readers that the clerical work of such a colossal institution would be immense; particularly if interest is to be allowed from the day of deposit to any day of withdrawal, and when the inducements for drafts are so much increased. They would be right, if the mode of keeping the account as practiced by other savings banks were to be adopted.

Their computations of interest are made near, or soon after, the periods of dividends, by a tedious process, requiring great attention, and very liable to errors. Each amount must be carefully examined, each sum entitled to six or to three months ascertained, and the drafts affecting each be deducted from them.

All this must be done in the space of a few weeks, and, where there are from 30 to 50,000 accounts, it is indeed an herculean undertaking.

The way I propose is perfectly simple, labor-saving, and time-dividing. It is to calculate the interest every day at the close of business, on every deposit or draft, and at the easy rate of one cent a day for every one hundred dollars, not forward to the next dividend day, but backward to the preceding one. Let us suppose that \$600 are deposited on the 20th of January, making twenty days, or \$1 20, and on a draft of \$400, paid on the 10th of March, being sixty-nine days from the 31st December last, making the interest \$2 76.

On the 30th June, when all the accounts are closed, the depositor has

a balance of \$200, on which the interest is, for 181 days from the 31st December preceding,..... \$3 62

Making for interest to his credit,..... \$6 38
And against him, as above,..... 1 20

Balance of interest to his credit,..... \$5 18

The leading principle is to bring every sum back to the 31st December, so that any balance remaining carries interest from that day. Not having deposited the \$600 until the 20th January, he is charged with interest of twenty days, and having drawn on the 10th of March only, he is credited with sixty-nine days interest, producing precisely the same result as if the interest had been computed forward to the 30th June.

This is an old French method, used by nearly all the bankers in France, for their account currents, but scarcely known in this country. Its great advantage consists in the fact that any account can be prepared beforehand, and is ready for closing any day, merely by adding the interest on the balance, and it is therefore particularly adapted for my purpose.

Any expert clerk will be able to compute, in a short time, any number of drafts or deposits, and insert the interest in the cash book in a column opposite the principal, so that the bookkeeper may post both at the same time to the credit or debit of each account. Nothing remains, on the 30th June or 31st December, but to strike the balance, and to calculate the interest thereon at six per cent., if it has remained fully six months, or at the lower rate if not. The result will be that every dollar that has remained the full time will reap the higher rate, and every one received in the interval or withdrawn, will receive the lower one, preserving the distinction without the least difficulty.

The old savings banks have very strict rules to secure identity, as personal attendance and endorsement of drafts on the pass-book, a precautionary measure very proper, where so many depositors are illiterate. But in one where the majority will probably be composed of persons of more or less education, some exceptions to that rule might be made in their favor, and the more convenient system of checks, as in the banks and trust companies, be permitted, restricting them, however, to one or two a week, to prevent too great multiplicity. This would offer an opportunity to those living in the country to avail themselves of the same benefits, by remitting and drawing against their deposits.

If the ordinary savings banks hold such enormous sums for the poorest classes, what must not be the result when even greater inducements are held out to all other classes, individuals as well as corporations, possessed of much larger means, and when a profitable employment is offered for every dollar which would otherwise lie dormant for want of opportunity to improve it?

The enhanced interest which the government can afford to pay, over all other corporations, through a national savings bank, without limitation to amounts, will create a similar revolution in the case of annuities. No company, which is obliged to invest its funds in first rate securities and on the best terms practicable, would dare to go beyond five per cent. in making its calculations for annuities and endowments. They are con-

tracts for indefinite periods, and present no other margin for profits than the difference between that rate and the one that may be obtained by investing the funds, besides a small margin that a careful selection of the tables of mortality may offer. The value of money is a matter of much uncertainty, and sooner or later it may depreciate, as it has done in Europe, so that they might be exposed to heavy losses. Although most of our life insurance companies have adopted the rate of five per cent. as the basis for their tables of annuities, making them, in that respect, more favorable than those granted in Europe, their transactions have remained but trifling.

They present no apparent advantages, except at advanced ages. Every one remarks that he can do better without the risk of sinking the principal in case of death, by putting it out on bond and mortgage, forgetting, sometimes, that this can only be done with sums sufficiently large, or, what is more practicable, by depositing it in a savings bank at six per cent., if the sum does not pass the limit.

If the computation of annuities and endowments is made at six per cent. per annum, all these objections are removed. That mode of investment then becomes beneficial for all ages. The principle may then be applied with equal benefit to a variety of provisions. The benefits of survivorship, combined with those of accumulation, at compound interest, are fully developed, and become useful in almost any situation of life.

The principal barrier being removed, thousands will soon discover the great advantages of such investment, in providing an endowment for children when they become of age, or for their education; and also, in securing temporary, deferred or immediate annuities for persons of all ages and conditions. Public attention, when aroused, will soon cause the benefits of the system to be appreciated.

But we may also look to Europe for many millions. These proposed terms are so much more favorable than those allowed in Europe, that many millions may be looked for there, as soon as confidence in the stability and solvency of our government is restored. Such a contingency should be foreseen, and suitable arrangements made, by which the operation would be facilitated. Foreigners have often purchased annuities in this country, and invested considerable sums in them, notwithstanding the necessity of employing bankers for the remittance of the purchase money, and for the collection of the annuities, experiencing thereby much delay and expense, besides frequent loss by exchange.

This might be obviated, by authorizing our ministers and consuls abroad, or some eminent bankers, to grant such annuities on behalf of the annuity office, and to make them payable, when due, in the currency of the country, at their respective offices; they remitting the principal, and being supplied with the funds required for the annuities. Being on the spot, and perfectly able to take the proper measures for guarding against fraud, by requiring the personal attendance of the applicants, there would be no danger in giving them such authority. The annuities would be calculated at the same per centage, but in the currency prevailing in each country. The difference in rate of exchange would be compensated by occasional fluctuations in the rate. If the institution lost on one occasion, it would gain on another.

All the savings banks of Great Britain are obliged by law, to deposit their funds in the Bank of England, or Bank of Ireland, to the credit of the commissioners for the reduction of the national debt, who reinvest them in bank annuities or exchequer bills. The former are also authorized to grant immediate, temporary and deferred annuities, but not exceeding £30 each, while the national debt office grants them to any extent.

A report made to the House of Commons by the commissioners for the reduction of the national debt, shows, that on the 20th November, 1859, they owed

To the savings banks of Great Britain,.....	£ 37,171,529	0	6
do. do. do. Ireland,.....	2,007,549	2	1
To friendly societies,.....	2,001,754	7	6
		<hr/>	
		£ 41,180,832	10 1

which were all invested in Consols and other government securities.

The same report gives also a statement of annuities, granted through the savings banks, up to 5th January, 1860.

	<i>Annuities granted.</i>	<i>Amount received.</i>
For immediate annuities,.....	£ 196,112 18 0 ..	£ 2,064,812 9 1
Deferred annuities, by paym't in one sum, ..	2,704 5 0 ..	80,979 17 4
do. by annual premiums, ..	37,486 17 0 ..	187,622 11 6
Immediate annuities for terms of years, ..	5,078 14 6 ..	49,587 8 1
Deferred do. single payment, ....	.... ..	878 18 7
do. do. annual payment, ....	.... ..	2,682 15 10
	<hr/>	<hr/>
Total received for annuities,.....	.... ..	£ 2,336,564 0 5

The rate of interest allowed by the Banks of England and Ireland, to the savings banks, is fixed by the act 9 Geo. IV. c. 92, passed in 1828, at 2½d. per diem, corresponding with nearly 3.80 per cent. per annum, but the interest payable by the latter to the depositor shall not exceed 2½d., equal to nearly 3.42 per cent., the difference being intended to cover their expenses. Very few of them pay, however, as high as 2d. per diem, or 3.08 per cent., while 2¼ per cent. is the lowest.

The British government has also passed a post-office savings bank bill, entitled "An act to grant additional facilities for depositing savings at interest, with the security of government for the due re-payment thereof," and which received the royal assent May 17th, 1861. On the 16th September following, about 300 of these post-office savings banks were opened, the postmasters being authorized to receive deposits of at least one shilling, and to enter them in a pass-book, reporting daily the receipt to the Postmaster-General, who immediately returns a proper acknowledgment to the depositor, as conclusive evidence of his claim for the repayment thereof. The interest allowed is ¼d. per month on every pound, or 2½ per cent. per annum.

In France, all savings banks, and public and charitable institutions, are obliged to invest their funds in the public debt of the empire, through the Caisse de Depots et Consignations, which allows the savings banks interest at the rate of 4½ per cent.; they in their turn paying to depositors from

3½ to 4 per cent. No individual is permitted to have on deposit more than 2,000 francs. When this sum is reached the interest is stopped, but it may be converted into a certificate or inscription of the Rentes, at par, bearing 4 per cent. per annum.

Want of time has prevented me from procuring any very recent statistics of the transactions of French savings banks. From the *Journal des Connoissances Utiles*, I perceive, that on the 1st January, 1845, the deposits in the savings banks of Paris amounted to \$22,412,200, and, including the departments, to \$78,400,000.

I find, also, in the *Assurance Magazine*, published in London, September, 1850, that eighteen life insurance companies, Tontines and Caissees de Prevoyance, had invested £4,988,251 sterling.

All this goes to show, that all public institutions, requiring the sanction of government, are in Europe made tributaries to the public treasury, and are not permitted to invest their funds in other securities. In this free country, where all enterprises are left untrammelled by legislative enactments, and are committed to the care of trustworthy managers, such laws could not be introduced by our general government; but it has the power to offer them inducements of a superior security, and an attractive rate of interest, that will be sure to claim their preference over other investments.

If I am correct in my expectations, immense deposits of a stationary character would be secured to the public treasury.

Having, as I hope, conclusively shown the great advantages we possess over other countries, on account of the higher value of money, and that we can consequently offer to the public a much more favorable result for their savings, be the sums small or large; and having, also, as I trust, given convincing proofs of the propriety and practicability of establishing, on the part of the government, a savings bank and annuity office, with branches in all the principal cities of the Union, as a most efficacious and prolific means to replenish the public treasury, by direct loans from the people, I will proceed to show, by illustrated examples, to what uses the principle of annuities can be applied for the benefit of every class of the community.

Temporary annuities certain, for the following number of years :

To terminate in years,	10.	15.	20.	25.	30.	35.	40.
At 6 per cent.,	13.59 ..	10.30 ..	8.72 ..	7.82 ..	7.26 ..	6.90 ..	6.65
At 5 per cent.,	12.95 ..	9.68 ..	8.02 ..	7.10 ..	6.51 ..	6.11 ..	5.83
National debt office,	11.79 ..	8.47 ..	6.84 ..	5.87 ..	5.24 ..	4.81 ..	4.48

These are not subject to loss in case of death. The depositor of, say \$1,000, for 20 years, will receive annually, \$87 20, to be paid to him, or to his successors or assigns, but at the end of the term the principal is exhausted and the contract ceases. The second line shows the result at five per cent. for comparison, and the third line indicates the rates at which the English national debt office makes such contracts, varying, however, in proportion to the prices of Consols. The above are predicated upon the prices between £91 11 2 and £93 0 6, yielding, therefore, about 3½ per cent.

IMMEDIATE ANNUITIES.

Annuity for \$100 paid at the Ages of—

	20.	30.	40.	50.	60.	70.	80.
At 6 per cent., males,.....	7.89	7.71	8.85	9.54	11.88	16.57	27.90
" females,....	7.81	7.65	8.18	9.23	11.81	15.72	25.27
Trust Co., males,.....	6.56	6.74	7.88	8.50	10.08	15.16	25.88
" females,.....	6.27	6.57	7.08	7.87	9.68	18.57	21.10
Savings Banks, England,..	5.59	5.81	6.44	7.73	9.87	14.07	24.47
Nation'l Debt Office, males,	5.08	5.41	6.05	7.83	9.47	18.66	24.64
Paris,.....	5.07	5.44	6.09	7.89	9.87	11.76	14.50
Berlin,.....	4.78	5.23	5.80	6.80	8.80	11.07	....
Lubeck,.....	4.59	5.08	5.76	6.91	8.67	12.06	....

The above are made in comparison with the rates of the New-York Life Insurance and Trust Company of New-York; the English government, through the savings banks, for limited sums; the same direct by the national debt office—Consols being between the above-mentioned prices—the Union of Paris, the Life Insurance Company of Berlin, and the Life Insurance Company of Lubeck.

In calculating this table, I have made a careful examination of all the tables of mortality, including the most recent, in order to select the one that presents the greatest safety, leaving a fair margin.

TEMPORARY ANNUITIES FOR TEN, TWENTY OR THIRTY YEARS.

The principal absorbed at the end of the term, and no return in case of death. Deposit of \$100.

Present age,...	10.	20.	25.	30.	35.	40.	45.	50.
For 10 years,...	14.05	14.19	14.28	14.33	14.40	14.51	14.69	14.97
" 20 " ..	9.26	9.43	9.53	9.59	9.70	9.87	10.14	10.56
" 30 " ..	7.96	8.09	8.19	8.30	8.46	8.71	9.09	9.67

This is an entirely new feature, and may, in many cases, receive the preference over an immediate annuity, producing a much larger income. It will be perceived that, for a child ten years old, \$140 50 would be received for a deposit of \$1,000, to provide for the annual outlay for its education.

TEMPORARY ANNUITIES FOR TEN, TWENTY OR THIRTY YEARS.

Principal returned to those surviving the term. Deposit, \$100.

Present age,.....	10.	20.	30.	40.	50.	60.
For 10 years,.....	6.71	6.96	7.16	7.47	8.28	10.13
" 20 " ..	6.79	7.03	7.26	7.71	8.78	11.34
" 30 " ..	6.55	7.09	7.39	7.99	9.29	11.80

The above are likewise on a new plan. The annuitant may make a contract for any of those terms; at the expiration of which all the money he has paid is returned to him, if he then lives, and he may then renew it for another term, at an advanced rate. Suppose A., fifty years of age, invests \$1,000 for ten years, he will receive annually \$82 30, until he is sixty, when the annuity, if he wishes to continue, will be \$101 20

annually. Such a bargain is favorable to the annuity office; for if money should depreciate, a new contract would only be made as circumstances may prescribe.

DEFERRED ANNUITIES.

If a man wishes to enjoy comfort and independence at an age when the moral and physical faculties begin to wane, or when he may have grown tired of the turmoils of an industrious life, he can make no better provision than by gradually preparing for it, purchasing a deferred annuity, to commence at such a period as he may think proper. Small occasional sacrifices will lay the foundation for such a happy state, and no changes of fortune, no failures, and no depreciation of property, will be able to deprive him of the fruits of his early foresight.

A person in the prosecution of prosperous business, or in the enjoyment of considerable wealth, may regard future bankruptcy, and an old age of destitution and dependence, as very remote contingencies; but in our changeful country, the prudent may be disposed to take a bond of fate, and, from present superfluities, provide for certain competency in the future.

A deferred annuity is a sure guarantee that he will have every comfort in proportion to the means he has employed to ensure it. Disappointment in such expectations is utterly impossible.

Deferred annuities may be granted upon the payment of a single premium, or by regular instalments, paid every year until the annuity commences; but in the latter case, they must be kept up with punctuality, otherwise all benefits may be forfeited. Some may grow tired of paying constantly, for a benefit that will only be reaped after a remote period, while others may, after a time, be no longer able to spare the money.

Single premiums are, therefore, preferable, because they are not compulsory, and if repeated at will, they may secure the same result. A man may have to-day \$100 to spare for the purpose; a month, or a year, after, he may have, again, \$10 or \$20, not being bound to any particular time or sum, to be added to the original certificate; and thus, he may gradually increase the annuity just when he pleases, or has the ability to do so.

Deferred annuities are predicated upon the chances of survivorship during the whole lifetime, before it commences as well as after. The wonderful effect of compound interest spreads, therefore, over a long period, and the rate of interest is consequently of the greatest importance. If the greater value of money permits us to adopt six per cent. for the computation of annuities and endowments, they become so attractive and advantageous that, from being dormant and nugatory, their benefits will become so apparent, that soon every class, be they wealthy or poor, will perceive them, and avail themselves of them. To show more conspicuously the difference between what we can do and what is done in Europe, I offer for comparison the rates for deferred annuities of various foreign institutions.

The first line gives those proposed at six per cent. The second line, of the Germania Life Insurance Company, of New-York, calculated at five per cent. The third line, of the English government, at three and two-fifths per cent., not over £30 to each. The fourth line, of the Medi-

cal Invalid and General Life Insurance Company of London. The fifth line, of the Union Insurance Company of Paris. The sixth line, of the "Caisse de Retraites," established by the French government, not exceeding 600 francs to each. The seventh line, of the German Life Insurance Company of Lubeck. The eighth line, of the Life Insurance Company of Berlin.

Cost of a deferred annuity of \$100 per annum, payable half-yearly on reaching the age of 50. For males. Single premium.

Present age,.....	30.	35.	40.	45.		
At six per cent.,....	\$188.96 ..	\$194.93 ..	\$272.75 ..	\$384.73 ..	\$545.15 ..	\$778.20
Germany,.....	211.81 ..	280.00 ..	371.15 ..	496.15 ..	664.82 ..	896.92
National Debt Office,	347.93 ..	448.75 ..	568.75 ..	686.67 ..	860.83 ..	..
Medical and Invalid,	455.00 ..	546.62 ..	660.29 ..	835.42 ..	986.50 ..	1,227.79
Union of Paris,.....	344.88 ..	430.78 ..	539.51 ..	677.69 ..	850.22 ..	1,066.62
Caisse de Retraites,.	190.11 ..	256.41 ..	347.21 ..	471.70 ..	632.91 ..	862.07
Lubeck,.....	432.12 ..	517.81 ..	626.81 ..	763.19 ..	937.87 ..	1,157.62
Berlin,.....	..	465.85 ..	576.93 ..	719.43 ..	906.37 ..	1,149.40

Cost of a deferred annuity of \$100 per annum, payable half-yearly on reaching the age of 60. Males. Single payment.

Present age,.....	30.	35.	40.	45.		
At six per cent.,....	\$51.23 ..	\$71.53 ..	\$100.55 ..	\$141.85 ..	\$200.99 ..	\$386.91
Germany,.....	83.95 ..	111.35 ..	147.80 ..	197.11 ..	264.13 ..	356.21
National Debt Office,	160.83 ..	192.50 ..	241.67 ..	316.67 ..	378.75 ..	476.25
Medical and Invalid,	210.71 ..	243.12 ..	305.71 ..	372.92 ..	456.71 ..	568.41
Union of Paris,.....	153.32 ..	191.50 ..	239.81 ..	301.28 ..	377.98 ..	472.18
Caisse de Retraites,.	74.19 ..	100.00 ..	134.77 ..	182.48 ..	247.53 ..	335.57
Lubeck,.....	208.69 ..	244.12 ..	295.31 ..	359.87 ..	442.19 ..	545.81

Cost of a deferred annuity of \$100 per annum, on reaching the age of 50. Males. By annual premiums.

Present age,.....	30.	35.	40.	45.		
At six per cent.,....	\$10.50 ..	\$15.22 ..	\$24.39 ..	\$40.08 ..	\$73.62 ..	\$179.14
Germany,.....	14.31 ..	20.60 ..	30.61 ..	48.43 ..	85.85 ..	202.12
National Debt Office,	20.42 ..	27.92 ..	39.17 ..	58.75 ..	96.67 ..	..
Medical and Invalid,	25.12 ..	33.71 ..	47.29 ..	70.79 ..	119.21 ..	267.79
Lubeck,.....	25.44 ..	34.19 ..	47.91 ..	71.69 ..	120.50 ..	269.69

Cost of a deferred annuity of \$100 per annum, on reaching the age of 60. Males. By annual premiums.

Present age,.....	30.	35.	40.	45.		
At six per cent.,....	\$3.63 ..	\$5.26 ..	\$7.75 ..	\$11.75 ..	\$18.42 ..	\$30.68
Germany,.....	5.23 ..	7.25 ..	10.24 ..	14.84 ..	22.34 ..	35.85
National Debt Office,	8.33 ..	10.83 ..	14.17 ..	19.58 ..	28.75 ..	41.67
Medical and Invalid,	10.02 ..	13.21 ..	17.50 ..	22.71 ..	33.62 ..	50.02
Lubeck,.....	10.81 ..	13.91 ..	18.37 ..	25.06 ..	35.50 ..	53.21

These annuities are based upon the condition that in case the party dies before the term when it commences, all payments are forfeited. By a moderate addition to the single or annual premium an agreement may be made to return all moneys paid, without interest, to the heirs of the annuitant, if he dies, or to himself, if unable to continue the premiums.

This privilege is given by the national debt office, as well as the "Caisse de Retraite," on special terms.

Every husband should, for himself and wife, and also for his children, lay aside whatever he can spare, to provide for old age. He should not give away his daughter in marriage, without stipulating, as an irrevocable condition, that a part of the income should be devoted to that purpose. The merchant, on taking an account of stock, and finding that he has been successful, would be a wise man if he used a part of his profits to shelter himself from the demands of future creditors, or from the consequences of subsequent heavy losses in his operations. But the cases to which these provisions are applicable are too numerous to be described, and every one can best judge for himself what benefits he will derive from them in his peculiar situation.

Endowments for children, without return, in case of death. A deposit of \$100 made

	At birth.	2 y's.	4.	6.	8.	10.	12.
Will produce, at 18,	\$ 440.18 ..	\$ 800.74 ..	\$ 251.68 ..	\$ 216.88 ..	\$ 189.44 ..	\$ 166.51 ..	\$ 146.51
" " 21,	594.57 ..	866.79 ..	306.90 ..	264.52 ..	231.05 ..	202.38 ..	178.68
" " 25,	695.16 ..	979.07 ..	400.85 ..	345.40 ..	301.78 ..	264.96 ..	233.88

By the means of an endowment a marriage portion may be procured for a daughter, or a sum by which a son may be enabled to set up in business, when becoming of age. No better employment could be made with a new year's gift, and left to accumulate until it will become useful to a child. It will be noticed that \$100, deposited for a child at two years, will have increased to \$366 79 at the age of twenty-one, while the same sum, placed in the savings bank, at five per cent., would produce only \$255 56.

Endowments for children, with return of money, if the child should die before the term. \$100 deposited

	At birth.	2 y's.	4.	6.	8.	10.	12.
Will produce, at 18,	\$ 312.94 ..	\$ 292.98 ..	\$ 280.49 ..	\$ 268.46 ..	\$ 256.44 ..	\$ 244.88 ..	\$ 233.79
" " 21,	369.64 ..	317.74 ..	278.17 ..	245.83 ..	217.74 ..	192.27 ..	170.18
" " 25,	478.12 ..	416.48 ..	358.85 ..	316.06 ..	279.49 ..	246.88 ..	218.11

By this table the result is certainly less favorable; but if the child should die, the money deposited is returned without interest.

Endowments for adults. Accumulation of \$100 in 10 years.

Present age,	20.	30.	40.	50.	60.	70.
Males,	\$ 196.26 ..	\$ 199.39 ..	\$ 206.13 ..	\$ 222.05 ..	\$ 268.03 ..	\$ 432.96

Nothing being returned in case the party should die.

These contracts might be made for longer periods, but it would undoubtedly be more satisfactory to have the option of a renewal at the expiration of each term, which will produce precisely the same result. Suppose A., aged 50, deposits \$100, he would have, on reaching the age of 60, \$222 05, which he may withdraw, or re-invest for ten years more, receiving, at the age of 70, the sum of \$595 16. Leaving them for another term, if he should live to the age of 80, the original deposit

would have accumulated to \$3,542 16, while the same \$100 would have produced, in the savings bank, after the first ten years, at 6 per cent.,.....	\$180 61
After the second ten years, at 6 per cent.,.....	326 20
“ third “ “ “ “	589 16

Endowments may also be granted by annual premiums, and these, as well as the single payments, may be so arranged as to have them all returned without interest, in case of death, before the expiration of the term.

Survivorship annuities are also provisions for the future, of the greatest utility, and, in some respects, even superior to life insurance. By a life policy, it is true, a father may provide for his family, and secure a certain sum, which, if it is intended for their support, must be invested, and may then only produce a too scanty income. The same amount would be productive of greater results invested in a survivorship annuity. A husband may secure a permanent income for his wife during her whole lifetime. If she dies before him, she ceases to require the intended support, and the premiums terminate. Inasmuch as the chances of her dying before the husband are taken into consideration, the premium is considerably reduced. If there are children to be also provided for, a similar arrangement may be made for each of them. If the object is to protect an aged parent or friend, the probability of his dying first is so much increased, the outlay becomes very small.

No values of annuities for joint lives, based upon the table of mortality which I have selected as the most appropriate for this purpose, having yet been calculated at six per cent., I am unable to state the exact rates, but a few examples, computed by the CARLISLE table, at six per cent., will show, most conspicuously, the great advantages they present :

A., aged 30, wishes to provide a survivorship annuity for his wife, aged 24, of \$600 per annum, to continue as long as she may survive him; the single premium would be \$1,237 20, and the annual, \$99 14, while an insurance for \$10,000, producing, at six per cent., the same income, would cost a vast deal more. If the same individual desired such an annuity in favor of a daughter, now aged 10 years, the single payment would be \$1,485, and the annual, \$114 47; and if the annuity were for a mother, aged 60, a single sum of \$395 40, or annually, \$45 74, would procure it.

The above rates are, however, net, or without the loading which life insurance companies are in the habit of adding to the actual cost to secure a margin for profits and expenses. The national annuity office, having in view to benefit the public, and to offer, particularly to the middle classes, the cheapest means for protection against want, could safely relinquish that addition, or at least make only a very moderate one, being satisfied with the advantage of using the money at six per cent., and of whatever the selection of a perfectly safe table of mortality might produce. On a large scale, no fluctuations to break up the average need be feared.

The specimens offered in the preceding pages are sufficient to prove the enormous advantages it is in our power to offer to the public, by an improved system of annuities and endowments, computed at a higher rate of interest than any other country, or any stock company can afford to allow.

TAXATION OF BANKS

AND BANK SECURITIES.

A MEETING of bank officers was held September 29th, at the Clearing-House, New-York, to receive the report of the committee appointed to proceed to Washington to consult with the commissioner of internal revenue as to the operation of the tax law of July, 1862. The following report was made and unanimously adopted. It will be noticed that the committee recommend that the tax on dividends be deducted in gross from profits before declaring the dividend.

The undersigned, appointed a committee for the consideration of the United States tax law, as affecting the business of banks, after a very careful consideration of the subject, beg leave to report the following schedule, approved by Gov. BOUTWELL, the Commissioner of Internal Revenue, as the result of their labors. The committee take this opportunity of returning to that gentleman, on behalf of the associated banks of this city, their cordial thanks for the kind and courteous treatment received at his hands during their several interviews with him at Washington.

GEO. S. COE, A. E. SILLIMAN, J. M. MORRISON, JOS. M. PRICE, R. H. LOWRY, Committee. New-York, September 29, 1862.

1. Agreements or contracts other than those hereinafter named, for each sheet or piece of paper upon which the same shall be written, five cents,..... 5
2. Checks, drafts or orders for the payment of money, payable at sight or on demand, for any sum exceeding \$20, each two cents, 2
3. Inland bills of exchange, drafts, checks, orders drawn upon places other than the place of issue, if payable at sight or on demand, are subject to the same rate of tax, viz., two cents,..... 2
4. Inland bills of exchange, drafts, or orders for the payment of money otherwise than at sight or on demand, and all promissory notes on demand or on time, (excepting bank notes:)
 - Exceeding \$20 and not exceeding \$100,..... 5
 - Exceeding \$100 and not exceeding \$200,..... 10
 - Exceeding \$200 and not exceeding \$350,..... 15
 - Exceeding \$350 and not exceeding \$500,..... 20
 - Exceeding \$500 and not exceeding \$750,..... 30
 - Exceeding \$750 and not exceeding \$1,000,..... 40
 - Exceeding \$1,000 and not exceeding \$1,500,..... 60
 - Exceeding \$1,500 and not exceeding \$2,500,..... \$1 00
 - Exceeding \$2,500 and not exceeding \$5,000,..... 1 50
 - And for every additional \$2,500, or part of \$2,500, one dollar, 1 00
5. Foreign bills of exchange drawn out of, but payable in, the United States; and all such bills drawn in, but payable out of the United States, "when drawn singly or otherwise than in a set of three or more," and all letters of credit, pay the same rates of duty as in the preceding schedule.

- | | |
|---|-----------------|
| 6. Bills of exchange drawn in, but payable out of, the United States, "if drawn in a set of three or more," for every bill of each set, not exceeding \$150 or its equivalent, three cents,..... | 3 |
| Exceeding \$150 and not exceeding \$250,..... | 5 |
| Exceeding \$250 and not exceeding \$500,..... | 10 |
| Exceeding \$500 and not exceeding \$1,000,..... | 15 |
| Exceeding \$1,000 and not exceeding \$1,500,..... | 20 |
| Exceeding \$1,500 and not exceeding \$2,250,..... | 30 |
| Exceeding \$2,250 and not exceeding \$3,500,..... | 50 |
| Exceeding \$3,500 and not exceeding \$5,000,..... | 70 |
| Exceeding \$5,000 and not exceeding \$7,500,..... | \$1 00 |
| And for every additional \$2,500, or part thereof,..... | 30 |
| 7. Bonds of indemnity, fifty cents,..... | 50 |
| 8. Certificates of stock in any incorporated company, each twenty-five cents,..... | 25 |
| 9. Certificates of deposit of bank, trust company, banker, or person acting as such, not exceeding \$100, two cents,..... | 2 |
| Exceeding \$100, five cents,..... | 5 |
| 10. Power of attorney: | |
| For sale or transfer of stocks or bonds, or for the collection of dividends or interest, twenty-five cents,..... | 25 |
| Or proxy for voting at an election, ten cents,..... | 10 |
| For receiving or collecting rents,..... | 25 |
| General powers, for all purposes other than those above specified,..... | 1 00 |
| NOTE.—General powers of attorney will not be valid for the specific objects above named, without the addition of the stamp required therefor. | |
| 11. Protests, each twenty-five cents,..... | 25 |
| 12. Tax on all dividends, and on all sums added to surplus or contingent funds,..... | three per cent. |
| 13. Stamps issued for specific instruments cannot be used for any other. (See sec. 96.) | |
| 14. The person using or affixing a stamp must write thereupon the initials of his name, and the date when used. (Sec. 99.) | |
| The penalty for making, signing, or issuing any instrument, document, or paper of any kind without the same having thereon a stamp to denote the duty, is \$50, and such paper will be invalid and of no effect. (Sec. 95.) | |
| The certification of checks, already duly stamped, will require no additional stamp for such certification. | |
| The stamp tax upon protests should be added to the expenses thereof. | |
| All dividends or coupons payable prior to or on September 1, 1862, although paid after that day, are exempt from the operations of the law. | |
| Checks dated or payable ahead are subject to taxation as promissory notes. | |
| Stamps are not required upon documents made prior to October 1, 1862, excepting upon foreign bills of exchange, which must be stamped on acceptance. | |
| The committee recommend, as a simple and convenient method, that | |

the three per cent. tax required upon dividends and surplus profits be deducted by banks in gross from their net earnings before the declaration of dividends. Dividends then declared would be free from tax. The three per cent. thus withheld must be paid to the United States within 30 days from the date on which such dividends are payable, under penalty of \$500 for default. (Sec. 82.)

Stamps must be affixed to all documents by the party issuing the same before presentation at bank; and all documents issued by a bank must be stamped by it before delivery, as required by resolution unanimously passed at a meeting of bank officers, September 15.

Stamps, in amounts of \$50 and over, can be obtained of the commissioner of internal revenue, as per schedule hereunto annexed, for which a commission not exceeding five per cent. in stamps will be allowed.

All checks of a bank upon itself for payment of dividends or otherwise, and all written papers for facilitating the internal business of banks, are exempt from tax.

Orders to pay dividends are not powers of attorney; but, like drafts at sight, are subject to the stamp of two cents.

Bills of exchange, drawn in duplicate, must both be stamped.

Stamps may be canceled by an instrument made for the purpose of impressing the initials of the bank or person thereon, to which the date must be added.

The omission to cancel the stamps on checks does not invalidate the checks, but subjects the maker to a fine of fifty dollars.

Washington, September 25, 1862.

I have examined the foregoing memoranda, and I am of the opinion that the specifications conform to the provisions of the excise law in all essential particulars.

GEORGE S. BOUTWELL, *Commissioner of Internal Revenue.*

Until the government provide stamps, no penalty will be exacted for their omission.

OFFICE OF INTERNAL REVENUE, Sept. 17, 1862.

Revenue stamps may be ordered from this office in quantities to suit the purchasers. Orders should cover remittances of Treasury notes, or an original certificate of a United States Assistant Treasurer, or designated depository of a deposit made for the purchase of stamps.

The following commission, payable in stamps, will be allowed on purchases:

\$50 or more, 2 per centum.

\$500 or more, 4 per centum.

\$100 or more, 3 per centum.

\$1,000 or more, 5 per centum.

In sending orders for stamps, it should be remembered that every stamp expresses upon its face its kind as well as its denomination, and that each stamp must be used for the purpose thus specified, and for no other. For instance: Check stamps must be used for checks alone; contract stamps only on contracts, &c. Every correspondent is requested to give the State, as well as the town and county of his residence.

If not otherwise instructed, the stamps will be transmitted by mail.

GEORGE S. BOUTWELL, *Commissioner.*

HISTORY OF THE BANK OF ENGLAND.

By JOHN FRANCIS.

[Continued from the October No., page 301.]

CHAPTER XXIV.

THE advent of Sir ROBERT PEEL to power, in 1842, was a circumstance of some importance to the Bank of England. The powerful majority by which he was supported rendered it almost undoubted that he would maintain the position in which he had been placed by the country, when the expiration of the first ten years allowed by the charter for the continuance of the privileges of the corporation should arrive; and it was almost equally certain that he would modify the principles on which it had hitherto being founded, according to his own views of the necessities of the monetary world. The position of the country at this period was very critical. A feeling of discontent was prevalent among the agrarian and manufacturing population. An empty treasury, a failing revenue and a dissatisfied people were sufficient to render the government of the nation a difficult task. But the prospect of our foreign relations was by no means cheering. The Chinese question was unsettled. We were waging an expensive but ineffective war with an empire which reckoned its people by myriads. In the East we saw the power, which had been won by a CLIVE, supported by a HASTINGS, and consolidated by a WELLISLEY, jeopardized in a manner which roused the sympathy of the whole nation. The integrity of the Turkish empire was supported against the capacity of one of the great men of the day, and against the inclination of France, the government of which maintained an armed and haughty neutrality, while her people were prepared to spring with the fierceness of their nature on the enemy they denounced. The streets of Paris saw groups of men, with earnest and threatening gesture, clamoring against the perfidy of England; and the voice of the press spread the contagion throughout her provinces. America advanced claims which the dignity of Great Britain rejected.

These things were ominous, and required a practiced skill to grapple with them. The danger, however, passed away. India was preserved, and China yielded up her undignified isolation. From the Chinese expedition came a treasure, which, for the first time in the history of the Bank of England, placed within its keeping a metal, which, under the name of Sycee silver, had never before been within her vaults; and which was an object of almost universal interest.

The pride of France was soothed by time. The breach with America was healed through the agency of an ASHBURTON; and by the imposition of an income tax the finances were restored to a healthy condition. The labor of the officers of the bank was greatly increased by the deduction of the property-tax from more than half a million of dividends belonging to the public creditor, and the interests of the corporation were yet more

deeply involved in this tax, as it opened the question with regard to the justice of paying the charge upon terminable annuities. In many instances these annuities would expire in a very few years; and in the case of the bank, which possessed the dead weight and other annuities, entered into without any idea of such a tax, it appeared to the proprietors a very objectionable impost. It was argued by these gentlemen, at a meeting of the court, that it would not be equitable to compel them to pay the income tax* on annuities, as it would be in reality paying on the capital. A motion was carried requesting the governor and directors to memorialize the government on the question; but the attempt was vain, as it was determined that no difference should be made between the dividend of the fundholder and the payment of the annuitant.

In 1844 a reduction was made in the whole of the funds which bore an interest of three and a half per cent. Money had been abundant; †

* There is no way of ascertaining the incomes of individuals except by an actual inquiry into their private concerns, which is an intolerable grievance, or by fixing it according to certain general rules, which, applying but very imperfectly to the complex concerns of society, must comprehend innumerable exceptions, and consequently innumerable cases of the grossest inequality and oppression. It is in this way, accordingly, that agriculture is oppressed by the property-tax. The income of the farmer is in all cases estimated to be exactly equal to one-half his rent. No allowance is made for adverse seasons, unskilful management, fluctuating prices, or for the various other casualties incident to agricultural concerns; and no inquiry is made into the actual circumstances of any farmer. The same rigid rule is indiscriminately applied, and the same rate of contribution exacted, even though there should be no income; and it is under this monstrous injustice that both the landed proprietors and their tenants are at present suffering.—*Edinburgh Review*, Feb., 1826, pp. 146, 147.

The income tax, notwithstanding these objections, was adopted by the House of Commons in the year 1799; the loan of that year being, for Great Britain and Ireland, £18,500,000, besides £3,000,000 of exchequer bills. But in comparing the amount of the loans which would have been necessary if this system of increasing the supplies raised within the year had not been adopted, with that actually contracted under the new system, it was satisfactorily shown by Mr. PITT that no less than £120,000,000 would ultimately be saved to the nation by the more manly policy, when the interest which was avoided was taken into account—a striking proof of the extraordinary difference to the ultimate resources of a country, which arises from raising the supplies within the year, and providing them, in great part, by the funding system.—*ALISON'S Europe*, vol. 2, p. 400.

† The reviving prosperity of the country, in consequence of the cessation of the import of grain, and increased issue of notes in 1843 and 1844, had so raised the price of stocks as enabled the chancellor of the exchequer to bring forward a bill, in March, 1844, for the further reduction of the whole public funds, excepting the three per cents. The three and a half per cents, which composed £250,000,000 out of the £760,000,000, which formed the public debt, had stood, in the beginning of the year, at 102½, and of course a fair opportunity was presented of paying them off at par. Mr. GOULBURN was not slow in taking advantage of this auspicious state of things; and he brought forward, on 8th March, a proposal for the conversion of the three and a half into, first, three and a quarter, and ultimately three per cents. The first reduction was to take place immediately, the last in ten years. By this means he calculated that he could effect a saving at once of £625,000 a year, and in 1854 of £1,250,000. As this reduction was accompanied with an offer to pay off the dissentients at par, it involved no breach whatever of the public faith, and was received in the most favorable manner by both sides of the house, and the public generally. The result fully justified the chancellor's expectations, for the debt held by the dissentients was a perfect trifle, only £200,000, and was immediately

the three per cent. consols were above 100; and there could not be a more favorable period for the operation. The idea had long been prevalent that the dividends upon this stock would be reduced; and those proprietors who lived upon their interest evinced great anxiety when it was known that the alteration was decided on. The proposition, however, was one which met with much favor. Instead of an immediate reduction to three per cent., it was announced that for the first ten years the three and a half per cents would be lowered to three and a quarter, and after that to three per cent.; at the same time they were guaranteed against any further alteration for the succeeding twenty years. The dividends of the greatest portion of the stock had hitherto been paid in January and July, but they were, from this period, receivable in April and October. Three months' dividend was paid to all the holders of the new three and a quarter per cents, and this arrangement possessed the advantage of equalizing the half-yearly amount of interest paid to the national creditor. The operation was altogether very successful, and met with great approval from those who were considered most capable of judging of its merits.

The history of the last bank charter act has now to be detailed. It is a history fraught with interest, no less from its importance than from the strange misunderstanding which arose during its progress. For some time previous great speculation existed as to the character of the act; and the future policy of Sir ROBERT PEEL was looked forward to with considerable earnestness. The question of the circulation was widely discussed; but a perusal of the numerous pamphlets appeared to render it impossible to reconcile the contending opinions which obtained. It was a fortunate circumstance for the corporation that those upon whom the management of the detail devolved were successful in obtaining the confidence and esteem of Sir ROBERT PEEL. They had a most difficult task to perform. They had to reconcile the rights of the proprietors with the public interest. They had firmly to resist a strong pressure from without; and they had to accommodate their views to those principles by which it was resolved to frame the charter. Their correspondence proves that they did not, by servilely yielding at once, sacrifice the rights of the proprietors, but where they were compelled to give way, they did so from the conviction that resistance was useless.

The few words of Sir ROBERT PEEL are sufficient evidence; he said, "I must, in justice to the gentlemen who conducted the negotiation on the part of the bank, declare that I never saw men influenced by more disinterested or more public-spirited motives than they have evinced throughout our communications with them. They have reconciled their

paid off. The success of this measure, whereby the old £5 and £4 per cents were at length, as in October, 1854, reduced to three per cent., afforded the clearest demonstration of the erroneous principle on which Mr. PITT originally proceeded in borrowing so large a proportion of the public debt in the three per cents, instead of the five or four per cents; for if the latter system had been universally adopted, the saving effected on the interest of the public debt, which, at this time, was £760,000,000, in round numbers, would have been, between 1815 and 1854, no less than two-fifths of the entire interest, or above £100,000,000 a year.—*ALISON'S Annual Register*, 1844, pp. 153, 155; *Parl. Deb.* vol. 73, pp. 361, 385.

duties as managers of a great institution, bound to consult the interests of the proprietors, with enlightened and comprehensive views of the public interests." On a subsequent occasion, Sir CHARLES WOOD remarked, and the opinion is valuable as the expression of an opposite political faith, "I will only say, that the more we inquired into the conduct of the directors in the management of the bank affairs, the more I was convinced of the injustice of the greater part of the charges which had been made against them; I was convinced that whatever they did, they did in the belief that it was for the best, for the public interest; and above all, I believe that they have not been swayed by any considerations of their mere private interests."

The question of the renewal was opened by a letter addressed to the governor and deputy-governor by the right honorable HENRY GOULBURN, then chancellor of the exchequer, proposing certain alterations in the act, and entering very minutely into the question. To the suggestion since carried into effect, that a publication of the affairs of the corporation should be made weekly, although the reply of the bank authorities offered no objection, they intimated a doubt whether the publication of the banking accounts could be considered essential; and to the proposal to remove the prohibition then in force, as to drawing, accepting or paying bills within the sixty-five mile circle round London, they alluded in the remark that the bank might incur some loss in its banking department; and in the more serious objection, that if such power should be exercised for the purpose of circulation, it might interfere with the great object of the projected measures. It will be seen that Sir ROBERT PEEL made an emphatic declaration concerning this remonstrance. The fear thus expressed was fulfilled by the result. Many such attempts were made to establish a spurious and illegal circulation. They were, however, quickly exposed; exposure produced failure; and they are only worth mentioning as a short-sighted policy, which met with the fate it merited.

The reply of the bank was considered satisfactory by the ministry, who refused to hold out any prospect of an abatement of the terms which the bank were to pay for their advantages, and the correspondence concluded with the acceptance of the conditions of Mr. GOULBURN. These letters afford an additional proof that the government had no intention of allowing the bank to increase its circulation above fourteen millions. The following is a copy of the "Resolutions to be proposed in committee on the Bank of England charter acts, on Monday, the 20th of May, 1844," which were appended to the letters of the contracting parties:

1. "That it is expedient to continue to the Bank of England certain privileges, subject to certain conditions.
2. "That the Bank of England should henceforth be divided into two separate departments; one confined to the issue and circulation of notes, the other to the banking business.
3. "That it is expedient to limit the amount of securities upon which it shall be lawful for the bank to issue notes, payable on demand, and that such amount shall only be increased under certain conditions to be prescribed by law.

4. "That a weekly publication shall be made of the circulation and the banking departments of the Bank of England.

5. "That it is expedient to repeal the law which subjects the notes of the bank to stamp duty.

6. "That the rate of payment by the bank shall be £180,000 per annum.

7. "That, in the event of any increase of securities, as aforesaid, a further annual payment shall be made by the bank equal in amount to the net profit derived from such additional securities.

8. "That it is expedient to prohibit the issue of notes, payable on demand, by any bank not now issuing notes, or by any bank hereafter to be established.

9. "That it is expedient to provide that such banks, in England and Wales, as now issue notes, payable on demand, shall continue to issue them, subject to such conditions as may be provided for.

10. "That it is expedient to provide, by law, for the weekly publication of the amount of notes payable on demand.

11. "That it is expedient to make provision, by law, with regard to joint-stock banking companies."

The principles of the bill did not meet with much admiration among the country bankers, who, naturally enough, looked upon the system which yielded them large profits as a very excellent system, and thought all interference not only unpleasant but unnecessary. The memorials which they presented to government met with attention; and where it was shown that an alteration would be an improvement, it was readily adopted.

The speech of Sir ROBERT PEEL, on the evening of the 6th of May, 1844, will well repay perusal. The subject was one to which his mind had long been devoted. From the year 1819, when that bill, which is indelibly associated with his name, received the assent of the legislature, up to the period when the renewal of the bank charter act occupied the attention of the house, the name of this gentleman is to be found in all those debates which affected the welfare of the Bank of England. The opening of his oration evinced his sense of the importance of the movement. "There is no contract, public or private; no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements made in all the domestic relations of society, the wages of labor, pecuniary transactions of the highest amount and the lowest, the payment of the national debt, the provision for the national expenditure, the command which the coin of the lowest denomination has over the necessities of life, are all affected by the decision to which we may come."

On the 17th of April, 1844, the committee of country bankers held a meeting, and passed several resolutions indicative of their alarm that Sir ROBERT PEEL would propose certain alterations in the local circulation; and calling on all their brethren to co-operate with them in a strenuous opposition. Their reasons for this mode of action were, that government had refused to declare its views prior to mooted the question in Parliament; and as the weakest fortress makes the greatest show of resistance,

so they endeavored to guard themselves in that part where attack was most to be expected, and most dangerous.

Their resolutions were alluded to in the speech of the right honorable gentleman, who expressed his conviction that their own assertions were sufficient to condemn their cause, with his hope that no member of the senate would respond to an appeal which demanded him to come into that house pledged to a specific course of action, as though no statement and no argument could add to his knowledge, or throw any light upon the intricate subject.

The following is a digest of the clauses of the new bill:

1. That from and after the 31st of August, 1844, the issue of notes payable on demand shall be kept distinct from the banking business, and that it shall be conducted in a separate department, to be called "The issue department of the Bank of England."

2. That on the 31st of August, 1844, the bank shall transfer to the issue department securities to the value of fourteen millions, the debt due by the public to be deemed part; that the banking shall transfer to the issue department all the gold coin and gold and silver bullion not required; that the issue department shall deliver to the banking department such an amount of notes as, with those in circulation, shall equal the securities, coin, and bullion transferred to the issue department. That the bank may not increase, but may diminish the amount, and again increase it to any sum not exceeding fourteen millions.

3. That the bank may not retain in their issue department at one time more silver than one-fourth of the gold coin and bullion held at the time.

4. That the notes of the bank shall always be payable in gold on demand, at the rate of £3 17s. 9d. per ounce.

5. That, if any country banker shall cease to issue his own paper, the Bank of England may issue additional notes to the amount of two-thirds of the authorized issue of the said banker.

6. That a weekly report of the accounts of the issue and banking departments be published in the "*London Gazette*."

7. That the notes of the bank shall be freed from the payment of stamp duties.

8. That £180,000 per annum shall be deducted from the charge made for the management of the national debt.

9. That if (under provision 5) the circulation of the bank shall be increased, the net profit of such circulation shall also be deducted from the above charge.

10. That no other banks of issue be allowed than those in existence on the 6th of May, 1844.

11. That after the passing of this act no banker may issue, in England and Wales, any bill of exchange or promissory note on demand, excepting such bankers as were in existence on the 6th of May, 1844, who shall only continue to issue them under the conditions hereinafter mentioned. That the right to issue notes shall not be compromised by the admission or retirement of any partners. That no company now consisting of six, or less than six partners, shall, if they exceed that number, be allowed to issue notes.

12. That if any banker shall become bankrupt, or shall cease to issue notes, he shall not resume the issue.

13. That the average amount of the twelve weeks' circulation prior to the 27th of April, 1844, shall be taken of those bankers who issue notes, and they may continue to issue them, provided they shall not, on four weeks' average, circulate more than the average previously taken.

14. That if two or more banks become united, the same principles shall apply to their issue.

15. That the average circulation of the country bankers, the twelve weeks prior to the 27th of April, 1844, shall be published in the "*London Gazette*," and this *Gazette* shall be received as evidence of their circulation allowed to such banker.

16. That if two or more banks unite, the same principle shall be applicable to them; but it shall not be lawful for them to issue notes when the partners exceed six.

17. That if any country banker exceed his authorized amount, he shall forfeit a sum equal to the sum issued in excess.

18. That a weekly account shall be sent by every banker issuing notes, on and after the 19th of October, 1844, to the commissioners of stamps and taxes, of the amount in circulation each day of the week; and also an average amount of the said weekly circulation; and on the expiration of every four weeks, the average amount of the said notes, with the amount authorized, shall accompany the weekly account. The weekly average to be published in the "*London Gazette*." Any banker rendering a false account to forfeit for each offence £100.

19. That the average amount of the issue of each banker is not to exceed that certified by the commissioners of stamps and taxes.

20. That the said commissioners shall have full power to examine all books, at all seasonable times, of such bankers as issue notes, and to take copies or extracts from any such book or accounts.

21. Each banker to return his name, residence and occupation, or in the case of a partnership or company, the name, residence and occupation of every person; a copy of such return to be published.

22. Each banker to take out a separate license for every place at which he may issue notes or bills. Any banker having such license in force on the 6th of May, 1844, for issuing notes at more than four separate places, shall not be called on to exceed his licenses for continuing such issue in the places specified.

23. That on and after the 31st of December, 1844, the bank shall pay to certain bankers, agreeing to issue their notes, one per cent. on the amount circulated.

24. That similar arrangements may be formed with other banks of issue, provided the composition be deducted from the amount payable by the governor and company to the public.

25. That all the compositions payable to the several banks which have ceased to issue their own notes under the usual agreement with the governor and company, shall cease on the 1st of August, 1856.

26. That any company of bankers, though exceeding six in number, carrying on the business of banking in London, or within sixty-five

miles, may draw, accept or endorse bills of exchange, not payable on demand.

27. That all previous privileges, except such as are abolished by the act, shall remain in force, subject to redemption at any time, upon twelve months' notice being given, after the 1st of August, 1855, and on repayment of all debts due from the public.

The last was an unusual feature; as, if the existing government in 1855 omitted to give notice of an alteration in the charter, it was at their option to do so in the following year, or at any succeeding period which might appear to render it advisable to suspend or alter the privileges of the corporation.

It was considered by some that the privileges granted to the country banks, by which they might draw bills within the sixty-five mile limit at less than six months' date, might give rise to a paper currency, differing in form, but not in principle, from promissory notes. "But," said the framer of the charter, very emphatically, "I give public notice that if the power should be abused, if it should be attempted to circulate small bills so accepted, within the limits reserved to the bank, I shall not hesitate to appeal to Parliament on the instant, for the purpose of correcting the evil." A court of proprietors met to discuss the alterations, and the letters which had passed between the chancellor and the governor and deputy-governor were read. The court was adjourned for a few days, and the proposals agreed to at the ensuing meeting with only three dissentients.

The two great elements of this act were, that the bank might issue £11,000,000 on the security of the debt due from the public, with £3,000,000 on exchequer bills and other securities; and that every note issued beyond that sum must have its representative in an equal amount of bullion. The measure, as at first proposed, met with a few modifications; but the great principles of the bill, which not only restricted the issues of the Bank of England, but those of the country banks also, remained unaltered. The objections to the representatives of this class were strong; but no objections that they could make were equal to the facts which were developed in one of the speeches of the right honorable baronet. A simple announcement of the failures of bankers destroyed all their assumptions; and every argument grew weak in comparison with the statement that from 1839 to 1843, there had been eighty-three bankruptcies, of which twenty-nine were banks of issue; that of these, forty-six had paid no dividend, twelve had paid less than 5s. in the pound, twelve had been under 10s., three less than 15s., two under 20s.; the results not yet being known of seven; that some, though insolvent when they died, had left large amounts to their relatives; that others had embarked in wild speculations, to the ruin of themselves and their clients, and that the only assets of another were race-horses.

Allusion has been made to an incident of great interest which arose during the proceeding. When the bill was first introduced, a general impression was prevalent that the government had reserved a right to itself to increase the amount of circulation on securities, above the fourteen millions to which it is ordinarily limited. When, therefore, the bill was

printed, and it was seen that none of the enactments were to this purpose, those members of the monetary classes who were in favor of large issues took the alarm, and at a meeting of the banking interest, a letter was framed, calling on Sir ROBERT PEEL to abide by his word; and after some difficulties and dissensions which are not worth detail, a letter was sent on the 13th of June to the right honorable baronet, stating that on the first announcement of the new bill, it was proposed, that in the event of any particular crisis, a power should be reserved, with the consent of the government, of extending the issues of the Bank of England beyond fourteen millions, and submitting that the absolute limitation of the issue to this amount would create a feeling of uneasiness throughout the country. This letter was signed by the following firms:

ROBERTS, CURTIS & Co.,	SPOONER, ATTWOOD & Co.,	SAPTE, BANBURY & Co.,
HANBURY, TAYLOR & LLOYD,	CURRIE & Co.,	WESTON & Co.,
BOSANQUET, FRANKS & Co.,	GLYN, HALIFAX & Co.,	TWININGS & Co.,
BROWN, JANSON & Co.,	WILLIAMS & Co.,	DIXON & Co.,
BANGLAY, BEVAN & Co.,	FULLERS & Co.,	COUTTS & Co.,
HANKEY & Co.,	BARNARD, DIMSDALE & Co.,	HERRIES & Co.,
SMITH, PAYNE & SMITHS,	BARNETT, HOARES & Co.,	RANSOM & Co.,
WILLIS, PERCIVAL & Co.,	LURBOCK, FORSTER & Co.,	STRAHAN & Co.,
MASTERMAN, PETERS & Co.,	STEVENSON, SALT & SONS,	SCOTT & Co.,
ROGERS, OLDING & Co.,	PRICE, MARRYAT & Co.,	COCKBURN & Co.

The reply was to the effect that he would refuse any further extension than that already provided for by the fifth clause, and denied that his speech on the first introduction of the matter justified the opinion entertained by the applicants.

It seems difficult to account for the view taken by these and other gentlemen that Sir ROBERT PEEL originally intended to allow the bank to increase its issues in the event of any great monetary crises. The whole tenor of the bill proved that this would have been incompatible with its principles. That the idea was very prevalent there can be no doubt. Mr. DAVID SALOMONS asked the governor of the bank, at the meeting of the court, "Has the bank the power, with the consent of government, to increase its issue?" The answer was "Yes; with the consent of the first lord of the treasury, the chancellor of the exchequer and the master of the mint." This, at first sight, may appear to support the opinion of the bankers; but it is strictly true, and it is most probable that the governor referred in his reply to the increased issue liable to a change in the circulation of the country banks. Mr., now Sir CHARLES WOOD, in a speech which charmed by its elegance, while it delighted by its depth, stated that it was one of his most important objections to the charter; and a great portion of the monetary world began, through the mere force of reiteration, to believe that the premier made a wilful alteration in his bill, while, during a late financial crisis, in the memorable petition of the bankers, that interest again acted on this belief.

The English language could scarcely be more explicit than the passage by which the great architect of the bank charter has been judged. It is now given, that the evidence may be fairly weighed.

"I have said that the bank shall be restricted from issuing notes upon securities to any greater extent than fourteen millions. This restriction

applies, however, to ordinary circumstances, and the present state of the affairs of the bank. The case may occur in which it would be reasonable, and, indeed, might be necessary, that there should be an increase of the issues of the bank upon securities. Supposing the country circulation to amount to eight millions, and of this amount two millions to be withdrawn, either in consequence of the failure of banks, or in consequence of agreements with the Bank of England to issue Bank of England paper; in that case, in order to supply the void, it may be necessary that the bank should make an increased issue. A part of this issue may fairly be made upon securities. Our proposal is, that the profit to be derived from such an issue shall be placed to the account of the government, and that no increased issue upon securities shall take place without a communication from the bank to government, and without the express sanction of three members of government—the first lord of the treasury, the chancellor of the exchequer, and the president of the board of trade. We do not contemplate, and do not intend to provide for an increased issue upon securities in any other case than that to which I have referred, namely, the supply of a void caused by the withdrawal of some considerable portion of the existing country circulation." There is scarcely any necessity for comment on this. The mistake must have arisen from some one taking the lead in the assertion; and it must have been continued from the indolence which prevented others from re-perusing the debates. The principle is laid down, the exceptions are named, and then, that there may be no error or misunderstanding on so important a point, those exceptions are reiterated in language which cannot be more definite. "We do not contemplate, and do not intend to provide for an increased issue upon securities in any other case than that to which I have referred, namely, the supply of a void caused by the withdrawal of some considerable portion of the existing circulation." There is no circumlocution in this, and there can be no doubt to a disinterested party; but "the wish is often father to the thought," and words are often looked at through colored spectacles, which only require the clear light of day to interpret correctly.

The nature of this charter was approved by Mr. JONES LLOYD. His evidence before the committee of the House of Commons indicated that which he afterwards wrote; that the contraction of the circulation in correspondence with the decrease of the bullion was the only measure which could afford effectual security for stopping the drain of bullion.

"*The Times*" remarked, "the sincerity of Mr. LLOYD's opinions can admit of no doubt, since they are at variance with his own interest as a banker, as persons are not wanting who accuse him of having betrayed his craft, and of having assisted in handing over the entire banking interest to the government, for the purpose of creating ultimately one great banking monopoly."

It was the opinion of Mr. LLOYD that to accede to the petition would be virtually to destroy the effect of the measure; others believed that it would have given a dangerous power to government, which might have been turned to all sorts of abuses; and there can be little doubt that it would have been the first step towards a government issue. But whatever the effect, a clear statement of the facts must exonerate Sir ROBERT

PÆL from the opinion of the bankers, that he ever contemplated any other increase of issue than that which might be necessary from the failures or withdrawals of the country banks; and his own language alike proves their error, and is his justification.

On the 3d of September, 1844, the new arrangements, by which the issue was separated from the banking department, came into operation; and on the 6th, an announcement was issued that bills would be discounted at two and a half per cent., and notes at three per cent., such bills and notes not having more than ninety-five days to run. This, which seemed like a declaration that the directors of the bank, as the circulation was no longer under their control, were disposed to enter into competition with the general discount market, caused many comments. It was at the time a prevalent feeling that the accountability of the directors as managers of the circulation was greatly reduced, if not destroyed; but events which have since occurred prove that the public are still disposed to burthen them with the responsibility, disregarding the fact that, to a great extent, they are deprived of both power and profit. In November of the same year, the bank commenced charging a commission on sums remitted to various parts of the country through the agency of the branch banks.

The year 1844 gave additional evidence that there is no security against fraud. A man named **JOSHUA FLETCHER** induced **WILLIAM CHRISTMAS**, a clerk in the corporation, to give him information from the private books of the bank. There is no possibility of ascertaining the precise amount of guilt of **CHRISTMAS**, but it is believed, having once been induced to pass the strict line of duty, that **FLETCHER** wrought upon his fears of discovery, and extracted from him sufficient information to compass his designs. Forgeries of wills to a large amount were carried on; great sums of money were frequently obtained; and, though the clerk received gratuities in return, it does not appear that he was guilty of a partnership in the fraud. The attorney-general distinctly stated his belief that **CHRISTMAS** had not a criminal knowledge, but was chargeable only with having given information against the rules of the bank.

About the year 1815, a **Mr. SLACK** died, and by his will appointed **Mr. HULME**, partner in the banking-house of **JONES, LLOYD & Co.**, as his executor. Among other duties which arose from this executorship, **Mr. HULME** transferred £6,600 three per cent. consols, and £3,500 three per cent. reduced, into the name of **ANNE SLACK**, of Smith-street, Chelsea, daughter of the deceased **Mr. SLACK**. This lady, justly reposing the most unbounded confidence in the gentleman chosen by her father as his executor, drew upon him for the money she required, without being aware that the £3,500, three per cent. reduced, had been transferred into her name, or that there was any other property due to her than the £6,600 in the three per cent. consols. **Mr. HULME** acted as her father and as her banker; and **Miss SLACK**, happy in his integrity, was at no trouble to inquire into the particulars of her property.

On the death of **Mr. HULME**, in 1832, this lady resolved to receive her own dividends; and knowing only of the £6,600, demanded the interest on it, still leaving the £3,500 in the possession of the Bank of England, from 1832 to 1842, when the stock, with ten years' dividend, were both

transferred, by the accountant-general, under the act 56 GEORGE III., to the commissioners for the reduction of the national debt. Had it not been for the signal and successful fraud to be related, this money would, in all probability, have been lost to its rightful owner.

The department of the unclaimed stock at the bank was under the management of WILLIAM CHRISTMAS, a clerk in the establishment, who, either weakly or wickedly, gave information of the transfer of this sum by the accountant-general to his friend, JOSHUA FLETCHER, originally in the medical profession, but a man of exceedingly dark and more than doubtful reputation. It immediately became the object of FLETCHER fraudulently to secure this sum, by the surest means and the smallest amount of risk; and after tracing Miss SLACK, with all the craft of crime, from Smith-street, Chelsea, to the house of her brother-in-law, Captain FOSKETT, at Abbott's Langley, he lost no time in applying to Mr. BARBER, of the reputable firm of BARBER & BIRCHAM, attorneys of Bridge-street, Blackfriars, and a correspondence commenced with Captain FOSKETT, in which, in October, 1842, BARBER boasted of private information from the bank, and artfully procured the signature of ANN SLACK, which was handed by FLETCHER to CHRISTMAS, by whom a comparison was made with that lady's signature in the books of the corporation; and on the 4th of June, 1843, BARBER wrote, saying, "As the signatures do not correspond, we have arrived at the conclusion that the identity cannot be supported." It is noticeable that this was in direct opposition to the opinion given by CHRISTMAS, who had stated the writings to be similar, and was, therefore, an evidence that some deception was about to be practiced.

The next step of the attorney was to insert a notice in "*The Times*," advertising for the representative of ANN SLACK, formerly of Chelsea; but this, of course, was ineffectual. It is necessary to follow this affair closely, because it was either a regular business transaction on the part of Mr. BARBER, or these things prove that, under the color of great candor, a most artful fraud was being perpetrated.

The next movement of FLETCHER was to register the name of ANN SLACK, as deceased; and on the 25th of February, 1843, he went to the office and reported her death as having occurred at No. 8 South Terrace, Pimlico. The following step, in this consummate deception, was to execute a false will, to pass it through Doctor's Commons, and to lodge it at the bank. This was successfully done; but this was the immediate cause of discovery.

When the probate of a will is lodged at the bank, the stock specified only is placed at the command of the executors. But should there be any other funds in the name of the deceased party, the word "deceased" is placed against the name; and this prevents any unauthorized person from receiving the interest. By the rules of the bank, also, no more stock can be added to that which is technically termed "a dead account."

When the probate of the will, therefore, was lodged, the word "deceased" was placed against the account on which Miss SLACK personally received the interest, as well as against that which was claimed by the forgers, and thus the fraud was eventually discovered.

Prior to the proceedings enumerated above, it was necessary to provide a fictitious EMMA SLACK to pass as the niece and executrix of ANN SLACK, and this was done in the person of LYDIA SANDERS, who occupied apartments for the occasion in Oxford-street.

The will being forged, the probate lodged, and a representative provided, the great difficulties in the way of procuring the £3,500, with the additional ten years' interest, were surmounted, and the path became comparatively easy. BARBER introduced LYDIA SANDERS to a stock-broker, who, on the faith of the attorney's supposed respectability, and as an every-day occurrence, identified her as EMMA SLACK; and thus, the money being secured, the villainy appeared successful; while, from the nature of the transaction, similar offences might have been frequently perpetrated.

It has been seen that both the accounts of Miss SLACK had the word "deceased" placed against them in the ledgers of the bank. When, therefore, her broker received instructions to purchase a certain amount of stock for her, he was informed, while making the necessary inquiries, that Miss SLACK was dead, and that no more stock could be placed to the account.

The surprise of the broker was great, and he immediately wrote, informing his client of her reported death. The astonishment of this lady was so great that she instantly came to town, and presented herself at the bank, where the matter was fully investigated. On searching the books it was discovered that a will had been lodged, purporting to be signed by ANN SLACK, of Smith-street, and that £3,500, with the accruing dividends of £1,100, had been paid.

The first thing to ascertain was the name of the solicitor employed, and the house of BARBER & BIRCHAM was brought to notice. When Mr. BARBER's name was discovered, Mr. FRESHFIELD called at his office, and told him that the will was a forgery, and that the fact must be reported to the treasury. BARBER replied that the affair was quite regular, and that EMMA SLACK was a most respectable woman. But the bank solicitor drew his attention to the point, that in 1842 he had inquired for the representatives of ANN SLACK, and that he had proved the will of that person as dying in February, 1843. To this remark BARBER gave some hesitating answer, and professed to forget who had introduced EMMA SLACK to him.

From that period BARBER was closely and carefully watched; and little did he suppose that, to whatever part he directed his steps, the acute eye of FORRESTER, the officer, was on him. For three weeks his path was tracked; and yet it is remarkable, that although the visit of Mr. FRESHFIELD must have aroused his alarm, and that a communication with FLETCHER was most natural, he attempted no interview, but went to and from his office as customary; and when it was deemed advisable to apprehend him, and his papers were seized, all the documents connected with this transaction were found among the office papers, endorsed "RE-SLACK," with no attempt at concealment, as if it had been a perfectly legitimate business. The apprehension of BARBER made the name of JOSHUA FLETCHER known to the bank solicitor, as being deeply implicated in this infamous transaction.

When BARBER was first examined he called FLETCHER to prove that he had only acted as his attorney. From the witness-box FLETCHER passed to the officer, and thenceforward took his place as an accomplice.

The next person to find was the party who had represented EMMA SLACK; and after great sagacity on the part of the officers, she was discovered in one LYDIA SANDERS, of Bristol.

Of the money, so fraudulently obtained, £1,000 was received in a note to that amount by LYDIA SANDERS, who publicly displayed it as a curiosity in the shop of her sister, GEORGINA DOBEY, also tried as an accomplice. Another note was changed by BARBER & FLETCHER, the former of whom had advanced all the requisite funds, in the shape of probate, legacy duty, stamps, &c., a custom quite common among the profession.

The trial excited peculiar attention. The escape of BARBER, in a former case, had renewed his confidence, and he appeared certain of acquittal. Of the guilt of those parties who stood with him at the same bar, no doubt has ever been entertained. Nor, indeed, when the apposite remark of Mr. FRESHFIELD concerning the date of the forged will, and the date of Mr. BARBER's letters to Captain FOSKETT, are remembered, can a dispassionate mind come to any other conclusion than that WILLIAM HENRY BARBER was a knowing and fraudulent accomplice of JOSHUA FLETCHER, and that the verdict which pronounced him guilty was justified by evidence, both direct and collateral. That there were extraordinary symptoms of an apparent innocence, or that great carelessness was shown, hardly compatible with so important a transaction, there can be no doubt; but the overwhelming fact is recorded against this plausible man, that in 1842 he wrote to Captain FOSKETT, of ANN SLACK as then dead, and that he was a party to the passing of the will of the same ANN SLACK, as having died in 1843.

When their sentence was announced, he earnestly called on FLETCHER to exonerate him. The latter, however, refused; and BARBER entered into a defence, the greatest part of which attempted to prove that he had been deceived by FLETCHER, and that he was entirely innocent. The following formed the conclusion: "If I have been negligent, I have already suffered deeply. I solemnly declare that throughout this business I have acted merely as a solicitor; and, as I expect to answer for this declaration in a future world, again declare that I am innocent, and that I have been deceived by FLETCHER, who had obtained my confidence." There was a considerable difference of opinion at the time in the public mind; the facts connected with the case were closely investigated, the conclusion arrived at by the legal authorities being that BARBER was guilty, and that it would not be proper to commute the punishment awarded in ordinary and less flagrant cases.

In order to obviate any future fraud, various precautionary measures have been used, which render similar instances of deception almost impracticable. It is worthy of remark that the whole of the loss occasioned by the will forgeries was sustained by government.

Prior to 1846, two arrangements, which demand great praise, were entered into. By one, the clerks commenced a mutual guarantee against fraud; and the securities, which had hitherto been necessary, were abol-

ished. By the other, the governor and court of directors allowed to each clerk in the establishment a period of leave every year proportioned to his service. This plan was warmly appreciated by those for whom it was thoughtfully established, and will tend to benefit the health of the clerks, at the same time that it nourishes a desire to return the kindness.

This year the further relaxation in the usury laws,* by which bills not having twelve months to run had been exempted from their operation, was continued until 1850.

* Mr. BUCKLE, in his "History of Civilization," a work of acknowledged ability and originality, says, (p. 205 :)

"It would be easy to push the inquiry still further, and to show how legislators, in every attempt they have made to protect some particular interests, and uphold some particular principles, have not only failed, but have brought about results *diametrically opposite* to those which they proposed. We have seen that their laws in favor of industry have injured industry; that their laws in favor of religion have increased hypocrisy; and that their laws to secure truth have increased perjury. Exactly in the same way nearly every country has taken steps to prevent usury and keep down the interest of money; the invariable effect has been to increase usury and raise the interest of money. For since no prohibition, however stringent, can destroy the natural relation between demand and supply, it has followed that when some men want to borrow, and other men want to lend, both parties are sure to find means of evading a law which interferes with their mutual rights. If the two parties were left to adjust their own bargain, undisturbed, the usury would depend on the circumstances of the loan, such as the amount of security and chance of repayment. But this natural arrangement has been complicated by the interference of government. A certain risk being always incurred by those who disobey the law, the usurer, very properly, refuses to lend his money unless he is also compensated for the danger he is in from the penalty hanging over him. This compensation can only be made by the borrower, who is obliged to pay what is in reality a double interest, one interest for the natural risk on the loan, and another *from the extra risk from the law*. Such, then, is the position in which every European legislature has placed itself. By enactments against usury, it has increased what it wished to destroy; it has passed laws which the imperative necessities of men compel them to violate; while, to wind up the whole, the penalty for such violation falls on the borrowers; that is, on the very class in whose favor the legislators interfere."

The history of the world, the history of commerce—well-known facts in our own local history—all confirm Mr. BUCKLE's positions. No more permanent good to our State could be effected than that which would follow a total repeal of the usury laws. But we would be satisfied if such repeal were made to apply to negotiable paper between individuals. As to corporations, that might be left to await the results as to the former.

The law of insurance applies here. Would we restrain the premium on marine or fire risks, in order to protect the property-holder? Certainly not. Is not the premium regulated by the hazard, in insurance as well as in money? Lessen the number of lenders, or lessen the amount of lendable capital, by specific law, and the remainder is, of course, more highly appreciated. The mercantile bill of exchange or promissory note which to-day is negotiable at seven per cent. per annum, may, a few days hence, be worth, in the market, nothing under ten or fifteen per cent. Circumstances vary in each man's case, and no law that ever was made, or ever will be made, can effectually restrain the contracts between men as to the rate of loans.

CHAPTER XXV.

FORTUNATE DISCOVERY—FORGERY OF BURGESS—ESCAPE TO AMERICA—THE PURSUIT—
ROMANTIC EVENTS—RAILWAY MANIA—ITS PROGRESS AND DEVELOPMENT.

AN ingenious fraud was perpetrated in 1845. Payment for two stolen notes, of £500 each, had been stopped; but, notwithstanding this precaution, both were paid on presentation, one coming in a few days after the other. When the error was discovered, the carelessness which produced it was severely blamed by the authorities; an inquiry was instituted; the clerk was examined; and he could not deny the initials, on the authority of which the notes were paid. Although the directors of the bank are not responsible for stopped notes, they decided that the carelessness which could overlook the stoppage of them for such large sums amounted to culpability, and that the payer must be responsible for the amount. The excellent character of this gentleman, however, together with his general conduct, raised a doubt in the minds of the directors, and they requested Mr. ALFRED SMEE to analyze the ink, and see if it were that generally used in the establishment. This gentleman was fortunately able to prove that the initials on every note passed on the day of payment were written in bank ink, and that the initials of the stolen notes only, were in ink of different ingredients. The signatures were, in truth, forged, and so excellently imitated that it was impossible to distinguish between the true and the false.

Another daring forgery was committed on the corporation in 1844. It was, however, so cleverly arranged, that had not peculiar thought been evinced by a member of the establishment, discovery might have been long eluded, and detection tenfold more difficult. In September, of that year, WILLIAM BURGESS, a clerk employed in assisting the power of attorney office, obtained a brief leave of absence. On the day of its commencement a broker called at the office, requested to see the absentee, and expressed surprise at his being away, as BURGESS had desired him to sell £8,200 from the account of WILLIAM OXENFORD. This inquiry occurred on the Tuesday, and on the following Saturday BURGESS should have returned to his duties, or have sent a sufficient excuse for not doing so. He did neither; and under such circumstances an inquiry is always instituted. Before any information could be obtained, however, Mr. JAMES SMITH, of whom the broker had inquired, fancying that his absence might be in connection with the transaction alluded to, investigated the ledger, by which he found that £8,200 had been sold from WILLIAM OXENFORD's account; looked to the transfer, and discovered that the absentee had identified the seller; examined the signature of the present sale with an authentic one of WILLIAM OXENFORD's, and saw that one bore no resemblance to the other. His suspicions were justified; he informed the proper authorities; Mr. OXENFORD denied having sold; and to Mr. JAMES SMITH the credit may be fairly assigned of this early discovery of a forgery which was alike remarkable for a breach of faith and

a consummate contempt for the chances of detection, many of which had been ventured. Mr. OXENFORD was known to several clerks of the corporation; the character of BURGESS was not quite unsullied; and the man who personated the fundholder bore no likeness to him. When one of the gentlemen to whom BURGESS applied concerning the sale casually mentioned that he had once known Mr. OXENFORD, the remark that "he was an old friend," was the only reply; and in a short time, an accomplice, afterwards ascertained to be JOSEPH ELDER, a horse-dealer, was brought to personate Mr. OXENFORD, without any apparent regard for consequences. The receipt was witnessed, the transfer effected, and a check received from the broker, with which they proceeded to the banker, and demanded gold. On being informed that if they wished this, they must apply to the bank, ELDER coolly returned, requested and procured gold to the amount of £8,000; and finding that he was not able to lift it, was assisted by two porters in carrying the proceeds of the robbery to his accomplice, who waited with a cab outside the building. They then proceeded to a public-house in St. Martin's Lane, in which they hired a room, and transferred the gold to a portmanteau.

As there was little doubt that the confederates had gone to America, it was deemed necessary to send FORRESTER, accompanied by some one who could identify BURGESS; and Mr. BORD, a member of the department in which the forgery had been committed, was chosen for the important task. After great difficulty the defrauders were tracked to Liverpool; from Liverpool they were traced to Boston, in America, where FORRESTER and his companion became satisfied that they were on the right path, but that the culprits had proceeded westward. It appears probable that ELDER and BURGESS were ignorant of the international league, known as the ASHBURTON treaty, as, directly they were on the American soil, they began to enjoy themselves; and, after investing their money in the Merchants' Bank, they proceeded to Buffalo, made a tour to the falls of Niagara, paid a flying visit to Canada, returning by a new route to Boston, where BURGESS commenced building a residence, and became noted "for a peculiar partiality for raisins soaked in burning champagne, and other high notions, a taste for which he probably acquired," said the Boston paper very innocently, "while he held the honorable post of clerk in the Bank of England."

From Boston the seekers went to Niagara, imagining but little that at the time of their arrival in Boston the fugitives were both there, and probably in one of the very hotels at which inquiry was made. Their visit westward, therefore, only produced a view of the fine cataract of Niagara. They then returned to Boston, where, by this time, BURGESS and ELDER, who called themselves uncle and nephew, and passed by the name of ELLIS, had attracted a certain degree of notoriety, and had obtained introduction to certain Americans of distinction, who were probably pleased by BURGESS' aristocratic taste for raisins and champagne. Under these circumstances it was soon ascertained that ELDER was residing at a boarding-house, to which Mr. BORD went, accompanied by the police. On being informed that the culprit was out, they requested permission to wait, and in a short time JOSEPH ELDER entered the house, came unsuspectingly up stairs, and was at once pointed out to the officers

as the personator of WILLIAM OXENFORD. He was immediately conveyed to prison; and the next morning it was discovered that he had added to his previous crimes that of suicide.

The apprehension of BURGESS was not quite so easy. From the hotel at Nahant, where he was residing, he must have seen the police approach, as he made his escape through the lower part of the house; and, without a hat; he then went to a Mr. TARBOX, in the neighborhood, made some excuse for his unexpected and hatless appearance, requested him to procure his money and portmanteau from the hotel, and to bring them to him in a neighboring field. The commission was only partially successful, as the officers, while searching every nook and corner of the neighboring rocks, came across Mr. TARBOX with his booty, and compelled him to yield it to the authorities.

Not finding Mr. TARBOX at the place appointed, BURGESS immediately went away, as he probably knew, to use the characteristic phrase of an American paper, that "the hounds of the law were after him." Every arrangement was made to secure his detection in the morning, and the events which marked his temporary escape were remarkable almost to romance. The officers were frequently near him; he fell into a pig-pen; tumbled into the water; sunk into the sand on the beach; was on one side of a large rock, and heard the conversation of the officers as they passed on the other; was at last successful in detaching a boat from the steam wharf, and, after being tossed about on the waves for six hours, throwing away the oars in despair, and yielding up all hopes of escape, succeeded in landing on Light-House Island, where he took refuge in the cottage of an Irishman, who, for 300 dollars, informed the police of his "whereabout." His interview with FORRESTER, when he gave himself up, was characteristic of the same contempt for consequences which marked the beginning and end of the transaction; and when, a short time afterwards, he was brought to England, and tried for his unprincipled breach of trust, his self-possession could scarcely be said to have forsaken him.

The greater part of the money, upwards of £7,000, was obtained from various sources. Mr. BORD and his companion had evinced great tact; and the only result which occurred was in an order which prevented all clerks, excepting only principals and deputy-principals, from identifying, in the disgrace which stigmatized the culprit, in the misery he caused his friends, and in the general distrust which such transactions ever entail on the class to which the offender belongs. Whether it be a bank clerk, or whether it be a banker, whether it be a ROWLAND STEPHENSON, or whether it be a WILLIAM BURGESS, the effect upon the great and unthinking mass of society is evil and mischievous.

The history of the railway mania of 1845 is not the least remarkable among those delusions which, from time to time, arise to throw aside legitimate trade and paralyze national commerce. From 1842 discounts had been easy and money plentiful. The funds maintained a high rate; low interest only could be obtained. In 1844 it was remarked that there had been a longer continuance of a plentiful supply of money than had occurred in the memory of the oldest capitalist. A desire to speculate grew out of these circumstances. Unlike most periods, when this desire

has been spread over many objects, it was concentrated on railways and railway schemes; and England was seized with her ancient frenzy. For some time it was legitimate, and confined within its proper boundary; but the desire spread; the contagion passed to all; and, from the clerk to the capitalist, the fever reigned, uncontrollable and uncontrolled. Some portion of the press aided the mania. The subject was a capable one, and leading articles trumpeted the growing greatness of the train.

“Railways are the triumph of a period of peace. They are the emblems of internal confidence and prosperity. They are the prophetic announcements of an open-eyed people to their neighbors, that they will not again waste their dearest action on the tented field, but exhibit and exert it in the mightier works of commerce.” The power of steam, the humanizing influence of a close connection between the refinements of the city and the requirements of the hamlet, were all eloquently announced. London was to receive the superfluities of the village; the village was to be gladdened with the civilization of London. Railways were to cover the length and breadth of the land, and their complete development was only a question of time; they were the advent of all that was desirable. “Do the people want present employ? Railways give it to hundreds of thousands at this moment. Is it desirable that the artisan or mere laborer should at all times be able to transfer his skill or his strength to the place where he can most profitably employ either? Railways give the power to do so. Is it desirable that prices should be equalized generally through the country? Railways are the great levellers in this respect, bringing, as it were, the producer and the consumer into immediate contact. Are wastes to be reclaimed by labor and manure, in places where neither can be found? Railways will carry both to the spot. By railways the whole country may be, and, under the blessing of Divine Providence, will be cultivated as a garden.”

Invasion was no more to be feared, for every village would have its line, and the bold yeomanry of England would be carried to any place, and in scarcely any time, long before their aid could be required. The money would be spent in England, and, unlike the mining speculations, which carried it into distant parts, it would nourish the English population. Labor would be abundant. Wages would be plentiful. Trade would flourish by the circulation of capital, and the prosperity of the country be carried to an unimaginable extent. The railways were like “the bridge of gold which the generous Greek would have built to aid the escape of a flying enemy; they were the links which bring and bind friends together.” They were to remain safe in the midst of panic; and though, “times of pressure—severe, hazardous, ruinous pressure—have been felt in this country, and, unfortunately, must be expected to be felt again, yet, when such a time of apprehension shall arrive, it will only prove them to be part and parcel of the genuine sources of wealth and avenues for labor in which this country lives, and moves, and has its being.

The directors of the railways were formed of all classes, and all conditions. Long lists of provisional committee-men, with their residences and professions, were paraded in papers. The journals were increased in size to contain the numerous advertisements. The heat of India was no objection. The cold of Canada no preventive. Men who had mingled

in the bubbles of 1825; men who were known and recognised as adventurous swindlers, but who had disappeared when no money was to be obtained, re-appeared, to exercise their customary vocation. The environs of the stock exchange were crowded. The countess came down in her carriage, and hovered in a state of excitement round the doors of her broker. Grave and sober men dabbled in scrip. The literary man and the artist risked their well-earned money to procure a share of the profits. The youth of the empire sought to gratify expensive habits. The old man sought to indulge his avarice. The clergyman traded in "undeniable securities." The physician murmured of the broad and narrow gauge. The lawyer forsook his fee; the lady jeopardized her soft and gentle influences; the matron forgot her children, and the maiden her embroidery, in one universal pursuit. The railways formed the current theme of the time. Premiums and discounts were the topics of the day, and every thing wore the same smiling appearance which, in 1823, had lured the people to destruction, and, as then, almost every thing came out at a profit. If they went to a discount, the company was abandoned, the whole of the expenses deducted from the few deposits which were paid, the directors liberally rewarded, and the small remaining dividend returned. The names of the clergy on the lists of directors produced an opinion from the Bishop of Exeter, that for a clergyman to speculate in railways came under the denomination of "dealing for gain or profit," and this was against the statute. "As the statute only mentions dealing," remarked a cotemporary, "and railway speculation involves shuffling, some of the reverend gentlemen maintain that they do not violate the act of Parliament."

The following is undoubtedly a faithful picture of the way in which many railways were established :

"A young gentleman need only look to a half-crown railway map, and search for a district tolerably clear of the rail. Taking two of the towns that form that open space, he draws a diagonal with his pencil, and thus creates a direct line. He then writes down the name of the company, his own name as "promoter," either alone, or with the names of as many friends as he can venture to take that liberty with, or with any names, real or fictitious; his own occupation, whether gentleman or esquire, engineer, artist or solicitor, or clerk, or perfumer, or tailor, or M. A., or M. D., dissenting minister, his place of business, if he has one; his place of residence, whether it be castle or hall, or in Berkley Square, or rooms in Gray's Inn, or lodgings in the Borough. In the course of his walk to the office in Serjeant's Inn, he may, if he pleases, remodel his company, changing every name in it, whether of place or person, including himself. Arrived at the office, he invests a few sovereigns, begged, borrowed, or stolen, in fees, and enters his company. Advertisements and letters of allotment do the rest. It may, for any thing the registrar knows or cares, be straight across a mountain a mile high, or straight across the arm of a sea ten miles broad. It would be his duty to register a tunnel under the Atlantic, and we are not quite sure that he would have the option of refusing a rail-road to Jupiter, with extension to the other planets, and a short branch to the moon."

The prospectus was sure to promise all the advantages of all the world,

perhaps to some small village which had hitherto been unable to support a coach once a week. The name of a local person of influence was obtained; a meeting was called at the village inn; speeches were uttered, which discoursed most eloquent music in the ears of the villagers, for their property was to be improved, and their importance doubled. Propositions were carried that a railway was necessary; the speeches appeared in the local journals, were advertised in the London papers; ten times the number of shares were applied for which were issued; and when they arrived at a premium, the promoters, secretaries and directors seized the golden opportunity, and the public came off second best. The socializing influences of the railway were descanted on. Directors dreamed of premiums, patronage and pay. Men who were known to have been penniless a year before, suddenly kept their broughams or started barouches. Valuable diamonds gleamed from fingers which had hitherto been guiltless of the bright adornment. Railway papers and railway pantaloons, railway ties and railway tricks, abounded. It was a railway madness. London was to be tunneled that the train might run beneath her mighty heart; colonnades were to be formed in the air that the engine might pass over the path of the pedestrian; and the Surrey Zoological garden was to have a direct line. The time for other vehicles had gone; a new epoch had arrived; and iron roads were to intersect the great city, to pass through the fruitful orchard, and to destroy the fertile field. The sanctities of the poet of the lakes were to be invaded, and the haunts of nature were to resound with the hiss of steam and the rush of carriages. The weekly exponent of the follies of the times, which, beneath an exuberant fancy, veils a deep philosophy, suggested that there should be one great terminus for all the companies, and that that terminus should be a lunatic asylum. The system was fruitful; and every one said there was no risk. When shares were demanded of a company, and they only came out at par, the letter of allotment was put into the fire; if they arrived at a premium they were sold. Men without a shilling wrote for hundreds of shares. Journeymen mechanics styled themselves esquires, and signed deeds for thousands. The names of men well known in the city as swindlers, whose notorious character had banished them from the society of all good men, suddenly re-appeared on the lists of the proprietors and directors, their names graced by the cheap esquire, and their residences given in some far distant county.

Many of the prospectuses rivaled those of previous periods in grandiloquence. The lines were often recommended, not so much on account of their financial prospects, as they were for historical associations. One was "connected with the remarkable fact, that, in the reign of ALFRED the Great, the vicinity was the seat of an actual invasion by the Danes under HUBBA;" while another gave a history of the battle of Hastings, and invited the public to subscribe, for a reason which was only interesting from its connection with a period when railways were unknown.

The following is a further illustration of the schemes: "A flattering prospectus is issued, promising ten per cent., and perfect prosperity. Some secret agent of the directors is on the stock exchange, puffing up the shares. A price is named; it is eagerly accepted by him; the bar-

gain is made; and the price of the scrip established. The agents continue to buy; the jobbers, calculating on plenty of scrip being in the market, are willing to sell on the liberal terms which the agent pays; and they enter into engagements to deliver a large quantity of scrip. When a sufficient number of shares are sold to satisfy the grasping avarice of the directors, they profess to consider the applications; and it is announced that no more letters will be received, and that letters of allotment have been forwarded to the fortunate applicants, taking care, however, not to issue a tenth part of the number previously sold in the market. The letters applying for shares are burnt by bushels, without even the trouble of opening them; and those who have sold at £5 a share cannot even buy at £10 or £15, if the consciences of the directors are sufficiently elastic to allow of so enormous a robbery." This madness seized upon the peerage, both at home and abroad. "Prince de Joinville mounted a tender; Lord F. EGERTON sought to make a railway all by himself; Earl LONSDALE bought one; Lord BELHAVEN condescended to speak at meetings; Lord WORSLEY even took the chair; the Marquis of Ormonde trundled a wheelbarrow in the presence of his admiring peasantry; and Lord WHARNCLIFFE, 'high in the councils of her majesty,' cut turf on correct geometrical principles."

Every one talked of making large fortunes, and very few realized them. Each day witnessed the advent of some new companies; and ten times the quantity of shares were applied for than were to be issued. During the greater part of 1845,* it is almost impossible to imagine the constant and exciting fever which was around. The absorption of scrip was astonishing. It was understood that a certain amount of responsibility rested on the signer of the deeds, and some, therefore, preferred to purchase in the market at a small premium. The desire of gambling was thus spread; and those who at one time only thought of paying a small premium, and buying a small number, were led on by this terrible spirit to gamble far beyond their means. In many instances shares were purchased as investments, which would, in all probability, pay less than the interest receivable in the funds.

The tricks of the speculators were as frequent as ever. The daring genius, which, in 1825, had projected a mining company in the far west—which, in 1836, would skim the Dead Sea, or bore the Swiss mountains, for asphalt, was equally ready, in 1845, to project railways for the prevailing fancy. There was no possibility of providing for the responsibility of applicants for allotments. In vain the directors announced that

* The following were the lowest and highest quotations of bank shares and Consols, bank dividends, circulation and bullion, from 1841 to 1846:

	BANK STOCK.			BANK		CONSOLS.	
	Lowest.	Highest.	Bank Dividend.	Circulation.	Bullion.	Lowest.	Highest.
1841,	157	173	.. 7 ..	£ 16,537,000	£ 4,339,000	.. 87½	90½
1842,	165	173	.. 7 ..	16,952,000	6,125,000	.. 88½	95½
1843,	172	185	.. 7 ..	20,093,000	11,054,000	.. 92½	97½
1844,	185	211	.. 7 ..	21,122,000	15,784,000	.. 96½	101½
1845,	199	215	.. 7 ..	21,038,000	16,813,000	.. 91½	100½
1846,	199	211	.. 7 ..	21,311,000	16,366,000	.. 93½	97½

no applications would be received without a respectable reference. Respectable references were easy, and the first nobility of the nation were appealed to by men without a shilling. They were also so numerous that it was impossible to ascertain their authenticity. Private property was invaded, and private gardens were measured, with all the impudence of the craft. Gentlemen who had lived the best part of the century in their ancestral mansions, were threatened with the destruction of buildings, every nook of which was endeared by some old reminiscence. Fancies and feelings were alike disregarded; it was the age of iron.

Grave divines uttered after-dinner speeches, which were applauded to the echo, and reported in the newspapers, until people began to think they were only doing their duty in subscribing. "From London to Edinburgh," said one, "from St. Petersburg to Moscow, from Brussels to Cologne, the railway is spreading, carrying civilization and Christianity in its train, and making all the people in the world as one united family." The newspapers realized fortunes by the advertisements. Half a dozen competing rail-roads were announced to go over the same ground; and, though only one could obtain success, they were all at a premium. The same person was director of thirty different railways, under various descriptions. The rumor of the amalgamation of a projected with an established line sent the former up to an increased premium; while the report that the "railway king" was negotiating with an embryo company, added enormously to the value of its shares. In one, called the Great Western of Canada, which was issued at £3 10s. premium, it was stated that out of this only £1 15s. could be returned, as ten thousand shares had been divided among the stock exchange, for the purpose of interesting the members. "In schemes," said the "*Chronicle*," "where as many as 30,000 shares have been advertised, not more than 15,000 have been allotted to the public; the remainder being reserved, part of them for property on the line, part for the provisional committee and officers. In this way a scarcity of scrip was created, and the shares rose to a premium. When the price was thus forced up to a point supposed to be worth realizing, the reserved shares were sold, and the proceeds divided among the committee." In one case three millions of shares were applied for, where not one hundred thousand could be allotted.

Until the middle of October, 1845,* the excitement continued, and

* The leading events of a commercial or financial character between the years 1841 and 1845 were the following:

1841.—Lord ASHBURTON announced as special commissioner to the United States, January. The island and harbor of Hong Kong ceded (1841) by the Chinese to England. Pennsylvania United States Bank failed, third time, 5th February, and made an assignment, 4th September. Union of Upper and Lower Canada, 10th February. Foreign trade of Canton suspended, and hostilities with the English renewed, 21st May. Canton taken, 27th; ransomed, May 31st, for 6,000,000 dollars. American clocks exported to England. PEELE cabinet formed, September. Loss of the British steamship *President*. British steam expedition up the Niger river. Repeal of the sub-treasury act, August 9th. General bankrupt law passed in Congress, August 18th. 1842.—Anti-corn-law movement in Parliament by Sir R. PEELE. Captain WILKES returned from his exploring expedition, 11th June. Shanghai taken, July 19. ASHBURTON treaty ratified by the Senate, 20th August. British treaty with China, (29th August,) by which it was agreed to open five free ports.

the city article of "*The Times*" reported that the share market was good, with a large extent of business. The course of that paper during the fear and fright which followed will be faithfully pursued, because there can be little doubt that the panic was greatly hastened, if not absolutely caused, by its earnestness of purpose. Its leading articles were like a succession of hand-grenades thrown into a camp during a triumphal feast. The nation was still in its delirium; they projected without counting the cost; they laughed at warning, and defied opposition. On Tuesday, the 14th of October, 1845, a leading article appeared which, after calculating the income and the accumulations of the country, entered calmly but closely into the investigation of railway schemes, and concluded by demanding, "Whence, then, are the hands to come for the rail-roads already authorized, staked out, and contracted for?" "As for the nine or ten thousands of miles of new projects, the three or four hundreds of millions they demand, and the whole population of skilled and unskilled Englishmen they would require, they are at present no more than a dream, the greater part of which must vanish into thin air long before they can become the sport of counsel and the victims of committees. In vain their long lists of directors, in vain the mutual support which men of straw, in every age, have been so ready to afford. Could we find in the pompous catalogues which adorn the columns of the public press, any good show of substantial names, we might at least distrust our own anticipations." "It is the simpler part of the public which is deceived; and, at the risk of offence, we think it our duty to take what steps we can to warn them of the day when the bubbles must burst and collapse." On the following day the directors and provisional committee-men were warned of their responsibility, and the bold assertion made that "many of the schemes were based on fraud." The public began to wonder, and men looked anxiously about them. Money grew scarce, and thirty and forty per cent. was offered, on the security of scrip, but refused. The appearance was ominous. On Thursday, the 17th of October, 1845, a notice was issued by the bank that the minimum rate of interest would be three per cent., and this advance caused general satis-

Royal Exchange commenced by Prince ALBERT, January 17th. Edinburgh and Glasgow Railway opened, February. Great fire at Hamburg, three days. Croton Aqueduct, New-York, completed. 1843.—Return of Captain Ross from the South Pole, 6th September. Treaty of commerce, by Sir H. POTTINGER, with China. Canton opened to the English, July 27th. Natal annexed to Cape of Good Hope colony. Thames Tunnel opened for travel. British packet mail station changed from Falmouth to Southampton. Half-farthings first coined, 1844.—Robbery of ROGERS & Co., bankers, London—£40,710. Treaty of annexation of Texas to the United States rejected by the United States Senate, 8th June. Anti-rent riots in New-York, August. Re-charter of Bank of England. Magnetic telegraph between Baltimore and Washington, July 1. Cheap postage act of United States went into operation, 1845.—Treaty between United States and China ratified by United States Senate, 16th January. Sir JOHN FRANKLIN left England, 25th May, on his Arctic expedition. Anti-corn-law league at Manchester. Steam-ship *Great Britain* arrived at New-York, 10th August. Treaty of annexation of Texas ratified by the United States Senate, 1st March. Loss of \$6,000,000 by fire in New-York city, 19th July. Great fires in Quebec, May 28th, and June 28th. PEEL ministry resigned, 11th December. Failure of the potato crop in Ireland, and for three years subsequent.

faction among the disinterested. "*The Times*" continued its progressive warnings. On the 17th of October, a correspondent wrote that among the directors of the new railways "there were some most notorious scamps, alias swindlers, who never possessed a penny in the world, and never could or would have possessed one, save what might arise from their infamous designs." Another added, "Nothing seems to come amiss to them; north, south, east and west—the Mauritius, West Indies, French, Spanish, Italian; their enormous appetite hath stomach for them all." By Friday, the 18th, these masterly exposures, and the advance in the rate of interest, checked the progress, and produced a general gloom.

The alarm had now fairly seized the speculators, who vented their spleen in decrying "*The Times*" and in abusing the bank. The prices of all shares fell in value. In vain the holders argued that an advance in the bank rate of one-half per cent. ought not to affect those who were willing to pay twenty or thirty per cent. for accommodation; that rail-roads were as good as they ever were; and that there was no just cause for their failing. In vain they asserted that the journal which had so evidently stopped their career was not free from pecuniary views; the voice of "*The Times*" spoke the voice of the disinterested, and a "voice potential double as *The Times*," the voice of truth, asserted to all intelligent listeners, that the "madness which had method in it" had passed away, and that panic and peril awaited the dealers. In vain meetings were held, and promoters and provisional committee-men pledged themselves to punish "*The Times*," by sending no more advertisements to it: the danger of their position was evident; and many holders of scrip were prepared to escape, at almost any sacrifice.

The higher the premiums, the more eager were the purchasers, before the bubble burst, and then, the lower the price fell, the more anxious were they to dispose of their property; thus rendering the value ten times less than it might otherwise have been. So great a fright had seized upon the unhappy speculators, that the very men who boasted of realizing thousands were urgent in offering large premiums to any person who would relieve them of the responsibility. The warning which had been given at an earlier period was fulfilled. "When the crash comes, as come it soon inevitably will, it may not be the scrip-holder alone that will be involved in ruin, but provisional committee-men, who had congratulated themselves on their skilful execution of the manœuvre of 'getting out,' may find themselves still 'in,' to an extent which they never expected." The earnestness of the railway papers to prove that there could be no difficulty in paying the deposits was almost amusing. It was placed, with the utmost ingenuity, in all forms and phases; and it was remarked that the effort reminded of the Indian fable of the creation of the world—that the globe rests first on an elephant, and the elephant on a tortoise; but, when the Brahmins are asked what the last rests on, there is no reply. An open swindling had been adopted; and one of the most significant signs of the times was in constant advertisements offering for sale the instruments of engineers. The following clever but infamous scheme was successfully pursued:

Twelve "leading men" in the city brought out a project for a railway. The deposit was trifling, but their standing enabled them to demand a

heavy premium. They cleared by this £25,000 apiece, and shortly afterwards sent round a circular, that unforeseen engineering difficulties rendered necessary the abandonment of the scheme, and, with a trifling per centage deducted for expenses, the deposits, not the premiums, were returned. An endeavor, at the time, to establish the truth of this produced the reply, "It is likely to be true of so many, that it will be useless to fix it upon any particular company."

The panic continued, and "*The Times*" continued its startling warnings with a tone that must have penetrated the hearts of those who had unhappily consented to become directors or provisional committee-men. "It is quite impossible that men who have been notoriously little better than swindlers all their lives, should have become suddenly honest by being chosen members of a provisional committee. Doubtful characters do occasionally get smuggled into the direction of reputable companies, but it is utterly impossible that those schemes can be soundly constituted which allow the almost indiscriminate admission of men of straw, of uncertificated bankrupts, and recently discharged insolvents." "Can twenty millions of money," wrote "*The Bankers' Magazine*," "be withdrawn annually from circulation without interfering with the necessary business of the country?"

These things produced their natural results. The evil commenced to abate; and it was announced on the 24th of October, 1845, a little more than a week after the first alarm had been sounded, that, "should the depression continue, the alleys in the neighborhood of the stock exchange will be speedily cleared of the horde of petty gamblers and letter dealers that at present infest those localities. It will be some satisfaction to the public to know that there is every prospect of the clearance of this nuisance being shortly accomplished." The fluctuations in the periodical returns of the bank were eagerly watched; and each week the apparent impossibility of paying up the deposits was confirmed. It was what has since been finely termed the "rushing mania of a nation."

But the evil spread to the innocent. Those who had pursued their legitimate calling found a difficulty in collecting their money from those who had been engaged in railways; and wholesale houses directed their travelers "to inquire how their customers stood in the share market, and to press them accordingly."

Of this prevailing madness, however, the evil effects remained long after the hope had departed. Men of character, who had worked hard for the independence they had gained, had consented, in an evil hour, to join the committees of projected companies. In the height of their delusion they talked of large profits, made extensive purchases, lived in a costly style; but they soon found out that not only were they liable for their individual risk, but were compelled to sell their property at a sacrifice, and fly to a foreign soil from their relentless creditors. As an evidence of the thoughtlessness of the period, a line, known as the Oxford and Wolverhampton, on which $3\frac{1}{2}$ per cent. was guaranteed by the trunk line, reached a high premium; the same line has now 4 per cent. guaranteed, but is at 10 discount. In one instance, a person who had stepped out of his legitimate path to speculate in these securities, was

paying 200 per cent. in the stock exchange at the very time that his bills were being taken at $3\frac{1}{2}$ per cent. in the discount market.

By the arrangements of the board of trade, the plans, sections and documents of those companies which were anxious to forward their appearance before the railway committee, were to be lodged by the 30th of November. There was no time to be lost, and artists and artisans alike reaped a golden harvest. It is almost impossible to imagine the hurry and eagerness displayed by the promoters of the various lines. Draughtsmen were enticed from the continent by the hope of high wages and continued occupation. Youths not out of their servitude were employed on important works. The Sabbath was desecrated; engravers worked without rest, until exhausted nature demanded her tribute, and they snatched a hasty repose. The most extravagant pay was granted to surveyors and engineers; the merest novices received employment, and all regular business was abandoned. Tricks of all sorts were played; and in one instance the whole of the type and stock in trade of a printer was purchased by one company, to prevent its rival from publishing an important document by a particular period. The *ruse* was successful, and the document behind its time.

On the last day allotted for the reception of the plans, a scene was witnessed which must have astonished the officials at the board of trade. As the time approached, an anxiety which passes belief was evinced. Higher wages were paid to those who could or would work in preparing the plans. Some contracts were abandoned, from the impossibility of fulfilling them. Night after night witnessed the earnest workman still snatching a brief repose for an hour or two, that he might resume his labors with greater energy. Post-horses were in demand. Special trains brought plans from all parts of England. Railway companies refused trains which would assist opposition projects; and the exertion made to lodge those which were ready, is almost incalculable. The clerks were overwhelmed with them; and though an additional number of those gentlemen were employed, it was impossible to keep pace with the incessant arrivals. The place became crowded. The last hour was approaching. An alarm seized on all that the necessary forms would not be gone through in time. The clock struck, and the doors were closing, when a gentleman, with the plans of a proposed railway for Surrey, rushed in, and succeeded in lodging his charge. The doors were then closed, and, in a short time, a post-chaise, with foaming steeds, galloped up to the entrance. Down the passage, and towards the office, rushed the three occupants, with their cherished papers. The door was shut; but railway persons deemed themselves privileged, and the bell was loudly rung. The unsuspecting inspector of police answered the ring; and the huge documents were thrown in at a venture, but were again thrown into the street. Many were too late for the appointed hour. The labor of anxious days and weary nights, the results of plotting heads and crafty brains, were rejected.

Thus ended the wild excitement of a period within the memory of all. It is another evidence of the truth of Mr. JONES LLOYD'S assertion, that these events occur in cycles; it is another proof that no warning can save a people determined to grow suddenly rich. The delusion passed; but

the effects remained. Business was long paralyzed. The small trader who had neglected his calling was ruined. The merchant who had embarked in the adventurous speculations, found, to his cost, that the reckoning was yet to come. The deposits were to be met, and many possessed no money wherewith to pay them. They had embarked in engagements which they could not fulfil, and a fearful prospect awaited them. Notwithstanding the wholesale manner in which the new lines were rejected, contracts for a certain amount of work, involving the outlay of a proportionate capital, were entered into by the conductors of various rail-roads. The deposits have yet to be paid. The question has yet to be decided whether the surplus resources of the country will be sufficient to meet them, and on that doubtful question rests the welfare of the nation until the last call of the last railway has been fulfilled. It is to be feared, to use the homely illustration of BENJAMIN FRANKLIN, that England must yet "pay dearly for her whistle."

It was a somewhat curious circumstance that the first half year the bank were able to shorten the shuttings was at a period when the monetary interest required it most urgently. The following, from "*The Times*," is a satisfactory proof that the service was publicly appreciated: "Much credit is due to the directors of the bank for the arrangements made to shorten the period during which the books are to be closed against transfers of stock. Last year the shutting day was the 3d of December, but the approaching shutting day is not till the 10th of December. At all times an additional week for public transfers is valuable, but is most particularly so at present. There has not occurred for many years a period for closing the bank books against transfers which has been regarded with so much anxiety."

The present history closes with the railway madness of 1845. The strange events which have since transpired, the action of the new charter, the fearful failures which have arisen from the fruitful harvest of 1847,* with other important occurrences, are so recent to be fairly or freely discussed by the writer. We are yet in the midst of a storm which is shaking the very pillars of the commercial world; and the future history of the Bank of England promises to surpass in interest and importance any thing which has hitherto been related.

* Mr. ALBION charges the revulsion of 1847 to free trade doctrines. The origin of free trade is attributed by him to ADAM SMITH and QUEENAY, instead of BROUGHAM, HUSKISSON, COBDEN, PEEL and BRIGHT. The resolutions introduced into Parliament by Mr. BROUGHAM in 1817, were among the first steps in this direction in that body. Sir R. PEEL opposed the doctrine in 1841, but afterwards adopted it. "The inevitable effect of adopting the free trade principle, for any length of time, by an old State, always has been, and always must be, *that the agriculture of that State is destroyed, its independence endangered, and at length its existence terminated.* This it was which occasioned the fall of Rome; *this it is which will occasion the destruction, in the end, of the British empire.* The reason is to be found in a cause of universal application and irresistible force, but so simple and familiar, that, like an apple falling to the ground, men were long in seeing the explanation of the mighty phenomenon, which lies in a matter of daily occurrence. It is this: that every thing which is plentiful, and money among the rest, *becomes cheap.* The necessary effect of this cheapening of money is, that every thing else becomes dear in the rich State; and thence, under the free trade system, the ruin of its agricultural industry."—ALBION'S *Europe*, vol. 6, p. 235.

CHAPTER XXVI.

TRADITIONS CONCERNING THE BANK—STOLEN NOTES—STRATAGEM OF THE DUC DE CHOISEUL—LOST NOTE—DESCRIPTION OF THE BANK—WEIGHING MACHINE—INTERNAL ARRANGEMENTS.

In the history of an establishment which for more than a century has veiled its transactions with an almost jealous secrecy, many occurrences have taken place which are now only known by the dim light of tradition. The periodicals of the time are replete with remarkable events, some of which are often related with a circumstance and a verisimilitude arising either from their being founded on fact, or from a deliberate deception for which there is no adequate cause. Great trouble has been taken to verify those which are now presented to the reader's notice, and though the effort has been futile, yet, where it has been found practicable to test, upon other subjects, the source from which they have been derived, it has always proved correct; and this is strong, though indirect, evidence of their truth. The following are most worthy of relation :

The principal clerk of one of the bankers having robbed his employer of Bank of England notes to the amount of twenty thousand pounds, made his escape to Holland. Unable to present them himself, he sold them to a Jew. The price which he received does not appear ; but there is no doubt that, under the circumstances, a good bargain was made by the purchaser. In the mean time every plan was exhausted to give publicity to the loss. The number of the notes were advertised in the papers, with a request that they might be refused; and for about six months no information was received of the lost property. At the end of that period, the Jew appeared with the whole of his spoil, and demanded payment, which was at once refused, on the plea that the bills had been stolen, and that payment had been stopped.

The owner insisted upon gold, and the bank persisted in refusing. But the Jew was an energetic man, and was aware of the credit of the corporation; he was known to be possessed of immense wealth; and he went deliberately to the exchange, where, to the assembled merchants of London, in the presence of her citizens, he related publicly that the bank had refused to honor their own bills for twenty thousand pounds; that their credit was gone; their affairs in confusion; and that they had stopped payment. The exchange wore every appearance of alarm; the Hebrew showed the notes to corroborate his assertion. He declared that they had been remitted to him from Holland; and as his transactions were known to be extensive, there appeared every reason to credit his statement. He then avowed his intention of advertising this refusal of the bank; and the citizens thought there must be some truth in his bold announcement.

Information reached the directors, who grew anxious, and a messenger was sent to inform the holder that he might receive cash in exchange for the notes. "In any other country," says the person who relates this tradition, "the Jew would have been tried as a calumniator; but in England, the bank, the soul of the State, would have lost the cause. The law could not hinder the holder of the notes from interpreting the refusal that was made of payment according to his fancy; nothing could prevent him from saying that he believed the excuse was only a pretext to gain time; and though intelligent people would not credit the story, the majority would have been alarmed, and would not have taken their notes for cash. In short, the Jew was acquainted with the nation and its laws, and he gained his point." It must also be remembered that at so early a period the reputation of the company was not so firmly established as at the present time.

Among the many runs upon the bank which have been recorded, the following is not the least remarkable. The Duc DE CHOISEUL, during the American war, hazarded a project, which, had it been successful, would have injured the credit of the establishment, and for a period destroyed the energies of the nation. Aware of the importance of this corporation to the State, and that Great Britain owed her success in war partially to the bank, he conceived the idea of using all the efforts of France to destroy the power of the company, trusting that a triumphal close to the contest between the two countries might be produced. Some millions of livres added to the zeal of the French emissaries, who discovered a period when the bullion was somewhat low, and spread reports calculated to injure the reputation of the corporation. Collecting all the notes which they could possibly procure, they poured them into the bank, and carried away the gold with a parade which attracted the attention it sought. The old cry arose of a run upon the bank, and in a few hours the whole city was in motion. Volumes of paper were presented, and gold received in exchange. The consternation of the directors was in proportion to the suddenness of the attack. The alarm, far from being quieted, became every day more general. Post-chaises poured in from the provinces. The application for specie became more urgent. There was no mode of judging to what extent an attempt so unprecedented and so unexpected might be carried. The efforts of the national enemy seemed prospering, and for some days England appeared to be upon the brink of the greatest evil which could happen. Time was necessary to collect specie, and people were employed day and night to coin money. All the gold which by any stratagem could be gathered was brought into bank. The method of paying by weight was discontinued. The sums claimed were delivered with greater deliberation; and the money placed guinea by guinea upon the table. For nine days this fever continued; but the method adopted by the directors, with concurrent circumstances, gave time for the production of a large supply of gold. All the demands were met; the claimants, finding there was no cause for doubt, resumed their confidence in the bank, and the scheme of the Duc DE CHOISEUL proved ineffectual.

An extraordinary affair happened about the year 1740. One of the directors, a very rich man, had occasion for £30,000, which he was to pay as the price of an estate he had just bought; to facilitate the matter, he

carried the sum with him to the bank and obtained for it a bank note. On his return home, he was suddenly called out upon particular business; he threw the note carelessly on the chimney, but when he came back a few minutes afterwards to lock it up, it was not to be found. No one had entered the room; he could not, therefore, suspect any person. At last, after much ineffectual search, he was persuaded that it had fallen from the chimney into the fire. The director went to acquaint his colleagues with the misfortune that had happened to him; and as he was known to be a perfectly honorable man he was readily believed. It was only about four-and-twenty hours from the time that he had deposited his money; they thought, therefore, that it would be hard to refuse his request for a second bill. He received it upon giving an obligation to restore the first bill, if it should ever be found, or to pay the money himself, if it should be presented by any stranger. About thirty years afterwards (the director having been long dead, and his heirs in possession of his fortune,) an unknown person presented the lost bill at the bank, and demanded payment. It was in vain that they mentioned to this person the transaction by which that bill was annulled; he would not listen to it; he maintained that it had come to him from abroad, and insisted upon immediate payment. The note was payable to bearer; and the thirty thousand pounds were paid him.* The heirs of the director would not listen to any demand for restitution; and the bank was obliged to sustain the loss. It was discovered afterwards that an architect, having purchased the director's house, had taken it down, in order to build another upon the same spot, had found the note in a crevice of the chimney, and made his discovery an engine for robbing the bank.

The interior arrangements of the Bank of England are not the least remarkable part of its economy. The citizen who passes it on his way to his counting-house; the merchant who considers it as an edifice where he gets his bills discounted or lodges his bullion for security; and the banker who regards it in his daily visits only as a place to issue the various notices that interest him, look on it with an indifferent eye. Even to the stranger its external appearance is almost lost in contemplating the nobler structure which looks down upon it. But to visit its various offices, to enter into the mode in which its affairs are conducted, and to witness the almost unerring regularity of its transactions, cannot fail to excite admiration. Within that building, occupying a few feet less than three acres, is the remarkable regularity and precision which has procured from statesmen and political economists, from merchants and from bankers, the highest and most complimentary eulogiums. In its management all that capital can command, or intellect devise, is introduced. The machinery of Manchester on a small scale, may be here witnessed. The steam engine performs its work with an intelligence almost human, as by it the notes are printed, and the numbers registered, to guard against fraud. When the spectator passes from building to building, and marks each

* This appears to be a curious decision. The holder certainly could not prove value paid for the note. No one would purchase except upon due inquiry, in such an extraordinary sum; and the statute of limitations would seem to be operative in such a case.—Ed.

place devoted to its separate uses, yet all of them links in one chain, he cannot fail to be affected with the grandeur of the body which can command so extensive a service.

The most interesting place connected with the machinery of the bank is the weighing office, which was established a few years ago. In consequence of a late proclamation concerning the gold circulation, it became very desirable to obtain the most minute accuracy, as coins of doubtful weight were plentifully offered. Many complaints were made that sovereigns which had been issued from one office were refused at another, and though these assertions were not, perhaps, always founded on truth, yet it is more than probable that the evil occasionally occurred. Every effort was made by the directors to remedy this, some millions of sovereigns being weighed separately, and the light coins divided from those which were full weight. Fortunately the governor for the time being, before whom the complaints principally came, had devoted his thoughts to scientific pursuits, and he at once turned his attention to discover the causes which operated to prevent the attainment of a just weight. In this he was successful; and the result of his inquiry was a machine remarkable for an almost elegant simplicity. About eighty or one hundred light and heavy sovereigns are placed indiscriminately in a round tube; as they descend on the machinery beneath, those which are light receive a slight touch, and this moves them into their proper receptacle, while those which are the legitimate weight pass into their appointed place. The light coins are then defaced by the sovereign cutting machine, observable alike for its accuracy and rapidity. By this two hundred may be defaced in one minute, and by the weighing machinery 35,000 may be weighed in one day.*

It has been stated in a previous part of this work that the first stone of the original building was laid in 1732, that the edifice was finished in 1734, and that this comprised the centre of the present building, which is of the Ionic order, and occupied the space previously employed by the house and gardens of Sir JOHN HOUBLON, the first governor. The design was by Mr. GEORGE SAMPSON; the fabric was raised under his superintendence; the front was of stone, and the principal offices were formed of wood. As the importance of the corporation increased, the building became enlarged, and between 1770 and 1786, the wings were erected, under the direction of Sir ROBERT TAYLOR, the design being taken by him from a small building in the Belvidere Gardens, at Rome. The columns are of the Corinthian style, arranged in pairs along the front, supporting at each end a pediment and a balustraded entablature between, with arched recesses in the place of windows. The remainder of the building was erected principally by one who has left the evidences of a cultivated mind and a pure taste in many public buildings. On the death of Sir ROBERT TAYLOR, in 1788, the office of the architect of the bank became vacant, and Mr. SOAKS was appointed to the post of honor. "It opened,"

* An eminent member of the Royal Society mentioned to the writer that amongst scientific men it is a question whether the weighing machine of Mr. COXON is not the finest thing in mechanics, and that there is only one other, the envelope folding machine of DE LA RUE, to be mentioned with it.

says the writer of the Illustrations of the Public Buildings of the Metropolis, "a wide field for his fancy and talents; for the buildings of the bank were at that time limited in extent, inconvenient in many essential parts, and were also ungracious in architectural character. Unlike his predecessors, SAMPSON and Sir ROBERT TAYLOR, Mr. SOANE commenced his operations by making an elaborate ground-plan of the whole range of offices, and another plan showing a design for erecting a new edifice, to be progressively executed, without interrupting the necessary and extensive business of this great national establishment." In 1780 the directors, alarmed at the dangerous facility which the adjacent church of St. Christopher le Stocks gave to any mob possessed of the slightest military skill, entered into a negotiation with the rector. Two acts of Parliament had been passed to enable them to purchase ground adjoining their establishment, and by another act the glebe land, the parsonages, &c., belonging to the rector of St. Christopher le Stocks, were vested in the governor and company. The rotunda was built in 1795 by Sir JOHN SOANE, and shortly afterwards application was made to Parliament for extending the Lothbury front westward, and connecting the whole of the offices then built with those proposed to be erected, to give the exterior an uniform appearance. The notice which the designs by Sir JOHN SOANE attracted must be in the memory of many, as, from the novelty of the arrangement and the style of architecture, they were altogether new to the critics and *conoscenti* of the day.

The principal entrance to the bank is from Threadneedle-street, opening by a large arched gateway into a quadrangular paved court, with which all the leading communications are connected. Prior to the improvements by Sir JOHN SOANE, many of the offices, between which a close connection was desirable, were far apart, and inconveniently situated for business. The governor and directors, being anxious to remedy this evil, consulted their architect, who arranged the offices into one uniform plan, to which he proposed that all future additions or alterations should be made subservient. Under his direction a line of communication was opened through the interior from north to south.

The pay hall, which fronts the main entrance, is a part of the original building by SAMPSON, measuring seventy-nine feet in length and forty in breadth; and at the eastern end is the statue of the founder of the bank. In allusion to this place, the Baron DUPIN says, in his "Commercial Power of Great Britain," "The administration of a French bureau, with all its inaccessibilities, would be startled at the view of this hall."

The bullion office is only remarkable for the vast store of treasure which it occasionally contains. "I understand the bullion office," said a witness before the bullion committee, in 1810, "to have been instituted merely for the purpose of accommodation and safety between merchant and merchant, as a place of deposit; it used formerly to be called the warehouse." It is exclusively devoted to the receipt and deposit of bullion; any person may send gold to this office, as a place of safety, without incurring any charge, unless it be weighed, when a small per centage is demanded. It formed part of the structure by Mr. SAMPSON, was altered by Sir ROBERT TAYLOR, and still further improved by Sir JOHN SOANE, on his accession to the office of architect.

The court room is a noble apartment, by Sir ROBERT TAYLOR, of the composite order, about sixty feet long and thirty-one feet six inches wide, with large Venetian windows on the south, overlooking that which was formerly the church-yard of St. Christopher. The north side is remarkable for three exquisite chimney-pieces of statuary marble, the centre being the most magnificent. The east and west are distinguished by columns detached from the walls, supporting beautiful arches, which, again, support a ceiling rich with ornament. The west leads by folding-doors to an elegant octagonal committee-room, with a fine marble chimney-piece. The governor's room is square, with various paintings, one of which is a portrait of WILLIAM III. in armor, an intersected ceiling, and semi-circular windows. This chimney-piece is also of statuary marble; and on the wall is a fine painting, by HARLOW, of the bank, bank buildings Cornhill, and Royal Exchange. An ante-room contains portraits of Mr. ABRAHAM NEWLAND and Mr. DANIEL RACE, cashiers, taken as a testimony of the approbation of the directors. In the waiting-room are two busts, by NOLLEKENS, of CHARLES JAMES FOX and WILLIAM PITT. The original rotunda, by Sir ROBERT TAYLOR, was roofed in with timber; but when a survey was made, in 1794, it was found advisable to take it down; and, in the ensuing year, the present rotunda was built, under the superintendence of Mr. SOANE. It measures fifty-seven feet in diameter, and about the same in height to the lower part of the lantern. It is formed of incombustible materials, as are all the offices erected under the care of Sir JOHN SOANE. For many years this place was a scene of constant confusion, caused by the presence of stock-brokers and jobbers. In 1838 this annoyance was abolished, the occupants were ejected, and the space employed in cashing the dividend warrants of the fundholders. The offices appropriated to the management of the various stocks are all close to or branch out from the rotunda. The dividends are paid in two rooms devoted to that purpose, and the transfers are kept separate; they are arranged in books, under the various letters of the alphabet, containing the names of the proprietors, and the particulars of their property. Some of the stock offices were originally constructed by Sir ROBERT TAYLOR, but it has been found necessary to make great alterations, and most of them are designed from some classical model; thus, the three per cent. consol office, which, however, was built by Mr. SOANE, is taken from the ancient Roman baths, and is eighty-nine feet nine inches in length and fifty feet in breadth. The chief cashier's office, an elegant and spacious apartment, is built after the style of the Temple of the Sun and Moon, at Rome, and measures forty-five feet by thirty.

The fine court, which leads into Lothbury, presents an interesting display of Roman and Grecian architecture. The buildings on the east and west sides are nearly hidden by open screens of stone, consisting of a lofty entablature, surmounted by vases, and resting on columns of the Corinthian order, the bases of which are on a double flight of steps. This part of the edifice was copied from the beautiful temple of the sybils, near Tivoli. A noble arch, after the model of the triumphal arch of CONSTANTINE, at Rome, forms the entrance into the bullion yard. The entablature rests on fluted Corinthian columns, supporting statues, which indicate the four quarters of the globe. The intercolumniations are or-

namented by allegories representing the Thames and the Ganges, executed by THOMAS BANKS, the academician, the roses on the vaulting of the arch being copied from the Temple of Mars the Avenger at Rome. On the death of Sir JOHN SOANE, Mr. COCKERELL was chosen to succeed him in his important position. The style of this gentleman in the office he designed for the payment of the dividend warrants, now employed as the private drawing office, is very different to the erections of his predecessor. The taste which produced the elaborate and exquisite ornaments in this room is in strong contrast to the severe simplicity of the works of Sir JOHN SOANE.

The new machinery for printing the notes, which was introduced by Mr. OLDHAM—the invention of whom has been employed by the Austrian and Irish, no less than by the English bank—is well worthy of a visit, but would be uninteresting to delineate. Its effect may be described in the assertion that the power formerly employed by the mechanic in pulling a note is now exerted by the steam-engine. The machines by which the bank notes are numbered on the dexter and the sinister halves, each bearing the same figures, have been used in the establishment for nearly fifty years, and are the patents of BRAMAH & Co. The principle, like every other intricacy when it is explained, is very simple, and may be summed up in the words that, as soon as a note is printed, and the handle reversed to take it out and put another in its place, a steel spring, which is attached to the handle, alters the number to that which should follow. The whole of the printing of the bank is executed within its walls; the ruling machines are the simple ones generally in use; the presses are those invented by COWPER, and are so well known that no description is required.

By the appendix it may be seen that the bank commenced business with fifty-four assistants, the salaries of whom amounted to £4,350. The total number employed at present is upwards of nine hundred, and their salaries exceed £210,000

The curiosities of the bank are few. It possesses, however, a collection of ancient coins, which, with the exceptions of those of the British Museum and of Paris, is perhaps the finest in Europe. Visitors are occasionally shown some notes for large amounts, which have passed between the bank and government; but to the antiquarian there are not many attractive objects.

In the early history of the establishment any person in the possession of a bank note might demand only part of its amount, and the same plan might be resorted to with the same note until the whole of the sum due upon it was absorbed. Some of these are still shown; on the last which came in there was only sixpence to receive.

The following is principally derived from the report of the committee of the House of Commons, and is given almost verbatim:

The supreme management of the bank is vested in the whole court of directors, which meets weekly, when a statement is read of the position of the bank in its securities, bullion and liabilities. The directors have equal power, and should a majority disapprove of the arrangement, they might re-construct it. Eight of them go out and eight come in annually, elected by the court of proprietors; and the system on which the affairs of the bank are conducted is, of course, liable to change, as new directors

may exert their individual influence on it. A list of candidates is transmitted to the court of proprietors, and the eight so recommended uniformly come in. Quakers and Hebrews are not eligible; although many are so well versed in monetary matters. When an individual is proposed as a new director, inquiry is always instituted concerning his private character.

The qualification is the possession of bank stock to the amount of £2,000, of the deputy-governor £3,000, and of the governor £4,000. For many years the directors have adhered to the practice of possessing only the amount of qualification; and when the twenty-five per cent. bonus on stock was given to the proprietors, they merely retained their previous amount. They are responsible for the management of the affairs of the bank, and penalties attach to their conduct, individually or collectively, upon certain occasions. But by the charter they were not responsible for the management of the monetary department to government; and the whole security which the public have for that management depends on their discretion, subject to the new charter.

If the mode of choosing and electing directors be wrong, it is in the power of the proprietors to change it; but in Mr. GEORGE GROTE'S opinion, it would be most difficult to devise a better method. "House lists" are common in many institutions; and it has long been thought that the present method is better for the public than any other. Although, strictly speaking, the directors are the sworn servants of their constituents, their duty to the bank is always regulated, to a certain degree, by the demands of the country. "It has happened to us," said Mr. RICHARDS, "to feel it our duty to our proprietors to postpone their interests, in order to effect some important good to the public at large, in which their interest might be mixed up; it has not been the practice of the bank to sacrifice the wishes and expectations of the public merely to a dry consideration of the interests of the proprietors, because they are so blended that it is hardly possible to keep them distinct." Mr. LLOYD thinks the limitation of the right of election exclusively to proprietors of stock, is open to objection, but not sufficiently so to justify any alterations.

Many persons consider that, if the present system with reference to the private deposits in the bank were extended, it would prove beneficial to the traders of London. This consideration has induced the bank to offer the usual facilities for obtaining advances which are afforded by private bankers to their customers. There is every reason for its employment as a bank of deposit, and most especially in the feeling of additional security. The want of confidence in the private bankers, produced by their failures, has caused a great increase of deposits in the Bank of England since 1825. The directors have not had the power of acting upon any fixed system till a late period, in consequence of a variety of circumstances that existed prior to that time. For instance, from 1819 to 1822, the bank had to prepare for cash payments, and to contend with the conflicting character of the circulation* of the country and London, governed

* To make any direct alteration in the terms of the contracts entered into between individuals, would be a degree of barefaced oppression and tyrannical interference with the rights of property, that could not be tolerated. Those, therefore, who have hitherto endeavored to enrich one part of society at the expense of another, have found it necessary to act with greater caution and reserve. They have not,

as the country then was by a small note circulation. While that circulation existed, the bank was liable to a great sudden demand.

In the two last months of the year 1825, the demand upon the bank was nearly two millions and a half sterling for the support of the country circulation, when the exchanges were nearly at par, which placed the bank in a peculiar state of difficulty. The whole embarrassment of that period, with regard to bullion, arose from the magnitude of the demand, which was made almost entirely for the purpose of upholding the small note circulation. The holders of that paper were the lower orders of the people, whose fears are extensively acted upon in times of distrust; and, there having been no exchange for one-pound notes but the sovereign, the demand upon the bank became inevitable. At that period the London bankers also pressed very much for gold, but they served merely as the channel through which the supply was sent to the country. Since the circulation of the one-pound notes has ceased, the occasional excessive demand has been obviated.

Whenever there is a deficient capital at home, for the purchase of silver, the bank may, with advantage to the country, preserve the gold by the exportation of silver, and by purchasing with it the excess of bills upon England in the foreign market. The operation is conducted with secrecy, but with the full concurrence of the whole court of directors; and in making such a use of their silver, their sole object is to protect the gold, which, in times of an unfavorable exchange, has a tendency to leave the country.

The governor or deputy-governor, one of whom is always supposed to

indeed, relinquished their purpose, but they have been obliged to substitute the cunning of the practical cheat for open and avowed injustice. Instead of directly altering the stipulations in contracts, they have ingeniously bethought themselves of altering the standard by a reference to which these stipulations had been adjusted. They have not said, in so many words, that ten or twenty per cent. shall be added to, or deducted from, the mutual debts and obligations of society, *but they have really effected the same thing by making a proportionable change in the value of the currency.* Men, in their bargains, do not stipulate for signs or measures of value, but for real equivalents. Money is not merely the standard, by a comparison with which the relative value of commodities is ascertained at any given period, but it is also the equivalent, by the delivery of a fixed amount of which the stipulations, in almost all contracts and agreements, may be discharged. It is plain, therefore, that no variation can take place in its value without essentially affecting all these stipulations.—*Edinburgh Review, July, 1821, p. 468.*

Previously to 1797, the Bank of England had been restrained from issuing any notes except such as were made payable in gold or silver coin, of the legal weight and purity, at the pleasure of the holders—a regulation which made it utterly impossible for the directors of the bank to depress the value of their notes below the value of the coins for which they were exchangeable. But the order in council of the 25th February, 1797, and the acts of Parliament by which it was followed up, by removing this check, effected a total change in our ancient monetary system, and, instead of the old standard, gave us the self-interested views and opinions of twenty-four irresponsible individuals. The circulation of Bank of England paper was secured by its being exclusively issued in payment of the dividends, or of the interest of the public debt, and by its also being received as cash in all payments into the exchequer; but no attempt was made to sustain the value of this paper on a par with the value of gold or silver. *Full power was given to the directors of a private banking company to raise or depress the value of money as their whim or caprice might suggest.*—*Ib., p. 476.*

be in the house, assisted by a select committee of three directors, conducts the daily business, in the intervals between the sittings of the court. The treasury committee consist of the governor and deputy-governor, the directors who have passed the chair, and the gentleman next in rotation for the deputy-governorship. The bullion is purchased by the governor, who considers he has no power to refuse the issue of notes in return for gold bullion, as a paper currency, founded upon gold, is the main object of the institution. He does not regulate the price of bullion, which is bought at £3 17s. 9d., and sold at £3 17s. 10½d. It was formerly at £3 17s. 6d., but government considered this too low, and suggested the existing price.

When gold coin is demanded in large quantities, it may be delivered in bags to almost any amount in the course of a day. But the largest amount that can be paid in one day by about twenty-five clerks, if counted by hand to the public, would be about £50,000. When large sums are applied for by bankers or others, the practice of the tellers is to count twenty-five sovereigns,* and put them into one scale, then to count twenty-five more, and put them into the other scale; and if the accuracy of the scales be proved by their balancing, the sum is increased in each scale by counting to two hundred. The balance is again tested, and if found exact, one of the scales is emptied, and the two hundred sovereigns in the other serve as a weight the whole day for delivery, without further counting, of sums divisible into two hundred. In this way, a thousand sovereigns can be delivered in a few minutes; and upwards of £300,000 were paid to bankers and others on the 14th of May, 1832.

The amount of £500, which entitles to a vote, must have been in the name of the proprietor for more than six calendar months.

The chapter with which this volume concludes might have been increased to an almost indefinite extent. A brief sketch, however, of the building machinery, and action of the corporation, is all that the writer deems necessary to accompany the present history of the origin and progress of the Bank of England.

* In England, for 234 years after the Norman conquest, a pound in money was also a pound in weight; or, which is the same thing, a pound weight of silver was coined into 20 shillings. In the reign of EDWARD I. the standard was, for the first time, changed, and, having been once violated, it was gradually debased, until, in 1601, in the reign of Queen ELIZABETH, 62 shillings were coined out of a pound. This was a reduction of above two-thirds in the standard; so that all the stipulations in contracts entered into in the reigns immediately subsequent to the conquest might, in 1601, and since, be legally discharged by the payment of less than one-third of the sum that had been really bargained for. And yet the standard has been less degraded in England than in any other country. In France, the livre, or pound in tale, contained, in the reign of CHARLEMAGNE, precisely a pound weight of pure silver; but, by successive degradations, it contained, at the commencement of the French revolution, only one-sixth of an ounce, or one seventy-second part of a pound of silver. In Scotland the pound weight of silver, which had, previously to 1296, been coined into one pound or 20 shillings, was in 1601 coined into 86 pounds or 720 shillings. The Spanish coin, called a maravedi, which, in 1220, weighed 84 grains of gold, and of course must have been worth about 14 shillings of our present money, is now become a small copper coin, equal only to about 43-272 of an English penny.—*Edinburgh Review*, July, 1821, p. 469.

RECENT FRAUDS ON BANKS.

- I. *Swindling in New-York.* II. *Frauds in Foreign Bills.* III. *Fraud on U. S. Treasury.* IV. *Extraordinary Bank Robbery in Genoa.* V. *Fraudulent Bank Bills.*

A TRIO OF SWINDLERS—THEIR SUCCESSFUL OPERATIONS IN DIFFERENT PARTS OF THE STATE.

CIRCUMSTANCES occur, almost every day, which should caution bankers, in the interior especially, not to deal too readily with strangers. Many bankers have sustained large losses, of late years, through forged and altered bills of exchange, certificates of deposit, certified checks, bank notes, &c.

Since early last spring, two or three swindlers have been operating in different parts of the State of New-York, with singular adroitness and success. We first hear of them in Chenango County. In April last, a plain, farmer-like man, made his appearance in the town of Plymouth, in that county, and caused it to be understood that he wished to purchase a farm for cash. He gave his name as CHARLES EMERSON, and said that he was from Woodstock, Madison County, where, for eight or ten years, he had been in the employ of a canal contractor. He was an entire stranger to everybody in the town; but so conducted himself as to create the impression that he was a hard-working, close-fisted, honest-hearted individual, and that his business in the place was just what he had stated it to be. Where he stopped, he even sawed wood to pay for his board and lodging—giving as a reason for doing so, that although he had plenty of money, it had always been his habit to work and economize all he could. He finally concluded a bargain with a Mr. BANCROFT for a farm in Plymouth, for which he was to pay the sum of twenty-three or twenty-four hundred dollars. Mr. BANCROFT keeps a toll-gate on the plank-road from Norwich to Otselic; which road is owned by JONATHAN WELLS, Esq., Vice-President of the Bank of Norwich. While negotiations for the farm were going on, Mr. WELLS met the stranger, and had conversation with him on the subject of the purchase.

In this manner he became somewhat acquainted with the people in Plymouth. A few days afterwards, the pretended purchaser presented himself at the Bank of Norwich, and inquired if they could cash for him a draft on New-York for eighteen hundred dollars. The draft purported to be drawn by the Bank of Fayetteville, Onondaga County, for the sum named, on the Merchants' Bank of Albany, payable at the Bank of the Republic, in New-York City. His answers were in all respects reasonable and satisfactory, and it only remained to establish more fully his identity as the person to whose order the draft was payable. It so happened that Mr. WELLS, the Vice-President of the bank, who was knowing to his purchase of the BANCROFT farm, was present, and recognised him

as such purchaser. The officers of the bank, therefore, were satisfied, and the money—eighteen hundred dollars—was counted out to the forger!

In the course of business, the draft was sent to the Bank of the Republic, where it was passed without question; from there it was forwarded to the Merchants' Bank of Albany, upon which it was drawn, where it again passed without suspicion; and it was not until a month afterwards, a discrepancy being found to exist between the accounts of the Merchants' Bank of Albany and the Bank of Fayetteville, that it was discovered a forgery had been perpetrated. It was then seen that a genuine draft for eighteen dollars, drawn by the Bank of Fayetteville, on the Merchants' Bank of Albany, and payable at the Bank of the Republic, had been altered to eighteen hundred dollars. It is not necessary to say that the forger disappeared as soon as he received the money.

The officers of the Bank of Norwich, as soon as they discovered that they had been swindled, went to work to ferret out the villain or villains, but without meeting with success, until recently. They satisfied themselves, nevertheless, that the person to whom the money was paid was one of a gang, consisting of at least two men and a woman, who had afterwards operated in a similar manner, both at Rochester and Troy, and possibly other places.

At Rochester, one of the men deposited with a broker a certified check on a bank in Brooklyn for \$450, and succeeded in drawing and swindling him out of that sum; and, with a view of speculating on a large scale, one of them represented himself as a flour merchant, and commenced by opening an account with the Monroe County Bank. He first deposited a certified check or checks, amounting to \$4,500, and then sent his check for \$600 to the bank, by a boy, to get it cashed. The bank having, in the meantime, discovered that the deposited checks were forged, detained the boy, and endeavored to secure the rascal who had given him the check; but this failed. Despatches were sent to arrest them on the cars; but only the woman was found, and she was taken into custody at Syracuse. While the woman was under arrest, she is said to have stated to the officer that she and the men had been travelling about a month, and that in that time they had made about four thousand dollars.

At Troy, one of them represented himself as about opening a wholesale grocery store in that city, and desired to keep an account with one of the banks. He first deposited a certified check for \$1,300, and the same day drew out \$600 on his own check; after which, he was no more seen in those parts.

While these forgeries were being practiced, burglaries were being committed throughout the Chenango Valley. One night one of the burglars was seen. He was chased, but disappeared unaccountably, and a few days after the body of a stranger was found floating in the river. Money found on his person was identified as that taken by a burglar from a house in Norwich. Subsequently, a woman appeared and claimed the body as that of her husband. His name was HENRY W. JOHNSON, and it is known that he lived at Factoryville, Tioga County.

The officers of the Bank of Norwich have now, as they think, good

reason to believe that this burglar, recently found drowned at Oxford, was either the so-called CHARLES EMERSON, to whom the altered draft was paid, or an accomplice. At any rate, six hundred dollars of the money paid by the bank to EMERSON has been traced directly from the hands of JOHNSON, the burglar, by whom it was paid out.

The name, assumed or otherwise, of the accomplice of JOHNSON or EMERSON, in his Troy and Rochester operations, was FINCH. JOHNSON is now known to have been at one time an inmate of the Ohio State prison, from which he was pardoned out about two and a half years ago.

II. FRAUDS IN FOREIGN BILLS.

A man giving his name as CROMER, was arrested at Philadelphia a few months ago, by detective FRANKLIN, on a charge of forging foreign bills of exchange to a large amount. The information was first given the detective through Mr. CRAM, a merchant of Portland, Maine, who had been desired by CROMER to accept his forged bills of exchange, and thereby pave the way for their negotiation for the ostensible purpose of transporting fish and lumber to the West Indies, and in return to receive sugar and molasses for them, suggesting at the time that he had an excellent market for the sale of these articles in Nova Scotia, the Eastern States and Canada, and he thought he could do a business of some \$800,000 per annum.

The forger wrote Mr. CRAM stating that he expected to be in Portland in a few days, when he would talk the matter over, and make arrangements for carrying on the business alluded to. In the mean time he was anxious to purchase some tobacco on a contract held by his house in the West Indies for the Danish government, and he therefore requested negotiation for the first and second bills enclosed, for \$4,000, and asked that a third bill of exchange might be negotiated, which he would send on soon.

These forged bills were calculated to deceive, from the fact that they were written on fine banking paper, and were placed in envelopes superscribed "JOHN HART, Portland, Maine. Ship 5—," a *fac simile* of a foreign letter, and showing that the endorsement on the bills of exchange was identical with the manuscript of the letter.

Detective FRANKLIN proceeded to collect evidence against CROMER. He traced the forger in some of his operations to the banking-house of AUGUST BELMONT & Co., of this city, with whom he tried to negotiate a bill for the snug sum of £3,900, asking that firm to exchange their drafts for his under an assumed name. Mr. FRANKLIN telegraphed to BELMONT & Co., that a forgery was about to be perpetrated upon them, and thus averted a gigantic swindling operation.

The next transaction of CROMER was with Messrs. BOWEN & Co., commercial exchange brokers of Philadelphia, by opening a correspondence with them from Wilmington, Delaware, enclosed to them a bill of exchange for £1,700, playing the same trick under an assumed name. But this transaction was exposed by Detective FRANKLIN, and payment was not made.

A fourth attempt was made on Messrs. CORNER & SON, of Baltimore, Md., under another assumed name, but was unsuccessful in his endeavors to obtain money fraudulently.

Detective FRANKLIN then proceeded to arrest CROMER, and searched his apartments, when he discovered numerous bills of exchange, some of which were filled and others were blank, and of the same character and design of those presented at the banking-houses alluded to above. The aggregate of the sums for which he had attempted forgeries amount to about \$75,000. He told his landlady that he was from St. Louis, and that he was a government contractor. Thus far he has not obtained a single cent from any and all of his transactions as far as heard from.

III. ATTEMPTED FRAUD ON THE U. S. TREASURY.

In September last, ALEXANDER HETHERINGTON, a copyist in the U. S. Marshal's office, abandoned his situation under the following circumstances: He sent another person to the United States Sub-Treasury, to Mr. Cisco, to notify him that on the following day Marshal MURRAY intended to draw upon the prize money deposited with him on the 22d of August. Accordingly, on the following day, another young man, HETHERINGTON, called upon Mr. Cisco, and presented a document purporting to have been written by the Marshal, of which the following is a copy:

U. S. MARSHAL'S OFFICE, SOUTHERN DISTRICT OF NEW-YORK, }
 NEW-YORK, 10th September, 1862. }

To the Hon. J. J. Cisco, U. S. Assistant Treasurer, New-York:

Dear Sir,—Will you please direct the payment to bearer, Deputy DWYER, (who is authorized to receipt for me,) the sum of two hundred and fifty-three thousand eight hundred and forty dollars (\$253,840) against my deposit of the 22d ulto.

I annex a list of the notes wanted, and shall have the pleasure of waiting on you myself in the course of the afternoon, to explain the motives of this withdrawal, which is in the government interest, and only temporary.

I am, dear sir, most respectfully, your obdt servant,

ROBERT MURRAY, U. S. Marshal.

P. S.—Please order the packet to be sealed and directed to me before delivery to my deputy. R. M.

Notes of \$5,000 wanted	10,.....	\$ 50,000
1,000	150,.....	150,000
500	100,.....	50,000
100	38,.....	3,800
20	2,.....	40
		\$ 253,840

This epistle was stamped with an impression of the seal of the United States Marshal, and inclosed in one of his envelopes. The letter was written in HETHERINGTON's peculiarly neat hand, on a sheet of letter paper, with the printed office head of the Marshal, the signature and initials on the postscript being written with a different ink, and in imitation of the Marshal's handwriting. After opening the envelope and read-

ing the contents, Mr. CISCO asked the bearer if he was cognizant of its contents. He said he was, and at once repeated the substance of it. Mr. CISCO told him that that business was not done in this way, and that such an order could not be recognized, but he would write a note to the Marshal, informing him what to do in making a draft upon him (Mr. CISCO) for whatever money he wanted. This note was written and handed to Mr. HETHERINGTON, who started with the avowed intention of taking it to the Marshal. Shortly afterward, the man who had called with the notification on Tuesday, called again, informing Mr. CISCO that Mr. MURRAY desired him to say that he was so busily engaged that day that he would have to defer the interview till next morning, when he would call for the money. HETHERINGTON subsequently went to the bank where Marshal MURRAY keeps his private account, and presented a check for \$700, purporting to have been signed by Mr. M. The genuineness of this check was suspected, and the final effort of the forger was defeated. A clerk of the bank calling to inquire if the Marshal had drawn such a check, first enlightened him as to what was going on. Singularly enough, this development led to another no less surprising. Several of the employees in the Marshal's office freely asserted that "they always knew HETHERINGTON was a rascal." For the first time the Marshal learned that the young man had previously served his time as a British convict for the crime of forgery; that he had, after committing the crime in London, fled to this country; that he was arrested here under the Extradition treaty, and returned to Great Britain, where he was tried, convicted and sentenced for forgery. For the first time, he also learned that his chief deputy was aware of these circumstances; that the name of the young man was HETHERINGTON and not ALEXANDER, the name by which he recently was known; Mr. MURRAY might have been spared all this annoyance if those in positions of trust under him had informed him of the previous history of this young man. The following are the facts in relation to the first arrest of HETHERINGTON: About six years ago there arrived in this city a young man who called himself ALEX. HETHERINGTON, in company with a young Jewess, and they put up at the Girard House. They were apparently Germans, but said they were from London. By the following mail a dispatch came to the British consul, to take proceedings under the Extradition treaty, for the arrest of such a man on a charge of forgery. Deputy Marshal DEANGELOS found the runaway, made the arrest, and the lady and gentleman were both brought before a United States commissioner, but there being nothing against the lady she was discharged, and left for parts unknown. RICHARD BUSTED, Esq., now brigadier-general, was employed by the prisoner, and exercised all his ingenuity to convince the commissioner that the offence was merely an embezzlement. The commissioner could not see things in this light, and the accused was sent back to England, tried, found guilty, and sentenced to penal servitude. After his term of imprisonment expired, he returned to this country, and to the office of the United States Marshal, where he obtained employment, copying various documents for the clerks in the several offices in the establishment. Mr. MURRAY found him in the service when he took office, and liking his address and his handwriting, continued him in his employ.

IV. EXTRAORDINARY BANK ROBBERY IN GENOA.

The subjoined letters, extracted from English papers of May last, would be unworthy of notice at the present day but for the extraordinary nature of the incident to which they refer. Even now they will not be without interest to many readers, as relating the particulars of a criminal enterprise of surpassing audacity in its conception and of success in its execution :

Genoa, May 1.—This city has been thrown into the greatest excitement by a robbery, perfectly unparalleled for its magnitude and audacity, which has just been committed on M. B. PARODI & SON, the well-known bankers. To-day, at half-past one o'clock, a band of armed men entered M. PARODI's bank, situated in Strada Nuova, one of the most frequented thoroughfares, and overpowered and tied down to their desks all the clerks, who were seated in one large room with their employers, these latter being treated in the same manner; and while some of the intruders held their captives still with loaded pistols and drawn knives held to their throats, the others coolly made a clean sweep of all the notes and cash within reach. The sum taken amounts to 735,000 francs, Messrs. PARODI having, unfortunately, the habit of keeping their balances on their own premises in preference to depositing them at the bank. While the process of rifling was going on, two or three customers happened to enter the bank, and were secured and gagged by the burglars, who, after having emptied out the tills and safes, left the office quietly by twos and threes, in the same way as they came, so as not to excite suspicion in the streets. So complete was the success of the whole manœuvre, that the alarm was not given until some time after the last of the robbers had disappeared, when one of the clerks succeeded in freeing himself from his fastenings, and ran out to inform the neighbors of the fact. It must be understood that the office is situated on the top floor of M. PARODI's palazzo, and quite at the back, so that even if any of the clerks had had the time or courage to shout for help, their cries would probably have passed unnoticed. M. PARODI, the head of the firm, is at present in the hands of his medical attendant, his frame having suffered a most severe shock from the effects of the outrage, and, as he is old and feeble, it is feared that the consequences may be fatal.

Turin, May 4.—Nothing has yet occurred that gives any hope of discovering the perpetrators of the extraordinary robbery committed in Genoa on the first of this month. The facts are these: The banking-house of PARODI, the richest banker in Genoa, is not far from the post-office, in the Via Nuova, one of the main thoroughfares in the city, and always full of traffic. On the last two days of April, Signor PARODI was repeatedly visited by an elegantly dressed stranger, who desired information respecting a loan, and as to the mode in which a large sum might be remitted from Rome. At 2 P. M. on the 1st of May, Signor PARODI was engaged, with his son and eight clerks, in receiving payments and deposits, when the same person presented himself again, accompanied by another in travelling costume. Recognising him at once, PARODI told him he had not been able to procure the required information. "Thanks,"

replied the stranger, "but this is not my present business." At the same time two other persons, dressed nearly in the same style, came in, whilst another pair appeared at the entrance and took post there. One of the first four then produced a big roll of silk cord, and all the six drew from their pockets either double-barrelled pistols or daggers. "Silence!" cried the leader of the gang, "the first that stirs or speaks is a dead man, and"—clapping his pistol to the banker's breast—"we shall begin by killing Signor PARODI; but if no one budges we shall do no harm to any one; we only want the money." None of the ten dared to move; they were petrified. Then two of the gang, having tied every man's hands behind his back with the silk cord, led him into the adjoining room, and making him sit down on the ground, tied his legs together, the leader meanwhile keeping his pistol at Signor PARODI's breast, and another of the gang standing, pistol in hand, at the door of the inner room. The ten prisoners being thus bound, each of them had his mouth stopped with a cravat. But, meanwhile, other persons came to the bank on business, and these were attended to by the pair who were posted at the entrance door. The moment they stepped in they were silenced in the same way, led into the inner room, and bound and gagged as the others had been before them. Seven were thus served, among whom was a postman, who brought sixty thousand francs in bank notes, which were overlooked by the robbers. These primary operations having been accomplished, four of the robbers remained on guard, whilst the other two sacked 700,000 francs in notes, and 100,000 francs in gold. Content with this booty, they kissed the banker's son on the forehead, telling him to cheer up, but to keep silence for at least ten minutes longer, and away they went quite coolly, in sight of a great number of persons in the courtyard and the street. They separated at once, and disappeared in various directions, but without running or doing any thing else that could excite suspicion. A quarter of an hour afterwards a rumor of the affair began to spread, a crowd to gather, and the police to make inquiries, but all to no purpose; nobody could give any account of the criminals. Notice was given by telegraph to all the railway stations, and all the outward bound vessels were examined, but not a trace of the six thieves could be discovered. I have just returned from Genoa, where I left every one confounded and dismayed at this astounding event, which is there regarded as a public misfortune. It appears that the robbers were adepts in such affairs, and their accent seemed to indicate that they were from Central Italy, either from Bologna or Faenza—that is to say, pupils of the Papal government.

V. FRAUDULENT BANK NOTES.

In August last, a stranger presented at the bank counter of Messrs. LEWIS JOHNSON & Co., Washington City, D. C., a package of bank bills purporting to be issued by the Bank of Geauga, Painesville, Ohio, stating that he desired to purchase government demand notes for the amount. The transaction was, apparently, a fair one, but the attention of one of the partners being drawn to the offer, he pronounced the bills fraudulent.

The applicant was arrested, and upon being brought before the police magistrate, the former was, by some misplaced clemency, liberated; but the bills were retained for further examination.

Upon a scrutiny of the bills by a gentleman formerly a bank note engraver at Cincinnati, and employed as an expert, he gave an opinion that the bills were genuine. In order to remove doubts as to the character of the bills, two of them were forwarded to a well known banking firm in New-York City, and an inquiry made as to whether they were genuine. The reply was, that the bills were good.

Not being fully satisfied on the subject, Messrs. JOHNSON & Co. remitted some of the bills to Cincinnati for examination, and there the fraud was instantly detected by the bankers of that city. These circumstances show that the community at large have little or no protection against fraudulent bank bills. If experts, such as bank tellers and bank note engravers are so readily deceived by well executed fraudulent bills, it cannot be expected that merchants, traders and others will be prepared to detect such frauds.

GOLD AND SILVER COIN AND BULLION.

- I. *Product of California Gold in 1862.* II. *Act to authorize the Purchase of Coin.* III. *Gold in Australia.* IV. *The Sydney Mint.* V. *Australian Sovereigns.* VI. *Australian Gold Statistics.* VII. *New Gold Discoveries in Australia.* VIII. *Gold in the Brokers' Windows.* IX. *Use of Silver in Photography.* X. *Nova Scotia Gold.* XI. *Early Discovery of Gold in California.* XII. *Large Coinage of Cents.*

I. PRODUCT OF CALIFORNIA GOLD IN 1862.

[From the San Francisco Shipping List of July 10.]

IMPORTANT changes in the destination of our treasure shipments continue to attract notice. We have sent less to New-York this year than last by the large sum of \$4,625,439, while to England we have sent more by \$3,112,893. Difference between excess to England and deficiency to New-York, \$1,412,546. We have before expressed our belief that the excess to England was chiefly, if not wholly, on eastern account. The difference has probably been supplied in part, if not wholly, by government drafts, as we can hardly doubt that our aggregate remittances to New-York have been as great this year as last.

The receipts of treasure from all sources, during the past six months, so far as ascertained, have been as follows :

From foreign countries,.....	\$421,850
From the north coast, including about \$500,000 from British Columbia, ..	1,886,375
From the mines of this State, including \$2,000,000 from Washoe,.....	19,265,090
Total,.....	\$21,022,815

(To this may be added the amounts received from the southern coast, and by private hands, which cannot be stated. The latter are sometimes

estimated at 10 per cent. of the whole receipts, which is, perhaps, low enough, but is a mere guess.)

The comparison with previous years is given elsewhere in tabular form, and will repay examination. We remark that receipts of treasure from the mining districts and other interior portions of this State during the first quarter of the year, owing to the great severity of the season, fell short of 1861 by about \$2,000,000, which the largely increased yield of the second quarter has not made up. The emigration to gold fields in the North has made our own products less than it otherwise would have been, while at the same time, with by far the greater portion who have gone to the new localities, there has been as yet no development to make good the deficiency.

From Washoe the news is highly cheering. The monthly dividends of the leading company, and the substantial results achieved, have tended greatly to strengthen public confidence in the mineral resources of that region, and in the general value of investments made there. From all portions of the mining districts of California, north and south, and from the distant places near the Colorado, reports are favorable; and if the product of the latter half of the year is not abundant, we shall be disappointed. From the northern coast the receipts are now increasing handsomely, but comprise a larger proportion of coin than reaches us from other quarters. Though much is said in disparagement of that region, we anticipate fair results.

The export of quicksilver has been greater during the period before us than in any like period of previous years. The figures are as follows:

	<i>First six months in 1858.</i>	1859.	1860.	1861.	1862.
Total flasks,.....	13,452 ..	581 ..	8,799 ..	14,797 ..	16,016
Value per lb.,.....	65 c. ..	65 c. ..	\$1 ..	40 c. ..	45 c.

II. AN ACT TO AUTHORIZE THE PURCHASE OF COIN, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the Secretary of the Treasury may purchase coin with any of the bonds or notes of the United States, authorized by law, at such rates and upon such terms as he may deem most advantageous to the public interest, and may issue, under such rules and regulations as he may prescribe, certificates of indebtedness, such as are authorized by an act, entitled "An act to authorize the Secretary of the Treasury to issue certificates of indebtedness to public creditors," approved March first, eighteen hundred and sixty-two, to such creditors as may desire to receive the same, in discharge of checks drawn by disbursing officers upon sums placed to their credit on the books of the treasurer, upon requisitions of the proper departments, as well as in discharge of audited and settled accounts, as provided by said act.

SEC. 2. *And be it further enacted,* That the demand notes authorized by the act of July seventeenth, eighteen hundred and sixty-one, and by the act of February twelfth, eighteen hundred and sixty-two, shall, in addition to being receivable in payment of duties on imports, be receivable, and shall be lawful money and a legal tender, in like manner, and for the same purposes, and to the same extent, as the notes authorized by an

act, entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February twenty-fifth, eighteen hundred and sixty-two.

SEC. 3. *And be it further enacted,* That the limitation upon temporary deposits of United States notes with any assistant treasurers or designated depositaries, authorized by the Secretary of the Treasury to receive such deposits, at five per cent. interest, to twenty-five millions of dollars, shall be so far modified as to authorize the Secretary of the Treasury to receive such deposits to an amount not exceeding fifty millions of dollars, and that the rates of interest shall be prescribed by the Secretary of the Treasury, not exceeding the annual rate of five per centum.

SEC. 4. *And be it further enacted,* That, in all cases where the Secretary of the Treasury is authorized by law to re-issue notes, he may replace such as are so mutilated or otherwise injured as to be unfit for use with others of the same character and amount; and such mutilated notes, and all others which by law are required to be taken up and not re-issued, shall, when so replaced or taken up, be destroyed in such manner, and under such regulations as the Secretary of the Treasury may prescribe.

Approved March 17, 1862.

III. GOLD IN AUSTRALIA.

A letter from Melbourne to the *London Times*, dated March 26th, says:

So long as Great Britain enjoys that amount of trade which the export of some ten or eleven millions' worth of gold creates, I presume that fluctuations in the sources of supply are of little importance. So far as Victoria is concerned, the annual yield of the gold fields has been falling off for several years, and there is a growing disposition to seek other and less fluctuating enterprises. Agriculture is extending, and especially the culture of the vine; new animals, useful in various ways, are being introduced under the auspices of the Acclimatization Society; the possibility of introducing the production of silk and the culture of the tea plant, and other hitherto untried productions, is much discussed. We already manufacture a great number of articles of home consumption, which we used to purchase with gold or wool, when they formed our only means. The supply of gold is smaller this year than during any year since 1852. It is only 357,744 ounces to the present time, against 433,956 last year; hence we can scarcely calculate on more than 1,500,000 ounces for the year, unless some unusual discovery should take place. This is not half the quantity of the best years. But while the supply has been falling off here, it has been increasing in New South Wales and in New-Zealand. The yield in New South Wales in the two first months of 1861 and 1862 was as follows:

	1861.		1862.
Western escorts.....	21,934	..	30,113
Southern escorts.....	26,816	..	47,132
Northern escorts.....	6,032	..	5,215
	<u>54,782</u>	..	<u>82,460</u>

This, without any continuing increase, will give 494,760 ounces for the year. Further on I shall show that the quantity which may be expected from New-Zealand, during the year, may be estimated at 561,511 ounces. These several sources of supply may, therefore, confidently be expected to yield as follows, and if the Lachlan gold fields come up to the expectations of the Sydney press, the grand total will probably be greater :

Victoria,.....	1,500,000 ounces,	@ 80s. 0d.,	£ 6,000,000
New South Wales,....	494,760 "	@ 77s. 6d.,	1,917,195
New-Zealand,	561,511 "	@ 77s. 6d.,	2,175,874
			£ 10,093,069

The other colonies are organizing prospecting parties, and offering high rewards for the discovery of gold. The government of Tasmania offers £20,000 reward for the discovery of "a paying gold field;" Western Australia offers £5,000; and several of the provinces of New-Zealand make similar offers.

IV. THE SYDNEY MINT.

In the House of Commons, in May, 1862, a debate arose as to the inferiority of the Australian gold coin. Mr. Alderman SALOMONS rose to call attention to a branch of the Royal Mint in Sydney, which was established in 1855, but, under certain restrictions; in consequence of which the Sydney sovereign, although intrinsically equal in value to the imperial sovereign, had only a limited currency. Looking at the great importance of the Australian colonies, and at their most laudable anxiety to defray their own charges, he thought it would be only gracious to make this concession, and allow their gold coinage to pass current here. He moved for a select committee, to consider and report on the expediency of legalizing the circulation, in the United Kingdom, of the sovereigns coined at the branch of the Royal Mint at Sydney.

Mr. MARSH, in seconding the motion, reminded the House that the old pillar dollar, which obtained the greatest circulation of any coin in the world, was never coined in Spain, but in her colonies. The Australian colonies had shown a devoted attachment and loyalty to the throne, and this little boon would bind them still more firmly to the mother country.

Mr. HANKEY said, that this was an imperial, and not a local, question. When the Sydney mint was established, it was made a condition that the sovereigns coined there should not be made a legal tender, and nothing had since occurred which could change the views of the government. The coinage of the country had always been produced in the country, and there were good reasons why it should be; for it was necessary to guard against any possibility that its integrity would ever be tampered with. All our trading relations were regulated by it, and British merchants should always be able to feel that British coin would pass all over the world at a certain rate of exchange. Since 1851, £100,000,000 of gold had been produced in Australia, and if sovereigns coined there had been a legal tender in England, this amount would have

come to us in the shape of coin. But it was not wanted here in that shape—somewhere about £60,000,000 only having been coined here during the last eleven years. The Bank of England had no exclusive privilege in coining. It was merely used as the medium through which coin was obtained for the convenience of the country. It had no interest except that of preserving the integrity of the coin. But if Australian sovereigns should be made a legal tender here, they would become an essential part of the coin of this country; and if any tampering should take place with the colonial coin, imperial interests would be affected. This was not a question for a committee, and he felt very much inclined to take the sense of the House against the proposition of his honorable Friend.

V. AUSTRALIAN SOVEREIGNS.

The Commons' select committee, on the subject of legalizing the circulation in the United Kingdom of sovereigns coined at the Sydney branch of the Royal Mint, report that this coinage is increasing, and was about £800,000 in the first quarter of the present year. These coins are of equal fineness and weight with the Tower Hill sovereigns, and the master of the mint is equally responsible for them; yet they have the privilege of circulation in certain colonies only. The only difference is, that the alloy, being more of silver and less of copper, the Sydney sovereign is not considered so durable as the English; but there is no sufficient inducement to cause the systematic introduction of light Australian coin into our home circulation. The limited period of circulation is, of course, a disadvantage to the Australian coinage. The committee propose that an end be put to this distinction, and recommend that the existing Sydney gold coinage be withdrawn from circulation, and that gold coinage be issued from the branch mint there, having, as nearly as possible, the same alloy as that of London, and having currency wherever gold coin minted in London is current; that it have a mint mark to distinguish it; that it be kept at such an amount as to prevent any undue inducement to the importation into the United Kingdom of gold in coin rather than in bars; and that the charge for the branch mint should be provided for by permanent appropriation by the legislature of New South Wales rather than by an annual vote.

VI. AUSTRALIAN GOLD STATISTICS.

A Blue Book for 1861, published in Victoria, states that the number of European alluvial miners in the colonies is 61,516; of Chinese, 24,536; quartz miners, 14,303 Europeans, and only nine Chinese. The number of persons, miners and those dependent on them, residing in the gold fields, is 233,501; the value of machinery employed in alluvial and quartz mining, £1,411,012; the prices of quartz crushing vary from 7s. to £1 10s. per ton, and prices of gold vary from £3 to £3 19s. per ounce. The quantity of gold received by escort in 1861, was 1,832,887 ounces, and the total quantity exported in the same year was 1,967,420 ounces.

VII. NEW GOLD DISCOVERIES IN AUSTRALIA.

Recent accounts from Australia state, that considerable excitement prevailed at Ballarat, in consequence of the Great Republic Company having struck a very large and important lead of gold in their claim. It is said to be the richest yet found, even on Ballarat. One machine and a half of wash dirt, washed out on the 18th ult., gave not less than 355 ounces of gold. Shares, which in the morning were scarcely saleable at £180, rose before night to £1,100 and £1,200. Others of the deep mines in the same district have been yielding well; and it may safely be said that the district of Ballarat never was more prosperous than it is at present. In the Great Western Company's claim at Smythesdale, as much as 433 ounces have been got in two days.

VIII. GOLD IN THE BROKERS' WINDOWS.

It has been said that, next to owning gold, the highest pleasure in life is looking at it. The entire disappearance of the precious metal from circulation has latterly given an exquisite relish to this innocent amusement, and the *Journal of Commerce* gives a sketchy editorial on the subject. It says:

"The large bow-windows of the exchange-brokers are more attractive than those of the print-sellers. Knots of people stand, shoulder to shoulder, on the sidewalk, and feast their greedy eyes with gold. There it is, spread out in a flat, careless heap, with an ingenious affectation of profusion. Looking at it, tossed recklessly on the black velvet, as if thrown out of a shovel, one would hardly think that the owners attached much value to it. Its tumbling abundance calls up visions of great vaults full of gold in the back office. The display in the window seems but a sample of tons more, which can be heard of by inquiring within. This is a high instance of art concealing art. The intention of the broker is to express the idea of boundless resources, and he does it. If he arranged the gold in his window, in the shape of a cornucopia, or piled it up in little uniform columns, set like the squares of a checker-board, the illusion of untold wealth would at once be dispelled. The gazers on the sidewalk would say, or think, 'This is all the gold the man has. He is showing it off to the best advantage.' So it seems that the arrangement of gold in a broker's window, like the tying of a cravat, must be done with a certain studied carelessness, or it will fall short of a perfect success. Some brokers who have investigated the subject with that attention which it deserves, as a legitimate branch of the fine arts, obtain an admirable effect by scattering \$20 gold pieces (those magnificent relics of the splendid past) carelessly at the bottom of the heap, barely allowing the milled edge of the grand periphery to stick out from the mass of smaller coins above and around. The sidewalk man recognises the sublime double eagle of our national currency at once. Perhaps he owned one like it years ago; or, more probably, he was slightly acquainted with some other man that once had one. At any rate, he has seen a \$20 gold piece somewhere before, and its majestic outline is stamped upon his memory.

From seeing these double eagles peeping out here and there, among the sprawling pile of coins, he derives, by a natural logical process, an impression of Ophirs and Golcondas within, which ten times the number of the same huge unattainable pieces would fail to create, if geometrically adjusted in cylindrical piles. The opinions of the sidewalk world of spectators on these points are worth knowing, although their patronage may not be worth catching; but they none the less express an eternal truth in art, which brokers as well as painters may study and apply with profit."

IX. USE OF SILVER IN PHOTOGRAPHY.

Silver is one of the chief foundations of photography. When this metal is combined with certain other elements, iodine, bromine, &c., if the compound is exposed to the sun's rays, the hold of the two substances upon each other is loosened in some mysterious way, so that they may be then separated by certain other substances, which would have no effect upon them before they had been exposed to the light. This curious power, which the solar rays have of acting upon certain compounds of silver, makes possible the art of photography.

Silver is purchased by photographers always in the form of the nitrate, and, in the process, it is converted into the iodide, bromine, chloride, cyanide, sulphide and other compounds, not all of which are understood.

There is, however, a vast waste of the silver bought by photographers. The editor of the *Photographic News* says, that not one-tenth part of the silver used enters into the picture; and Professor SEELY, the editor of the *American Journal of Photography*, states the amount at less than one-hundredth part. It is estimated that more than a million of dollars worth of nitrate of silver is annually consumed by the photographers of this country, of which, more than \$900,000 worth is wasted.

X. NOVA SCOTIA GOLD.

The gold fields of Nova Scotia have not yet attracted the interest in this section that we think they merit. The entire region seems to be filled with metal, occurring in positions familiar to the quartz miners of California. Companies, with capitals of \$10,000 to \$15,000, have, with the requisite machinery, extracted very large quantities of treasure. The Chebuctoo mine sent some \$2,500 of specimens to the Great Exhibition at London, of a richer quality than the California gold. The Frazer Mining Company also shows specimens of greater purity and fineness.

Individual mining is not successful, as the quartz rock requires the expensive aid of crushers, and the usual machinery incident to that method of extraction. Considerable shipments of black sand from the ovens, near Lunenburg, in this port, have, however, yielded always \$8 to \$10 per bushel. The Nine Mile River mines, about forty miles from Halifax, on the Truro road, the Sherbrook mines, and those near Tangier, with the above mentioned districts, are the localities towards which attention is chiefly

turned. Much excitement in prospecting, selling claims, forming companies, &c., exists in Nova Scotia, and the speculations is similar to that in all new gold countries.

Copper has also been discovered in large deposits. That on the Western coast is very pure—90 per cent.—and resembles the richest Lake Superior in its position, yield and ready access.

XI. EARLY DISCOVERY OF GOLD IN CALIFORNIA.

It is generally supposed that the earliest knowledge of gold in California was in the year 1849; but the following letter, published in NILES' *National Register*, October 8th, 1842, volume 63, page 96, is to the contrary:

California Gold.—A letter from California, dated May 1st, 1842, says: "They have at last discovered gold not far from San Fernando, and gather pieces of the size of an eighth of a dollar. Those who are acquainted with these '*placeres*,' as they call them, (for it is not a mine,) say it will grow richer, and may lead to a mine. Gold, to the amount of some thousands of dollars, has already been collected."

San Fernando, above mentioned, is twenty-seven miles from Los Angeles, on the road from Sacramento City to Los Angeles.

XII. LARGE COINAGE OF CENTS.

There was coined at the United States mint, in Philadelphia, in the month of July, \$69,520 in double eagles, and \$52,400 in quarter eagles; being a total coinage of gold of \$121,920. The silver coinage was \$5,000 in dollar pieces, and \$13,200 in quarter dollar pieces; a total of \$18,200. The great feature of the month was the heavy manufacture of cents, of which three millions six hundred thousand were made, of the value of \$36,000. The total value of the coinage of the month is \$176,120, covering, in all, 3,682,236 pieces. There was a great rush to the mint to procure cents. The *North American* says: "At an early hour in the morning there were not less than a hundred and fifty boys and men, and thirty-one young ladies and girls, awaiting a supply of pennies. The boys and men carried shot bags, cigar-boxes, baskets, and all sorts of contrivances in which to carry off the much-needed coin. The girls principally carried neat baskets. When the distribution came to be made, the girls were first served, to the intense chagrin of the men, who had been standing on a single foot, alternately, upon the sidewalk, for two or three hours. The men and boys were not attended to until the last girl had departed."

THE STOCK MARKET FOR SEPTEMBER.

Few months have exhibited greater fluctuations than the past month of September in the values of leading stocks at New-York. Speculation has been active; capital is abundant, and lenders find difficulty in making either temporary or long investments to advantage. While loans have been readily obtained at three to four per cent. on prime collaterals, capitalists have been induced to venture into the stock market, and thus prices of rail-road shares have gone up from 8 to 10 per cent.

Government loans have not reached, in September, the high prices which prevailed in June. Six per cents, of 1868, are selling at par, and those of 1881 brought $2\frac{1}{2}$ premium. California State seven per cents suddenly reached 109, an advance of nine per cent. above the highest quotations of the previous months. State stocks generally, in September, were above the prices of August. The highest quotation of Virginia sixes was two per cent. above that of August; Missouri, one.

In rail-road and other shares the transactions of the month were very large, and prices advanced rapidly. New-York Central shares advanced from $94\frac{1}{2}$ to 104; Erie, from $39\frac{1}{2}$ to $49\frac{1}{2}$; Hudson River shares, from $54\frac{1}{2}$ to $62\frac{1}{2}$; Harlem, 17 to 22; Harlem preferred, 42 to $48\frac{1}{2}$; Reading, $62\frac{1}{2}$ to 70; Michigan Central, $69\frac{1}{2}$ to $81\frac{1}{2}$; Michigan Southern, $32\frac{1}{2}$ to $39\frac{1}{2}$; guaranteed, $64\frac{1}{2}$ to 74; Panama, $140\frac{1}{2}$ to 150; Illinois Central, $63\frac{1}{2}$ to 77; Galena and Chicago, $74\frac{1}{2}$ to $81\frac{1}{2}$; Cleveland and Toledo, $54\frac{1}{2}$ to $69\frac{1}{2}$; Chicago and Rock Island, $69\frac{1}{2}$ to $78\frac{1}{2}$; Illinois Central, seven per cent. bonds, $101\frac{1}{2}$ to 107.

Pacific Mail Steamship Company shares have rapidly advanced to $121\frac{1}{2}$, having sold during the present year at 91; coal shares are also in good demand, having reached 108 for Pennsylvania Coal Company, and 110 for Delaware and Hudson, in September.

The rise in the price of gold has, of course, a decided effect upon prices of stocks. The highest premium for gold in the month was 24 per cent., which is about equal to the rise in the prices of shares generally during the current year.

The Panama Rail-Road Company, on the 26th September, declared a dividend of three per cent. out of the earnings of the road, for the three months ending 30th September, and one per cent. additional out of the earnings of steamers, sailing vessels, &c., payable to the stockholders, or their legal representatives, on and after the 6th October.

The following comparative table shows the earnings of the Erie Railway Company for the past year, and six years ending September 30, 1862:

1862,.....	\$7,746,582	1859,.....	\$4,481,368	1857,.....	\$5,721,588
1861,.....	5,617,474	1858,.....	5,151,616	1856,.....	6,340,059
1860,.....	5,209,384				

	YEAR 1860.		YEAR 1861.		APRIL, 1862.		MAY, 1862.		JUNE, 1862.		JULY, 1862.		AUGUST, 1862.		SEPT, 1862.		9 MO., '62.			
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.		
NEW-YORK STOCK BOARD.																				
United States six per cents, 1863,...	95	109½	80	100	94	97	97½	109	108½	107½	98½	108	96½	100	96½	100	96½	101½	96½	101½
United States six per cents, 1881,...	..	..	85½	95½	93½	95	97½	105½	105½	107½	96½	108	98½	101½	99	102½	98½	101½	98½	101½
U. S. five per cents, 1874, coupon,...	85	104½	75	97	86½	90	89½	96	95½	97½	85	91	88	91	88	91½	88	91½	88	91½
Indiana State five per cents,.....	89	98	75	93	77	79	75	84½	..	..	..	..	..	..	..	..	..	..	..	..
Virginia six per cent. bonds,.....	78	95	86	81	55½	61	56½	60½	56	59½	53	57	51	57	55½	59	55	59	55	59
Tennessee six per cent. bonds,.....	64	98	84½	77	53½	58½	56½	61	55½	61	55	61	47½	57½	49½	59	48½	51	48	51
Georgia six per cent. bonds,.....	109	105	58	94	75	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
North Carolina six per cent. bonds,...	76	100	44	89½	68	67½	65½	78½	73	74	64½	73	65	67½	64½	66½	64½	66½	64½	66½
California seven per cent. bonds,...	83	95	71½	88	85	89	89	96½	96½	98½	91	96	94½	100	99½	109	98½	109	98½	109
Missouri six per cent. bonds,.....	61	84½	85	73½	49½	59	50½	54	51	58½	45	51	45½	49½	45½	50½	45½	50½	45½	50½
Canton Company shares,.....	..	..	8	15	..	..	13½	15	15	..	..	..	..	..	..	..	..	..	..	..
Cumberland Coal Co., preferred,...	8	17½	4	9½	8	8	8½	9½	8½	9½	8½	9½	7½	8	8½	9½	7	8	8½	9½
Pacific Mail Steamship Company,...	70	107½	50	100	97½	111	109	110	115	118	118	104½	110½	107½	112½	109½	121½	121½	91	131½
New-York Central Rail-Road,.....	59	92½	68	89½	82½	85½	81½	89½	88½	95½	89½	87	89½	84	88	94	88	104	88	104
Erie Rail-Road shares,.....	8½	48	17	40½	86½	87½	85½	40½	85½	39½	83	37	83½	38	84½	39½	86½	49	81½	49½
Hudson River Rail-Road,.....	86	66	81½	49½	85½	80½	86	45	44	49½	48	47½	44½	54½	50	62½	50	62½	50	62½
Harlem Rail-Road,.....	8	34	8½	16½	13	18	18	15	14	18½	13	17½	14½	17	15	23	11½	23	11½	23
Reading Rail-Road shares,.....	27	55	20½	48	30	39½	33	37	35½	45	38½	41	35	43	39	49½	38½	49½	38½	49½
Michigan Central Rail-Road,.....	80	49½	39½	49½	45½	42	45½	49½	60	60	60	54½	59½	68	69½	56½	70	85	70	85
Michigan S. & N. Indiana R.R.,...	84½	73½	39½	61½	53½	60½	56½	68½	69	69	67	63½	69½	66½	66½	61	61	47	61	47
Michigan S. & N. Indiana, guar.,...	5	25	10½	20½	23	28½	28	26½	25½	29½	28	27	24½	29	24½	29	24½	29	24½	29
Panama Rail-Road shares,.....	19½	60½	32½	41½	44½	47	47	58½	67	64	63½	60½	55½	64	61	74	59½	74	59½	74
Illinois Central Rail-Road shares,...	106	146½	97½	121	119½	120½	126½	128	139½	137	137	137	137	140½	139½	150	110	150	110	150
Galeus and Chicago Rail-Road,...	51	59½	55	55½	58½	57	68	60	64	60	66	65	61½	61	61	61	61	61	61	61
Cleveland and Toledo Rail-Road,...	55	82½	85	74½	66½	63½	66½	73	69	79	79	71½	67½	74	74	70	81	81	81	81
Chicago & Rock Island Rail-Road,...	18½	49½	20½	38½	40½	46	41½	47½	44½	49	45	49	46	46	46	52	49	69	49	69
Illinois Central Construction bonds,...	81	100½	84½	102½	82	83	86	86	87	89	86	86	86	86	86	86	86	86	86	86
Pennsylvania Coal Company,.....	78½	87	73	81	79	83	85	80½	80	93	93	95	95	97	95	99	99	103	99	103
Delaware and Hudson Canal Co.,...	80	101½	79	92	89	92½	98	100	92	100½	91	97	97	101	100	110	100	110	100	110
Premium on gold,.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

BANK STATISTICS.

I. Banks of the State of New-York. II. Banks of the City of New-York.
 III. Boston Bank Dividends. IV. New-Hampshire. V. Illinois.

COMPARATIVE TABLE OF THE BANKS OF THE STATE OF NEW-YORK,
1859-1862, FROM THE QUARTERLY REPORTS.

RESOURCES.	Sept., 1860.	Sept., 1861.	Dec., 1861.	March, 1862.	June 28, '62.
Loans,.....	\$ 200,118,884	\$ 176,055,848	\$ 191,063,141	\$ 162,017,978	\$ 184,501,261
Overdrafts,.....	428,892	888,028	868,366	881,606	481,799
Due from banks,.....	17,167,040	14,196,276	13,798,709	17,849,890	21,720,219
Real estate,.....	8,865,800	9,107,851	9,218,788	9,476,488	9,609,060
Specie on hand,.....	21,710,828	28,089,787	29,102,715	34,801,092	32,823,698
Cash items,.....	22,918,841	14,300,499	18,995,778	21,730,544	24,429,278
Stocks and mortgages,.....	36,609,787	47,405,222	62,258,884	70,755,648	71,697,720
Bills of other banks,...	2,509,601	1,817,949	2,121,785	3,436,728	9,970,191
Loss and expense,....	981,432	801,760	1,811,547	1,009,475	1,192,989
Total resources,....	\$ 311,245,555	\$ 302,058,155	\$ 384,755,658	\$ 320,948,869	\$ 366,380,208
LIABILITIES.	Sept., 1860.	Sept., 1861.	Dec., 1861.	March, 1862.	June 28, '62.
Capital,.....	\$ 111,884,847	\$ 109,982,324	\$ 109,408,879	\$ 108,665,619	\$ 108,682,708
Circulation,.....	81,759,127	28,015,743	30,568,080	28,330,973	33,727,333
Profits undivided,....	13,216,468	13,007,927	14,152,157	12,112,183	14,721,695
Due banks,.....	29,706,606	23,211,772	24,481,615	28,181,599	50,569,876
Due other than banks,...	2,252,961	1,525,222	2,501,399*	1,757,045	1,876,746
Treasurer of the State,...	3,569,907	3,764,416	3,915,976	3,697,799	3,981,793
Due depositors,.....	116,190,466	111,895,016	125,178,984	124,988,259	150,488,244
Miscellaneous,.....	2,615,673	6,655,730	14,619,278	3,215,392	3,681,054
Total liabilities,....	\$ 311,245,555	\$ 302,058,155	\$ 384,755,658	\$ 320,948,869	\$ 366,380,208

II. BANKS OF THE CITY OF NEW-YORK, 1859-1862.

The banks of this city show increased liabilities. Their balances due to country banks are larger than at any former period. The circulation, profits and deposits are also largely increased.

LIABILITIES.	Sept., 1858.	June 30, 1860.	Sept., 1861.	March, 1862.	June, 1862.
Capital,.....	\$ 68,933,682	\$ 69,753,777	\$ 69,650,605	\$ 69,051,605	\$ 69,125,660
Net profits,.....	7,077,024	3,035,385	7,608,579	6,373,711	8,647,645
Circulation,.....	8,211,128	8,731,894	8,684,895	5,870,885	8,962,281
Due other banks,....	18,379,680	28,248,064	22,325,119	30,480,184	41,848,808
Individual deposits,...	76,665,092	79,716,004	83,252,466	92,061,187	112,195,094
Miscellaneous,.....	.....	1,392,651	6,488,841	1,691,400	2,242,066
Total liabilities,....	\$ 179,266,554	\$ 193,397,625	\$ 198,349,998	\$ 205,938,872	\$ 243,921,549
RESOURCES.	Sept., 1859.	June, 1860.	Sept., 1861.	March, 1862.	June, 1862.
Loans,.....	\$ 115,708,238	\$ 125,189,007	\$ 113,810,543	\$ 98,536,943	\$ 118,540,094
Stocks, &c.,.....	11,911,174	18,267,843	23,198,577	44,906,365	42,568,120
Roadward mortgages,...	505,097	.....	617,677	611,900	664,327
Real estate,.....	6,816,469	6,314,458	6,501,594	6,748,468	6,759,954
Due by banks,.....	4,714,259	7,013,755	4,299,098	4,164,459	3,915,897
Cash items,.....	19,499,987	19,087,897	13,742,440	19,885,119	40,095,870
Specie,.....	30,556,277	23,054,622	36,118,215	31,037,652	30,408,556
Assets, &c.,.....	55,128	69,946	61,929	62,566	71,081
Total resources,....	\$ 179,266,554	\$ 193,397,625	\$ 198,349,998	\$ 205,938,872	\$ 243,921,549

III. BOSTON BANK DIVIDENDS, 1861—1862.

Reported by JOSEPH G. MARTIN, Commission Stock Broker, No. 6 State-street, Boston,
Author of "Twenty-one Years in the Boston Stock Market."

BANKS.	Capital.	Apr., '61.	Oct., '61.	Apr., '62.	Oct., '62.	Amount.
Atlantic Bank,.....	\$ 500,000	.. 8	.. ..	.. 8	.. 2	.. \$ 10,000
Atlas Bank,.....	1,000,000	.. 4	.. 8	.. 8	.. 8	.. 30,000
Blackstone Bank,.....	750,000	.. 3½	.. 3	.. 3	.. 3	.. 22,500
Boston Bank, (par \$50,).....	900,000	.. 4	.. 4	.. 4	.. 4	.. 26,000
Boylston Bank,.....	400,000	.. 4½	.. 3½	.. 4	.. 4	.. 16,000
Broadway Bank,.....	150,000	.. 8	.. 3	.. 3½	.. 3½	.. 5,250
City Bank,.....	1,000,000	.. 8½	.. 8	.. 8	.. 8	.. 30,000
Columbian Bank,.....	1,000,000	.. 8½	.. 8	.. 8	.. 8	.. 30,000
Commerce, Bank of,.....	2,000,000	.. 8½	.. 3	.. 8	.. 8	.. 60,000
Continental Bank,.....	800,000	.. 2	.. 8	.. 3	.. 8	.. 9,000
Eagle Bank,.....	1,000,000	.. 8½	.. 8	.. 8	.. 8	.. 30,000
Eliot Bank,.....	600,000	.. 8½	.. 3	.. 8	.. 8	.. 18,000
Exchange Bank,.....	1,000,000	.. 5	.. 4	.. 4	.. 4	.. 40,000
Faneuil Hall Bank,.....	500,000	.. 4	.. 4	.. 4	.. 4	.. 20,000
Freeman's Bank,.....	400,000	.. 4	.. 3	.. 3	.. 3	.. 12,000
Globe Bank,.....	1,000,000	.. 4	.. 4	.. 4	.. 4	.. 40,000
Granite Bank,.....	900,000	.. 8½	.. 3	.. 3	.. 3	.. 27,000
Hamilton Bank,.....	500,000	.. 4½	.. 4	.. 4	.. 4	.. 20,000
Hide and Leather Bank,.....	1,000,000	.. 8½	.. 3	.. 8	.. 8	.. 30,000
Howard Bank,.....	600,000	.. 3½	.. 3	.. 3	.. 3	.. 15,000
Market Bank, (par \$70,).....	560,000	.. 3½	.. 3½	.. 3½	.. 3½	.. 19,600
Massachusetts Bk.,(par \$250,).....	800,000	.. *\$3	.. *\$3	.. \$3	.. *\$3	.. 25,600
Maverick Bank,.....	400,000	.. 8½	.. 3½	.. 3½	.. 3	.. 12,000
Mechanics' Bank,.....	250,000	.. 4½	.. 3½	.. 3½	.. 4	.. 10,000
Merchants' Bank,.....	4,000,000	.. 3	.. 3	.. 2½	.. 3	.. 120,000
Metropolis, Bank of the,.....	200,000	.. 8½	.. 3½	.. 3½	.. 3½	.. 7,000
Mount Vernon Bank,.....	200,000	.. new	.. 3	.. 3	.. 0	.. ..
Mutual Redemption Bank,.....	561,700	.. 2	.. 2	.. 0	.. 0	.. ..
National Bank,.....	750,000	.. 3½	.. 3	.. 0	.. 0	.. ..
New-England Bank,.....	1,000,000	.. 8½	.. 3½	.. 3½	.. 3½	.. 35,000
North Bank,.....	660,000	.. 8	.. 3	.. 3	.. 3	.. 25,800
North America, Bank of,.....	750,000	.. 3½	.. 3	.. 3	.. 3	.. 22,500
Republic, Bank of the,.....	1,000,000	.. 3	.. 2	.. 3	.. 3	.. 30,000
Revere Bank,.....	1,000,000	.. 8	.. 2½	.. 3	.. 3	.. 30,000
Safety Fund Bank,.....	1,000,000	.. 3	.. 3	.. 3	.. 3	.. 30,000
Shawmut Bank,.....	750,000	.. 3	.. 3	.. 3	.. 3	.. 22,500
Shoe and Leather Bank,.....	1,000,000	.. 4½	.. 4½	.. 4½	.. 4½	.. 45,000
State Bank, (par \$60,).....	1,800,000	.. 8½	.. 3½	.. 3½	.. 3½	.. 68,000
Suffolk Bank,.....	1,000,000	.. 4½	.. 4½	.. 4½	.. 5	.. 50,000
Traders' Bank,.....	600,000	.. 3	.. 3	.. 0	.. 0	.. ..
Tremont Bank,.....	1,500,000	.. 4	.. 3½	.. 3½	.. 3½	.. 52,500
Union Bank,.....	1,000,000	.. 4	.. 8½	.. 3½	.. 3½	.. 25,000
Washington Bank,.....	750,000	.. 3	.. 3	.. 3	.. 3	.. 22,500
Webster Bank,.....	1,500,000	.. 3½	.. 3	.. 3	.. 3	.. 45,000
Total, October, 1862,.....	\$ 38,681,700					\$ 1,204,000
Total, April, 1862,.....	38,681,700					1,190,500
Total, October, 1861,.....	38,681,700					1,229,484
Total, April, 1861,.....	38,481,700					1,259,984

The banks have all made the first day of October their regular time of payment, instead of the first Monday, as heretofore. All the divi-

* \$3 per share, or 3.20 per cent.

dends are net to the stockholders for the amount declared—each bank paying the tax of three per cent. to the government in addition. The banks place to the credit of dividend account such a sum as will leave the amount to be paid to the stockholders after taking from it the three per cent. tax. That is, a bank of \$1,000,000 capital, and declaring three per cent., would place to dividend account the sum of \$30,927 83; from which take three per cent., and we have precisely \$30,000 for the stockholders. This is according to the strict letter of the law.

The changes in dividends since April are very slight. The Merchants' increases from $2\frac{1}{2}$ to 3 per cent.; Mechanics', $3\frac{1}{2}$ to 4; and Suffolk, $4\frac{1}{2}$ to 5 per cent. The Atlantic decreases from 3 to 2 per cent.; Mave-rick, $3\frac{1}{2}$ to 3; and the Mount Vernon passes its dividend against 3 per cent. in April. The Mutual Redemption, National and Traders' pass their dividends the same as in April last.

Of the forty-four banks in the table, the dividends average 3.05 per cent. One bank divides 5 per cent.; one, $4\frac{1}{2}$; seven, 4; seven, $3\frac{1}{2}$; twenty-three, 3. The Massachusetts Bank pays 3 1.5 per cent., or \$8 per share, and four pass their dividends.

IV. NEW-HAMPSHIRE.

There were fifty-two banks in the State of New-Hampshire in June, 1862. Their combined capital, \$4,891,200, or about \$94,000 each, on an average. Their respective capitals were—

1 of \$37,500.....	\$ 37,500	16 of 100,000 each.....	\$1,600,000
11 " 50,000 each.....	550,000	3 " 120,000 "	360,000
3 " 60,000 "	180,000	2 " 125,000 "	250,000
1 " 70,000 "	70,000	4 " 150,000 "	600,000
3 " 75,000 "	225,000	3 " 200,000 "	600,000
4 " 80,000 "	320,000		
1 " 98,700 "	98,700		
			\$ 4,891,200

Since June, 1861, the circulation of the New-Hampshire banks has increased \$198,000, and their specie on hand, \$111,000. The affairs of these banks are managed with great economy. The salaries of the cashiers generally range from \$500 to \$1,200. Only five out of fifty-two having above the latter sum.

COMPARATIVE STATEMENT OF THE BANKS OF NEW-HAMPSHIRE.

LIABILITIES.	JUNE, 1861. 52 banks.	DEC., 1861. 52 banks.	JUNE, 1862. 52 banks.
Capital.....	\$ 5,031,000	.. \$ 5,031,000	.. \$ 4,891,200
Circulation.....	2,985,894	.. 2,994,408	.. 3,183,255
Deposits.....	1,268,726	.. 1,376,853	.. 1,306,518
Miscellaneous.....	491,470	.. 474,301	.. 477,557
Total liabilities.....	\$ 9,777,090	.. \$ 9,876,562	.. \$ 9,858,830
ASSETS.			
Loans.....	\$ 8,347,238	.. \$ 8,368,941	.. \$ 7,835,776
Specie.....	301,841	.. 318,106	.. 412,736
Real estate.....	78,821	.. 78,253	.. 84,881
Bank balances.....	883,152	.. 907,440	.. 1,328,897
Bills of other banks.....	166,538	.. 208,822	.. 197,040
Total assets.....	\$ 9,777,090	.. \$ 9,876,562	.. \$ 9,858,830

V. ILLINOIS.

The auditor of the State of Illinois gives public notice, under date of July, 1862, that the securities of ninety-three of the banks of that State have been sold for the benefit of the holders of the bills of these banks, and that he is prepared to redeem such bills at the following rates :

5,.....	at par.	1,.....	at 64½	cts. per dollar.
1,.....	" 95	2,.....	" 64	" "
1,.....	" 93	2,.....	" 63½	" "
1,.....	" 92	1,.....	" 65	" "
1,.....	" 87	2,.....	" 62	" "
2,.....	" 86	3,.....	" 61	" "
1,.....	" 85	3,.....	" 60	" "
1,.....	" 82	1,.....	" 59	" "
1,.....	" 80	2,.....	" 58½	" "
1,.....	" 79½	3,.....	" 58	" "
1,.....	" 79	2,.....	" 57	" "
3,.....	" 81½	4,.....	" 56	" "
1,.....	" 78½	1,.....	" 55½	" "
1,.....	" 75	6,.....	" 55	" "
1,.....	" 73½	3,.....	" 54½	" "
2,.....	" 73	2,.....	" 54	" "
1,.....	" 78	1,.....	" 53½	" "
2,.....	" 72	4,.....	" 53	" "
1,.....	" 71	1,.....	" 52½	" "
5,.....	" 70	2,.....	" 52	" "
2,.....	" 68½	1,.....	" 51	" "
2,.....	" 68	2,.....	" 50	" "
2,.....	" 67	1,.....	" 49	" "
1,.....	" 66			
2,.....	" 65½			
1,.....	" 65			
				93 banks.

Those redeemable at par are :

- | | |
|----------------------------|-----------------------------|
| Bank of Northern Illinois, | Chicago Bank, |
| Bank of Peru, | E. J. Tinkham & Co.'s Bank, |
| Kane County Bank. | |

List of Illinois banks, with amount of securities and amount of circulation, July, 1862.

		Securities.	Circulation.
Alton,.....	Alton Bank,.....	\$ 27,320	.... \$ 21,416
Benton,.....	Union Bank,.....	49,750	.... 40,000
Bloomington,.....	Bank of Bloomington,.....	58,945	.... 48,000
"	McLean County Bank,.....	13,808	.... 11,552
Chicago,.....	Marine Bank,.....	13,088	.... 11,931
Fairfield,.....	Reaper's Bank,.....	61,250	.... 56,645
Galena,.....	Bank of Galena,.....	18,000	.... 14,860
Griggsville,.....	Pamet Bank,.....	20,561	.... 16,784
Greenup,.....	Cumberland County Bank,.....	31,150	.... 26,650
Hardin,.....	Mechanics' Bank,.....	95,500	.... 76,928
Golconda,.....	Bank of Ashland,.....	8,000	.... 6,286
Marion,.....	Mahaiwe Bank,.....	8,000	.... 6,687
New-Haven,.....	Bank of Illinois,.....	20,000	.... 16,615
Ottawa,.....	City Bank,.....	7,000	.... 5,617
Paris,.....	Edgar County Bank,.....	10,000	.... 8,486
Sparta,.....	Bank of Sparta,.....	30,958	.... 26,868
"	United States Stock Bank,.....	10,000	.... 8,374

Statement of the securities and circulation of banks in liquidation by order of court, upon which a pro rata dividend will be declared when the securities are sold.

State Bank of Illinois, Shawneetown—96,000 Illinois and Michigan Canal.

Circulation,..... \$110,127 00

RECAPITULATION.

Illinois 6's,.....	\$ 320,900 00
Illinois and Michigan Canal,.....	151,583 00
Illinois New Internal Improvement Stock,.....	65,649 00
United States 5's,	15,000 00
Ohio 6's,.....	6,000 00
Missouri 6's,.....	4,000 00
North Carolina 6's,.....	2,000 00
	<hr/>
	\$ 574,532 00
Circulation,.....	\$ 511,286 00

BANKS OF THE CITY OF NEW-YORK.

An examination of the quarterly statement of the banks of this city, for June, 1862, shows that the average capital of the fifty-four banks is about \$1,280,000. Of the whole, their capital is distributed as follows :

1 over \$2,000,000	....	1 of \$1,800,000	....	8 of \$ 600,000
1 of 5,000,000	....	4 of 1,500,000	....	4 of 500,000
1 of 4,000,000	....	1 of 1,285,000	....	7 of 400,000 or over.
2 of 3,000,000	....	10 of 1,000,000	....	8 of 800,000
1 of 2,778,000	....	1 of 800,000	....	5 of 200,000 or over.
1 of 2,050,000	....	2 of 750,000	....	1 of 150,000
5 of 2,000,000				

The fifty-four banks of New-York city commenced business at the following periods :

Year.	Year.	Year.	Year.
1 in 1784.	2 in 1824.	1 in 1836.	7 in 1852.
1 in 1799.	1 in 1825.	2 in 1838.	6 in 1853.
1 in 1805.	2 in 1828.	1 in 1839.	1 in 1854.
1 in 1810.	1 in 1829.	3 in 1849.	2 in 1855.
1 in 1811.	3 in 1830.	1 in 1850.	1 in 1856.
3 in 1812.	1 in 1833.	10 in 1851.	1 in 1859.

Fifty of these are organized under the general banking law of the State. Of the four chartered banks, two are unlimited, viz., the Manhattan and the New-York Dry Dock. The other charters will expire, the Seventh Ward Bank in 1863, and the Bank of the State of New-York in the year 1866.

The following table illustrates the increase of banking capital, deposits, loans and specie, since the year 1849, at New-York. The most marked

increase was in the number of banks and amount of capital during the years 1852-1853, and from September, 1855, to March, 1857:

DATE.	Capital.	Dues other Banks.	Deposits.	Loans.	Specie.	No. of Banks.
September, 1849,....	\$ 25,068,000	.. \$ 12,892,000	.. \$ 28,482,000	.. \$ 51,079,000	.. \$ 8,022,000	.. 25
September, 1850,....	27,440,000	.. 16,412,000	.. 87,018,000	.. 62,884,000	.. 9,056,000	.. 23
September, 1851,....	34,608,000	.. 10,777,000	.. 86,957,000	.. 70,516,000	.. 6,032,000	.. 27
September, 1852,....	36,791,000	.. 22,484,000	.. 46,608,000	.. 94,855,000	.. 8,702,000	.. 41
June, 1853,....	44,196,000	.. 24,961,400	.. 50,078,000	.. 102,714,000	.. 12,174,000	.. 52
September, 1855,....	48,638,000	.. 13,525,000	.. 58,657,000	.. 108,924,000	.. 9,747,000	.. 52
March, 1857,....	59,708,000	.. 22,888,000	.. 70,760,000	.. 122,790,000	.. 10,786,000	.. 56
June, 1858,....	67,041,000	.. 28,275,000	.. 74,806,000	.. 127,662,000	.. 31,704,000	.. 58
September, 1859,....	69,983,000	.. 18,879,000	.. 75,497,000	.. 115,708,000	.. 20,556,000	.. 54
March, 1860,....	69,420,000	.. 29,089,000	.. 79,526,000	.. 125,949,000	.. 28,172,000	.. 55
June, 1860,....	69,753,000	.. 26,248,000	.. 80,586,000	.. 125,189,000	.. 28,054,000	.. 55
September, 1860,....	69,390,000	.. 21,271,000	.. 81,288,000	.. 120,271,000	.. 20,116,000	.. 54
December, 1860,....	69,907,000	.. 22,792,000	.. 84,828,000	.. 121,251,000	.. 24,597,000	.. 55
March, 1861,....	69,914,000	.. 23,219,000	.. 83,512,000	.. 117,069,000	.. 27,458,000	.. 55
June, 1861,....	69,650,000	.. 25,006,000	.. 77,183,000	.. 105,892,000	.. 29,972,000	.. 55
September, 1861,....	69,650,000	.. 22,725,000	.. 88,252,000	.. 118,310,000	.. 24,118,000	.. 55
December, 1861,....	69,651,605	.. 27,126,000	.. 91,474,000	.. 127,087,000	.. 26,182,000	.. 54
March, 1862,....	69,051,605	.. 30,480,000	.. 92,061,000	.. 93,536,000	.. 31,087,000	.. 54
June, 1862,....	69,125,660	.. 41,848,000	.. 112,195,000	.. 118,540,000	.. 30,406,000	.. 54

One bank shows a surplus equal to 239 per cent. of its capital. The others have surplus funds as follow:

Under 5 per cent.,.....	6	..	Over 30 per cent.,.....	1
From 5 to 10 per cent.,....	22	..	Over 50 "	1
From 10 to 20 "	18	..		—
From 20 to 30 "	5	..		53

The average of the whole being 12.50 per cent. on their capital.

One bank had bank balances over \$7,000,000; one, over \$4,000,000; one, over \$3,000,000; four, over \$2,000,000; five, over \$1,000,000.

City Banks.—In the quarterly official reports of the banks of the city of New-York to the Bank Department, at the close (28th) of June, 1862, their loans were represented to be as follows:

Loans, including overdrafts,.....	\$ 118,390,000
Stocks and promissory notes,.....	42,568,000
Bonds and mortgages,.....	664,000
	\$ 161,622,000

Their weekly statement of *same date* (28th June) reports their average loans to be..... 148,346,000
A difference of \$13,276,000.

This discrepancy would appear to show that the banks do not uniformly adopt the same principle or rule in their weekly reports. Some include "stocks" as part of their loans; others do not. In order to insure uniformity, and to make the quarterly and weekly reports OF THE SAME DATE substantially agree, the superintendent should instruct the banks to adopt one and the same rule; otherwise, the value of their weekly reports is in a large measure impaired.

BANKS OF THE CITY OF NEW-YORK.

Capital, Balances due other Banks, Net Profits, Ratio of Net Profits to Capital. June 28, 1862.

	Capital.	Due other Banks.	Net Profits.	Rate of Profit.
1. Bank of Commerce,.....	\$ 9,222,160 ..	\$ 2,838,544 ..	\$ 706,533 ..	7.66
2. American Exchange Bank,...	5,000,000 ..	2,471,857 ..	357,532 ..	7.15
3. Metropolitan Bank,.....	4,000,000 ..	4,050,831 ..	552,877 ..	13.82
4. Bank of New-York,.....	3,000,000 ..	973,912 ..	244,854 ..	8.16
5. Bank of America,.....	3,000,000 ..	3,582,136 ..	365,283 ..	12.17
6. Merchants' Bank,.....	2,776,775 ..	2,325,665 ..	155,713 ..	5.61
7. Manhattan Bank,.....	2,050,000 ..	1,840,365 ..	596,838 ..	29.11
8. Bank State of New-York,....	2,000,000 ..	2,748,480 ..	161,845 ..	8.09
9. Bank of the Republic,.....	2,000,000 ..	1,244,522 ..	463,598 ..	23.17
10. Continental Bank,.....	2,000,000 ..	1,070,889 ..	93,560 ..	4.67
11. Mechanics' Bank,.....	2,000,000 ..	467,437 ..	243,670 ..	12.18
12. Park Bank,.....	2,000,000 ..	7,199,559 ..	306,460 ..	15.82
13. Phenix Bank,.....	1,800,000 ..	1,287,795 ..	291,268 ..	16.18
14. Importers and Traders' Bank,.	1,500,000 ..	487,618 ..	239,633 ..	17.97
15. National Bank,.....	1,500,000 ..	130,014 ..	61,195 ..	4.58
16. Shoe and Leather Bank,.....	1,500,000 ..	672,900 ..	132,012 ..	9.90
17. Union Bank,.....	1,500,000 ..	649,000 ..	223,376 ..	16.74
18. Merchants' Exchange Bank,...	1,235,000 ..	385,788 ..	108,513 ..	8.78
19. Bank of North America,.....	1,000,000 ..	421,346 ..	115,829 ..	11.58
20. Broadway Bank,.....	1,000,000 ..	410,587 ..	506,777 ..	50.67
21. City Bank,.....	1,000,000 ..	173,178 ..	118,287 ..	11.82
22. Corn Exchange Bank,.....	1,000,000 ..	553,365 ..	85,691 ..	8.56
23. Hanover Bank,.....	1,000,000 ..	324,043 ..	82,573 ..	8.25
24. Market Bank,.....	1,000,000 ..	148,655 ..	59,063 ..	5.90
25. Mercantile Bank,.....	1,000,000 ..	1,800,079 ..	132,580 ..	13.25
26. Nassau Bank,.....	1,000,000 ..	673,865 ..	52,671 ..	5.26
27. Ocean Bank,.....	1,000,000 ..	637,315 ..	51,558 ..	5.15
28. Tradersmen's Bank,.....	1,000,000 ..	216,469 ..	87,519 ..	8.75
29. Butchers and Drovers' Bank,...	800,000 ..	396,864 ..	100,350 ..	12.54
30. Bank of the Commonwealth,...	750,000 ..	468,788 ..	54,755 ..	7.30
31. St. Nicholas Bank,.....	750,000 ..	109,163 ..	79,806 ..	10.64
32. Fulton Bank,.....	600,000 ..	2,673 ..	193,150 ..	32.19
33. Leather Manufacturers' Bank,...	600,000 ..	648,529 ..	160,375 ..	26.72
34. Mechanics and Traders' Bank,...	600,000 ..	3,588 ..	52,310 ..	8.71
35. Seventh Ward Bank,.....	500,000 ..	414 ..	125,505 ..	25.10
36. Irving Bank,.....	500,000 ..	28,339 ..	11,249 ..	2.24
37. Manufacturers and Merchants',	500,000 ..	143,256 ..	34,691 ..	6.94
38. Mechanics' Banking Associat'n,	500,000 ..	38,633 ..	21,266 ..	4.25
39. Pacific Bank,.....	422,700 ..	424 ..	116,021 ..	27.46
40. People's Bank,.....	412,500 ..	7,238 ..	19,610 ..	4.76
41. Chatham Bank,.....	450,000 ..	22 ..	26,754 ..	5.94
42. Atlantic Bank,.....	400,000 ..	68,987 ..	36,089 ..	9.01
43. Citizens' Bank,.....	400,000 ..	.....	51,020 ..	12.76
44. Marine Bank,.....	400,000 ..	138,870 ..	41,978 ..	10.49
45. North River Bank,.....	400,000 ..	19,147 ..	32,445 ..	8.11
46. Chemical Bank,.....	300,000 ..	303,843 ..	719,397 ..	239.77
47. Grocers' Bank,.....	300,000 ..	53,824 ..	19,599 ..	6.53
48. Oriental Bank,.....	300,000 ..	.....	24,978 ..	8.33
49. East River Bank,.....	206,525 ..	4 ..	31,191 ..	15.11
50. New-York Dry Dock Company,	200,000 ..	11 ..	11,620 ..	5.81
51. Bull's Head Bank,.....	200,000 ..	.....	24,312 ..	12.18
52. Greenwich Bank,.....	200,000 ..	21,150 ..	29,163 ..	14.58
53. New-York County Bank,.....	200,000 ..	.....	4,168 ..	2.08
54. New-York Exchange Bank,....	150,000 ..	78,805 ..	17,545 ..	11.66
Totals,.....	\$ 69,125,660 ..	\$ 41,848,781 ..	\$ 8,636,615 ..	12.50

BANKS OF THE STATE OF NEW-YORK,

According to their Official Quarterly Returns, June 28, 1862.

LIABILITIES.	54	248	802	Ratio	Ratio
	City Banks.	Country Banks.	Banks, total.	City Bks.	Country Banks.
Capital,.....	\$ 69,125,660	\$ 39,557,048	\$ 108,682,708	63.60	36.40
Net profits,.....	8,686,645	4,887,968	13,574,613	112.49	113.86
Circulation,.....	8,817,749	24,909,639	33,727,388	26.44	73.56
Due other banks,.....	48,488,748	8,807,674	57,296,422	88.12	16.88
Individual deposits,.....	112,197,068	42,122,974	154,320,042	72.71	27.29
Miscellaneous,.....	905,682	1,876,270	2,781,952	80.	70.
Total liabilities,.....	\$ 248,021,552	\$ 122,161,562	\$ 370,183,114	66.56	33.44
RESOURCES.	City Banks.	Country Banks.	Totals.	Ratio.	Ratio.
Loans,.....	\$ 118,818,878	\$ 66,182,888	\$ 184,501,261	64.15	35.85
Stocks,.....	42,568,105	22,269,904	64,838,009	65.66	34.34
Bonds and mortgages,.....	582,236	6,277,487	6,859,710	8.48	91.52
Real estate,.....	6,759,940	2,849,119	9,609,059	70.85	29.15
Due from other banks,.....	8,915,878	17,804,339	26,720,217	18.07	81.93
Cash items,.....	40,400,058	3,998,816	44,398,874	91.	9.
Specie,.....	30,406,818	2,416,175	32,822,993	92.64	7.36
Overdrafts, &c.,.....	69,862	362,889	432,751	16.15	83.85
Total resources,.....	\$ 248,021,552	\$ 122,161,562	\$ 370,183,114	66.56	33.44

BANK CIRCULATION.

There has been an increase of above 15 per cent. in the circulation of several States and cities. We annex the comparative returns and the average rate of increase in each to July and October, 1862:

BANK CIRCULATION.	Amount		Amount Oct. 1, 1862.	Rate of Increase.	
	Jan. 1, 1862.	July 1, 1862.		Jan. to July.	Jan. to Oct.
New-York City,.....	\$ 8,276,000	\$ 8,817,000	\$ 9,900,000	6.58	19.63
New-York, (interior,).....	22,277,000	24,910,000	†	11.82	..
New-York State, (total,).....	30,553,000	33,727,000	†	10.89	..
Boston,.....	6,451,000	6,948,000	7,152,000	7.64	10.56
Massachusetts, (interior,).....	12,788,000	15,409,000	*18,153,000	20.50	41.94
New-Hampshire,.....	2,994,000	3,183,000	*3,804,000	6.85	27.05
Maine,.....	4,040,000	4,840,000	†	7.44	..
Providence, R. I.,.....	1,890,000	2,888,000	3,514,000	59.71	85.93
Baltimore,.....	2,566,000	3,400,000	†	32.50	..
Newark, N. J.,.....	781,000	1,111,000	†	42.30	..
Philadelphia,.....	2,145,000	4,750,000	5,111,000	121.50	183.80

From April 1st to July 1st, the increase in deposits in New-York, Massachusetts, and in the city of Philadelphia, increased from \$217,328,000 to \$269,763,000, or 24.15 per cent. The increase in loans, in the same time, was from \$369,363,000 to \$400,471,000, or 8.42 per cent.

* Returns for September 1st. † Returns not received. ‡ Ratio of net profits to capital.

FINANCES OF THE UNITED STATES.

THE official report of the Register of the Treasury having been published, for the fourth quarter of the year, ending 30th June, 1862, we are enabled, from this and previously published returns, to show the revenue and expenditures of the country for the year ending on that day:

RECEIPTS.

From customs—1st quarter,.....	\$ 7,198,608	
“ 2d “ Oct.—Dec.,.....	8,809,066	
“ 3d “ Jan.—March,.....	14,618,558	
“ 4th “ April—June,.....	18,930,170	
		\$ 49,056,397
Three year coupon bonds, 7.30 per cent.,.....	166,412,585	
Treasury notes, on demand,.....	60,080,000	
“ “ legal tender,.....	125,538,884	
Loans negotiated,.....	113,838,411	
Certificates of indebtedness,.....	49,881,980	
Five twenty year bonds,.....	13,990,600	
		529,692,460
Sales of public lands,.....		152,204
Direct tax,.....		1,795,332
Incidental receipts,.....		931,788
Balance on hand, July 1, 1861,.....		2,257,066
		<hr/>
Total receipts year ending 30th June, 1862,.....		\$ 583,885,247

EXPENDITURES.

Civil, foreign, internal and miscellaneous,.....	\$ 21,408,491
Interior department, (pensions and Indian annuities,).....	8,102,986
War department, (pay, transportation, subsistence, ordnance, &c.,).....	394,363,407
Navy department,.....	42,674,570
Treasury loans refunded,.....	\$ 52,928,207
“ notes redeemed,.....	43,168,711
Interest on public debt,.....	13,190,328
	<hr/>
Balance on hand 30th June, 1862,.....	13,043,547
	<hr/>
Total expenditures and balance,.....	\$ 583,885,247

CUSTOMS REVENUE OF THE PAST TWENTY YEARS.

1843,.....	\$ 7,046,843	1853,.....	\$ 58,931,865
1844,.....	26,132,570	1854,.....	64,224,190
1845,.....	27,528,112	1855,.....	53,025,794
1846,.....	26,712,667	1856,.....	64,022,863
1847,.....	23,747,864	1857,.....	63,875,905
1848,.....	31,757,070	1858,.....	41,789,620
1849,.....	28,346,738	1859,.....	49,565,824
1850,.....	39,668,686	1860,.....	53,187,511
1851,.....	49,017,567	1861,.....	39,582,125
1852,.....	47,339,326	1862,.....	49,056,397
	<hr/>		<hr/>
	\$ 307,348,443		\$ 537,262,094
Annual average,.....	30,734,844	Annual average,.....	53,726,209

THE PRICE OF GOLD.

IN our Nos. for August, September and October, we published the daily fluctuations in the value of gold, up to the 15th of September. The price has since advanced further—the highest quotation being 137½ for gold, and 31 per cent. premium for silver. This occurred on the 15th October. Since then, the price has declined 8 @ 10 per cent.

LOWEST AND HIGHEST PRICES OF GOLD AT NEW-YORK.

Sept. 15, .. 117½ @ 117½ ..	Sept. 29, .. 121½ @ 123½ ..	Oct. 18, .. 129 @ 180½
16, .. 116½ @ 117½ ..	30, .. 121½ @ 124 ..	14, .. 132 @ 133½
17, .. 116½ @ 117½ ..	Oct. 1, .. 122 @ 122½ ..	15, .. 134 @ 137½
18, .. 116½ @ 117½ ..	2, .. 122½ @ 123 ..	16, .. 132½ @ 135
19, .. 116½ @ 117½ ..	3, .. 122½ @ 122½ ..	17, .. 132 @ 133
20, .. 116½ @ 117½ ..	4, .. 122½ @ 123 ..	18, .. 129 @ 130
22, .. 117½ @ 117½ ..	6, .. 123 @ 123½ ..	20, .. 127 @ 129
23, .. 117½ @ 118½ ..	7, .. 123½ @ 124 ..	21, .. 128½ @ 132
24, .. 118½ @ 119 ..	8, .. 124½ @ 125 ..	22, .. 133 @ 134
25, .. 120 @ 120½ ..	9, .. 126 @ 126½ ..	23, .. 132½ @ 133
26, .. 120½ @ 120½ ..	10, .. 127 @ 129 ..	24, .. 130½ @ 132½
27, .. 121½ @ 121½ ..	11, .. 128 @ 128½ ..	25, .. 130 @ 131½

The select committee of the stock exchange board, consisting of Messrs. WAINWRIGHT, HENRY G. STEBBINS, SMITH, MARIE, and FERRIS, reported on the 21st inst., *unanimously*, on the gold question, recommending that the dealings in American gold coin, at the board, be entirely suspended for the present. It is understood that while the committee were, at first, partially divided on the question, as one of board policy merely, the unanimity of their decision was arrived at after consultation with the officers of the Treasury of the United States in this city, and an intimation, through them, that it would be agreeable to the government to have the stock exchange board withhold the further use of their machinery from the mischievous speculation now going on in gold.

The premium on gold in this market has not yet reached the rate it did in London in 1812. (41 per cent.) See *History of the Bank of England*; also, our August No. (p. 110.)

"It is current rumor on the street that one, at least, if not more, of the large banks are participating in the speculation in gold, not alone for the profit upon it direct, but by way of stimulating the price of United States custom-house notes to importers, (who are compelled to have them,) which they hold in large amounts for a rise. Other banks continue the pernicious practice of receiving gold on deposit, counting the same, as if they owned it, in their weekly returns, while lending in currency from par to 120 per cent. to the real owners and speculators on the gold at low rates of interest. The matter attracts so much public attention, that we feel authorized to allude thus publicly to the bank machinery by which the false standard of value against the credit of the government is maintained, in a season of war which has not brought with it a season of commercial depression, and which can only affect labor and the cost of living injuriously, through the mischievous operations of the speculation in the precious metals. If the movement were carried on solely on private means, we should not make them the subject of public remark. But as our bank note currency, equally with that of the Treasury of the United States—and both together have been inadequate to the convenient supply of the wants of the country with small bills below \$100—suffers in credit by the speculation referred to, it is a matter of special wonder and surprise, that a bank of respectable capital and large deposits should become a party to it."—*N. Y. Com. Adv.*

BANK ITEMS.

NOTICE TO BANKS AND BANKERS.—“*The Bankers' Almanac for 1862*” will be issued about 1st January next. Our subscribers are requested to notify us immediately of any changes in the year 1862, in the offices of President and Cashier, and among private bankers.

BANKERS' LICENSES.—The Commissioner of Internal Revenue has decided that incorporated banks must pay license as brokers, and persons doing business as bankers, brokers and land-warrant brokers, must take out three licenses. The triple requirement is, for bankers, \$100 license; brokers, \$50; and land-warrant brokers, \$25.

BANK OFFICERS IN PUBLIC LIFE.—General FRANCIS E. SPINNER, for some years President of the Mohawk Valley Bank, Mohawk, N. Y., is now the Treasurer of the United States, Washington. His signature is a marked feature of the government Treasury notes. Hon. LUCIUS E. CHITTENDEN, for some years President of the Commercial Bank, Burlington, Vt., is now the Register of the Treasury of the United States. Hon. ERASBUS CORNING, President of the City Bank, Albany, N. Y., represents the Fourteenth District (Albany City and County) in Congress, and is a member of the Committee of Ways and Means. Hon. WM. G. STEELE, for some years Cashier of the Somerset County Bank, Somerville, N. J., represents the Third District of New-Jersey in Congress, and is a member of the Committee on Revolutionary Pensions. Hon. ELBRIDGE G. SPAULDING, for some years President of the Farmers and Mechanics' Bank, Buffalo, represents the Thirty-second District (Erie County) in Congress, and is an active member of the Committee of Ways and Means. Hon. SIMON CAMERON, for some years Cashier of the Middletown Bank, Pa., is now minister of the United States at the Court of St. Petersburg. Messrs. CORNING, SPAULDING and STEELE have been nominated for re-election to the Thirty-eighth Congress.

THE NEW-YORK CLEARING-HOUSE, OCTOBER, 1862.

The ninth annual meeting of the Clearing-House Association of New-York was held on Tuesday, October 7th, when the following officers were elected for the ensuing year:

Chairman—THOMAS TILESTON, of Phenix Bank.

Secretary—MELANOTON M. FREEMAN, of Mechanics' Banking Association.

Clearing-House Committee—JACOB D. VERMILYE, Merchants' Bank, *Chairman*.
 GEORGE S. COE, Amer. Exch. Bank. EPHRAIM D. BROWN, Mech & Traders' Bk.
 JAMES M. MORRISON, Manhattan Bank. SYLVESTER R. COMSTOCK, Citizens' Bk.

Committee on Suspensions—JAMES GALLATIN, National Bank, *Chairman*.
 JACOB CAMPBELL, Jr., Pacific Bank. ALFRED S. FRAZER, Seventh Ward Bk.
 GEORGE W. DURE, Bk. of State of N. Y. R. H. HAYDOCK, Fulton Bank.

Committee on Admissions—JOHN Q. JONES, Chemical Bank, *Chairman*.
 HAMILTON BLYDENBURGH, Nassau Bank. CHARLES F. HUNTER, People's Bank.
 D. RANDOLPH MARTIN, Ocean Bank. WILLIAM B. MEEKER, Bank of New-York.

Committee on Arbitrations—HENRY L. JAMES, Metropolitan Bank, *Chairman*.
 WILLIAM L. JENKINS, Bank of America. F. A. PLATT, Corn Exchange Bank.
 JOHN P. YELVERTON, Bk. of N. America. BENEDICT LEWIS, Butchers & Drovers' Bk.

Lansingburgh.—FRANCIS B. FANCHER, Esq., has been elected Cashier of the Farmers' Bank of Lansingburgh, N. Y., in place of ANSON GROSEBECK, Esq., resigned.

Syracuse.—D. BOOKSTAVEY, Esq., has been appointed Cashier of the Burnet Bank, Syracuse, N. Y.

Corning.—Q. W. WELLINGTON & Co. have commenced the banking business at Corning, N. Y. Mr. WELLINGTON has for some years been Cashier of the George Washington Bank, at the same place.

TAXATION OF GOVERNMENT SECURITIES.—The New-York Supreme Court, General Term, before Judges INGRAHAM, CLENKE and BARNARD, rendered the decision, (Judge CLENKE dissenting,) that all United States bonds, stocks, &c., issued before the passage of the act of Congress, September 7, 1862, which pronounced them exempt from taxation, are liable to taxation, under a State assessment, as personal property. The New-York city banks hold about \$12,000,000 of those which are liable to State taxation under this decision. But the court furthermore decided, that all United States bonds, stocks, &c., issued after the passage of the said act of Congress, on September 7, 1862, are exempt from taxation or assessment by the State.

MASSACHUSETTS.—At a meeting of the board of directors of the Fairhaven Bank, GEORGE F. TRIPP, Esq., was elected President, in place of EZEKIEL SAWIN, Esq., resigned.

Boston.—ELI R. RUSSELL, Esq., has been appointed to the head of the foreign money department of Suffolk Bank, in place of WILLIAM GRUBB, Esq., deceased.

Worcester.—At the meeting of the directors of the Central Bank, Worcester, held on the 6th October, MR. H. A. MARSH was elected Cashier, in place of GEORGE F. HARTSHORN, Esq.

Hartford.—A Hartford paper says that the Pratt-street Savings Bank in that city, which began on nothing in 1819, has now over \$4,000,000 deposits, and, last year, received nearly \$220,000 interest money.

Southbridge.—MR. S. M. LANE, formerly Cashier of the Southbridge Bank, Southbridge, Massachusetts, has been elected President, in place of MR. J. EDWARDS, Jr., who declined a re-election; and MR. HENRY D. LANE has been appointed Cashier.

VERMONT.—CARLOS NOYES, Esq., has been elected President of the Commercial Bank, Burlington, in place of Hon. LUCIUS E. CHITTENDEN, now Register of the Treasury of the United States, Washington.

RHODE ISLAND.—WILLIS COOK has been chosen President of the Smithfield Union Bank, Woonsocket, R. I., in place of JOHN OSBORNE, deceased. The latter was connected with that bank for a period of fifty-six years, having been elected clerk in April, 1806.

Woonsocket.—LIBBEUS GASKILL has resigned the Presidency of the Producers' Bank, Woonsocket, R. I.

CONNECTICUT.—Three of the banking institutions in Norwich, Ct., viz., the Thames Bank, Norwich Savings Bank and Chelsea Savings Bank, have purchased property on Shetucket-street, in that city, and will co-operate in the erection of a handsome block to cover the whole ground, and part of which they will occupy for their own business.

Small Bills.—The *Ætna* Bank, of Hartford, some time since offered to redeem the one-dollar bills of their bank, if cut in two parts, each half passing for fifty cents. It is supposed that some twenty thousand dollars worth of these cut bills are floating about Hartford. On the 8th inst. the bank commenced issuing one dollar bills from a new plate, and all persons are forbid cutting or mutilating any of said bills. This issue may readily be known from the old, by having a female hand figure on the right end of the bill, and being dated September 1st, 1862.

OLD BANK BILLS.—Three bank bills, amounting to the aggregate value of \$1,000, have been received by a firm in this city, in an anonymous note from England, requesting that, if the bills are good for any thing, the proceeds may be paid over to the Soldier's Relief Fund. The bills are, one for \$500 of the Merchants' Bank of New-York, dated January 1, 1830; one for \$400 of the Bank of New-York, dated September 1, 1829; and one for \$100 of the Mechanics' Bank, dated February 22, 1819. As these banks are all now in existence, although under new articles of association, the fund will be enriched by \$1,000.

Notes on the Money Market.

NEW-YORK, OCTOBER 25, 1862.

Exchange on London, at sixty days' sight, 145 @ 147.

THIS has been one of the extraordinary months in the financial history of the country, and will long be remembered as indicating the climax in the upward movement of foreign exchanges, and in the market values of gold and silver.

On the 15th, the enormous rate of 87½ per cent. premium on gold was reached at the stock board. There were some slight sales outside at a fraction higher. The price has since declined to 123 @ 129. On the same day the price of silver reached 129 @ 131, and government demand notes were sold at the same rates.

These high prices are the results partly of speculation and partly of fear. Many persons who lose sight of the permanent and the prominent resources of the country, seem to lose all confidence in its recuperative powers, and have hastily converted their spare cash and their securities into solid gold, thereby paying dearly for the exchange. Others who have surplus capital have invested in exchange on England and the continent at rates never before known in Wall-street. In some cases the rates for sterling bills were 150 @ 158 per cent., or 40 @ 48 per cent. above the real par.

The fever of speculation, too, has risen high, and the market values of gold have been encouraged by interested persons. The re-action has commenced, and we hope soon to record a return of rates to those quoted in May and June last. The country is now paying off a large foreign debt for money borrowed and for goods bought. Millions upon millions of dollars have been held in Wall-street of late years for account of foreign capitalists. State, city and corporation bonds have been sold abroad to a large extent; the holders of which, without due knowledge of the condition or resources of the country, have given orders for the conversion of such into gold for remittance home. Foreign capital has been largely withdrawn from New-York for Europe, although the operation has been attended with a loss of 10 to 40 per cent. in the too sudden conversion into coin.

It is difficult to say how much of the late disturbance of values, and the inflation of the currency, should be attributed to the new volume of government paper. The government expenses are more than six fold what they have been of late years. The government paper was, therefore, a military necessity, and an unavoidable measure of finance.

But we fear that the banking movement of the present year has been an unwise one. Had the banks confined themselves to the liabilities in the shape of circulation and deposits existing at the period of suspension, (the last day of the year 1861,) the new issues of the government would have been mainly confined to the liquidation of government claims. But the official returns of these institutions in a few localities show an unfortunate rush for profit through an enlarged volume of circulation and loans, an inflation more rapid than ever occurred before in the country. Since the suspension, the circulation in New-Hampshire has increased 97 per cent.; in Philadelphia, 188 per cent.; in Providence, 86 per cent. In six months the bank circulation of New-York city has increased 69 per cent.; in Massachusetts, 90 per cent.; in Baltimore, 82 per cent.; in Newark, N. J., 43 per cent.; and in the interior of this State nearly 11 per cent.

The enlarged volume of deposits is a more striking feature, viz.: in New-York city, 67 per cent.; and in Philadelphia, 52 per cent.; in Baltimore, 38 per cent.; in Rhode Island, 21 per cent., and all in six months. In the State of New-York, for the three months ending in July, the increase was 21 per cent.; in Boston, 31 per cent.; in Massachusetts country banks, 19 per cent.

The true policy of the banks was obviously toward a contraction, commensurate with the acknowledged decline in business generally. But prudence gave way to "fat dividends." Thus, in New-York city the increase of loans in six months is 82 per cent.; in Philadelphia, 24 per cent.; in Baltimore, 22 per cent. Should other portions of the country exhibit an equal inflation, the volume of the bank currency will have reached additions equal to forty or fifty per cent. beyond those at the early part of the year.

The prices of commodities in many instances more than keep pace with this enlarged banking movement. Cotton goods and other manufactures are quoted at advanced prices, partly owing to the new duty for internal revenues. The following are among the changes in cotton goods:

1861. 1862.		1861. 1862.	
Naumkeag Bleached Flannel,....	11c. .. 22c.	Atlantic A Brown Cottons,.....	9c. .. 20c.
" Brown "	10½ .. 23	" A "	9½ .. 20
Porter F ¼ Bleached Cotton,....	7½ .. 18	¼ Bartlett Bleached Cotton,.....	8 .. 18
" A 4-4 "	8½ .. 14	Amoskeag Stripe,.....	13 .. 23
Dwight 4-4 "	11½ .. 17	Sprague's Shirting Prints,.....	8½ .. 18
" 9-8 "	12½ .. 18	Bates' XX 44 Bleached Cotton,...	11½ .. 18
Old York Jeans,.....	10½ .. 18	Bartlett " " ..	10½ .. 16
Shawsheen Tick,.....	11 .. 23	" " " ..	10 .. 18
Dale Denims,.....	14 .. 26	Hamilton Wide Brown Cotton	
Sprague's Prints,.....	8½ .. 18	Flannel,.....	12 .. 22
Amoskeag Cambric,.....	5½ .. 10½	Hamilton Wide Bleached Cotton	
Naumkeag 9-8 Brown Cottons,...	9½ .. 18	Flannel,.....	12 .. 23

There has been a remarkable and rapid change in the features of the bank reports of this city for the present month, compared with those of the months of August and September. The net deposits last week reached the enormous sum of 164 millions of dollars, or 75 per cent. beyond those at the beginning of April. The loans reached 172 millions, or 83 per cent. in excess of those reported on the 1st of April last. The more active movement is mainly at the stock board, and not in the ordinary channels of business, which is indicated by the extraordinary volume of the exchanges. At the New-York Clearing-House last week these were reported at 255 millions, or over 42 millions per day; or more than double what they were when gold first began to rise rapidly in April last. The loans, specie, circulation, deposits and exchanges of the present year have been as follows, at the dates mentioned:

1862.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
January 4,....	\$ 154,415,000 ..	\$ 28,958,000 ..	\$ 8,586,000 ..	\$ 111,789,000 ..	\$ 100,642,000
February 1,....	144,675,000 ..	27,479,000 ..	6,404,000 ..	112,057,000 ..	98,791,000
March 1,....	187,674,000 ..	29,826,000 ..	5,868,000 ..	107,974,000 ..	109,864,000
April 5,....	124,477,000 ..	33,764,000 ..	7,099,000 ..	94,092,000 ..	111,836,000
May 3,....	133,406,000 ..	35,175,000 ..	8,482,000 ..	109,684,000 ..	140,952,000
June 7,....	142,818,000 ..	31,248,000 ..	8,813,000 ..	125,566,000 ..	143,123,000
July 5,....	148,648,000 ..	31,790,000 ..	9,270,000 ..	127,496,000 ..	149,748,000
August 2,....	150,517,000 ..	34,022,000 ..	9,311,000 ..	137,112,000 ..	149,167,000
Sept. 6,....	153,485,000 ..	36,133,000 ..	9,643,000 ..	142,668,000 ..	154,074,000
" 27,....	180,161,000 ..	37,592,000 ..	9,860,000 ..	158,291,000 ..	196,579,000
October 4,....	165,057,000 ..	33,825,000 ..	9,906,000 ..	157,944,000 ..	239,013,000
" 11,....	169,675,000 ..	39,268,000 ..	9,380,000 ..	162,965,000 ..	243,089,000
" 18,....	173,512,000 ..	38,750,000 ..	9,907,000 ..	164,837,000 ..	255,444,000
" 25,....	174,879,000 ..	37,458,000 ..	9,378,000 ..	164,497,000 ..	245,940,000

We think there is an obvious connection between the rise in gold and the bank expansion of the year. There was in New-York and Boston a conservative bank movement from the early part of January (when the suspension became known) and the month of April. The sudden advance in loans, deposits and circulation since April has been accompanied by a corresponding rise in the value of gold and silver. We refer to the following figures of the Boston bank report to confirm this point:

1862.	Loans.	Specie.	Deposits.	Circulation.	Price of gold.
January,.....	\$ 55,612,000 ..	\$ 8,920,000 ..	\$ 27,098,000 ..	\$ 6,451,000 ..	.....
February,.....	62,693,000 ..	8,529,000 ..	23,500,000 ..	6,360,000 ..	.....
March,.....	61,678,000 ..	8,864,000 ..	21,308,000 ..	6,318,000 ..	1½ @ 3½
April,.....	61,308,000 ..	8,674,000 ..	21,014,000 ..	6,557,000 ..	1½ @ 3½
May,.....	59,805,000 ..	8,568,000 ..	23,823,000 ..	5,453,000 ..	2½ @ 4½
June,.....	60,677,000 ..	8,689,000 ..	26,780,000 ..	5,843,000 ..	3½ @ 9½
July,.....	64,590,000 ..	7,984,000 ..	26,868,000 ..	6,943,000 ..	8½ @ 20½
August,.....	66,884,000 ..	7,966,000 ..	27,315,000 ..	6,633,000 ..	12½ @ 16½
September,.....	69,130,000 ..	8,048,000 ..	26,646,000 ..	6,815,000 ..	16½ @ 24
October,.....	72,582,000 ..	7,642,000 ..	23,316,000 ..	7,322,000 ..	22 @ 37½

The movements of the Philadelphia banks show more inflation than is shown in Boston.

The transactions in foreign exchange have been somewhat restricted by the high prices that have prevailed. The culminating point was in the week ending the 19th inst., when the price of gold having reached a fraction over 87 per cent. premium, some bankers refused to draw under 150 @ 152 for sterling-bills on London at sixty days. There were then transactions at 148 @ 150 on London; 8.85 @ 8.75 on Paris; 104 @ 107 on Bremen; 55 @ 58 on Amsterdam; 49 @ 51 on Hamburg; 56 @ 57 on Frankfort. These high rates prevailing throughout the year are encouraged by the enormous export of specie for the 9½ months ending 18th inst., viz.:

1862,.....	\$ 22,242,000	..	1856,.....	\$ 80,644,000	..	1860,.....	\$ 41,062,000
1863,.....	19,562,000	..	1857,.....	83,314,000	..	1861,.....	3,294,000
1864,.....	33,410,000	..	1858,.....	22,915,000	..	1862,.....	47,526,000
1865,.....	25,496,000	..	1859,.....	61,129,000			

The following will show the current rates on foreign bills toward the close of the last four months:

	July 22.	Aug. 23.	Sept. 22.	Oct. 22.
London, bankers' bills,.....	181½ @ 183	.. 197½ @ 198	.. 129 @ 129½	.. 145 @ 147
" mercantile bills,....	180 @ 180½	.. 126 @ 127	.. 128½ @ 129	.. 148 @ 145
" with bills of lading, 129	@ 129½	.. 125½ @ 126	.. 128 @ 128½	.. 143 @ 143
Paris, bankers' bills,.....	4.85 @ 4.80	.. 4.45 @ 4.87½	.. 4.42½ @ 4.85	.. 4.00 @ 3.85
Amsterdam, per guilder,....	48½ @ 49½	.. 47½ @ 47½	.. 48 @ 49	.. 58½ @ 55
Bremen, per rix dollar,....	93½ @ 94½	.. 90½ @ 93	.. 93 @ 93	.. 102 @ 104
Hamburg, per mare banco,...	48½ @ 44½	.. 42½ @ 43	.. 42 @ 43	.. 47 @ 49
Frankfort, per florin,.....	48½ @ 49½	.. 47½ @ 48	.. 48½ @ 49½	.. 54½ @ 55½

A general rise is seen in the market values of stocks. The facility existing in Wall-street for borrowing on stocks has led to higher prices and very large transactions. We may demonstrate this by reference to the large amount of checks passing through the Clearing-House. Government six per cents of 1861 have advanced to 108½ @ 104; five per cents, 98 @ 98½. California State sevens have sold at 114. Pennsylvania fives are quoted 94½ @ 95½; Missouri sixes, 58½ @ 54; Virginia, 63½ @ 64; Tennessee, 54 @ 54½; Michigan seven per cent. war loan, 107 @ 103; Indiana six per cent. war loan, 100; Illinois coupon bonds of 1877, 105 @ 106; Government 7 3-10 bonds are in active demand at 105½ @ 106.

We annex the highest cash prices offered for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Aug. 11th.	21st.	Sept. 1st.	11th.	20th.	Oct. 1st.	11th.	20th.
U. S. 6's, 1861, coupons,....	99½	101½	101	100	109	108	101½	108½
U. S. 5 per cents, 1874,....	86½	90½	89	88½	90½	91	92	92½
Ohio 6 per cents, 1886,....	104½	106	107	107	108½	108½	108½	109
Kentucky 6 per cents,....	94	94	94	95	98	98	98	94
Indiana 5 per cents,.....	80	..	80	..	77	..	..	..
Pennsylvania 5 per cents,.	92	92½	88½	89½	89½	91	98	94½
Virginia 6 per cents,.....	54	56	56	56	55½	58½	55½	64
Georgia 6 per cents,.....	70	78	78	73	78	..	..	..
California 7 per cents, 1877,	97	97½	98	100½	105½	110	112	114
North Carolina 6 per cents,	65	66	67½	67½	66½	67	68	69
Missouri 6 per cents,.....	46½	48½	47½	46½	47½	50	48	53½
Louisiana 6 per cents,....	63	64	65	65	60	..	..	..
Tennessee 6 per cents,....	50½	52½	49½	49	50½	51½	50½	52½

In rail-road shares the sales have been large, and the market subject to severe fluctuations during the month. New-York Central shares have realized a premium, for the first time for several years. Erie shares have reached 68½ this week; Erie, preferred, 92½; Hudson River shares, 68; Michigan Central, 88; Panama, 150; Rock Island, 82. New-Jersey Rail-Road shares are quoted 140 @ 143; Delaware and Lackawanna, 114; Cleveland and Pittsburgh, 89 @ 40; Norwich and Worcester, 66; Pittsburgh and Fort Wayne, 60 @ 61.

We annex the current cash quotations for leading shares in this market since the middle of August. Those with a star [*] pay no dividend this year.

	Aug. 11th.	21st.	Sept. 1st.	11th.	20th.	Oct. 1st.	11th.	20th.
N. Y. Central R. R. shares,	92½	93½	94	94½	94½	104	98½	106½
*N. Y. and Erie R. R. shares,	85½	88½	88½	88½	42½	49½	42½	58½
*Harlem R. R. shares,	15½	16½	15½	15½	17	21½	17½	20½
*Reading R. R. shares,	58½	59½	61	59	64	70½	68½	77½
*Hudson River R. R. shares,	47	49½	52	52	54½	63½	54½	66½
Michigan Central R. R. shares,	63½	67	62½	63½	73	84	78½	86
*Michigan Southern R. R. shares,	27	30	31½	31½	33	38½	38½	40½
Panama R. R. shares,	187	189	183	141	141	145½	148	148
Baltimore and Ohio R. R. shares,	64½	68	68	65	68	70	69	73
*Illinois Central R. R. shares,	59½	61½	62½	68	65	77½	65½	79½
*Cleveland and Toledo R. R.,	48½	52½	53½	54½	57½	69½	58½	69
*Chicago and Rock Island R. R.,	66	67½	67½	67½	69½	80	70½	80½
Galena & Chicago R. R. shares,	70	73	72½	72½	74	82½	74½	83½
Chicago, Burlington & Quincy,	83½	85	87	86	90	100	90	104
Pacific Mail Steamship shares,	110	109½	111½	111	112½	121	118	125

The following table represents the capital, deposits, circulation, specie and loans of the banks of the three cities for the third week in October, 1862:

CITIES.	Capital.	Deposits.	Circulation.	Specie.	Loans.
New-York,	\$ 69,494,000 ..	\$ 164,837,000 ..	\$ 2,907,000 ..	\$ 88,750,000 ..	\$ 172,512,000
Boston,	88,231,000 ..	47,184,000 ..	7,923,000 ..	7,842,000 ..	72,582,000
Philadelphia,	11,717,000 ..	38,186,000 ..	5,050,000 ..	5,468,000 ..	33,526,000
	\$ 119,442,000 ..	\$ 244,657,000 ..	\$ 22,780,000 ..	\$ 102,060,000 ..	\$ 280,571,000

The ratio of these to capital will appear by the following statement:

CITIES.	Capital.	Deposits.	Circulation.	Specie.	Loans.
New-York,	\$ 69,494,000 ..	\$ 236.50 ..	\$ 14.25 ..	\$ 55.77 ..	\$ 248.22
Boston,	88,231,000 ..	128.40 ..	90.47 ..	20.51 ..	180.73
Philadelphia,	11,717,000 ..	292.80 ..	43.10 ..	46.66 ..	306.30
	\$ 119,442,000 ..	204.88 ..	19.07 ..	43.50 ..	234.90

The New-York board of brokers passed a resolution, on the 22d inst., prohibiting the sales or calling of gold and demand notes on the stock exchange, and this rule will go into practical operation on the 27th inst.

DEATHS.

At MEMPHIS, TENN., May 26th, S. H. BULLEN, Esq., Cashier of the Bank of Kentucky, at Louisville.

At SAVANNAH, GEO., J. K. TRUFF, Esq., Cashier of the Bank of the State of Georgia.

At HOLLY SPRINGS, Miss, in September, 1862, WILLIAM G. HEWES, Esq., formerly President of the Commercial Bank of New-Orleans, and of late years President of the Bank of America, New-Orleans, and for many years a prominent merchant of that city. Mr. HEWES was formerly President of the Great Western and Opelousas Rail-Road Company.

At WATERFORD, NEW-YORK, Friday, October 17th, JOHN KNICKERBACKER, Esq., President of the Saratoga County Bank, at that place.

THE
BANKERS' MAGAZINE,
AND
Statistical Register

VOL. XII. NEW SERIES. DECEMBER, 1862.

No. 6.

NEW VIEWS OF THE CURRENCY.

Views of a New-York State Banker—A Boston Merchant—A Pennsylvania Banker—A Pennsylvania Merchant, and others.

THE banking returns of the New-England States and other portions of the country, for the present year, show that a remarkable increase has taken place in the bank circulation since the suspension of specie payments. This increase in the States of Maine, New-Hampshire, Massachusetts, Rhode Island, New-York and New-Jersey, and in the cities of Philadelphia and Baltimore, exceeds twenty-five millions of dollars on a previous amount of sixty-five millions, or about thirty-eight per cent. This movement has been accompanied by an increase of about twenty-two per cent. in the loans, or an aggregate increase exceeding ninety millions.

This increase of circulation in the interior of the State of New-York exceeds eleven per cent., and in the city, sixty-eight per cent.; in Boston, forty-six per cent.; in the interior of Massachusetts, forty-two per cent.; in New-Hampshire, twenty-seven per cent.; in New-Jersey, one hundred and nine per cent.; in Philadelphia, one hundred and thirty-eight per cent.; and in Baltimore, thirty-two per cent. The general changes at this time, compared with the minimum during the early part of the year, are shown in the annexed summary:

**AGGREGATE INCREASE OF BANK CIRCULATION, DEPOSITS AND LOANS IN THE YEAR 1862,
WITH THE RATIOS OF INCREASE.**

	Bank Circulation.		Bank Deposits.		Bank Loans.	
New-York City,...	\$ 5,870,000	\$ 9,900,000	\$ 93,700,000	\$ 167,400,000	\$ 123,000,000	\$ 176,500,000
N.Y. State, interior	22,460,000	24,910,000	45,100,000	52,900,000	88,600,000	94,700,000
Boston,.....	5,340,000	7,790,000	19,970,000	29,300,000	60,300,000	72,500,000
Mass., interior,...	12,780,000	21,070,000	8,300,000	12,436,000	45,500,000	53,103,000
New-Hampshire,...	2,994,000	3,804,000	907,000	1,323,000	8,365,000	7,835,000
Maine,.....	4,040,000	4,840,000	3,307,000	3,686,000	12,680,000	12,505,000
Rhode Island,.....	3,896,000	4,587,000	4,707,000	7,375,000	26,560,000	28,128,000
New-Jersey,.....	3,878,000	8,124,000	6,242,000	8,478,000	13,768,000	19,118,000
Philadelphia,.....	2,145,000	5,111,000	16,636,000	25,419,000	28,037,000	34,826,000
Baltimore,.....	2,566,000	8,400,000	6,371,000	8,845,000	15,108,000	18,464,000
	\$ 65,379,000	\$ 93,336,000	\$ 205,240,000	\$ 318,167,000	\$ 421,921,000	\$ 518,064,000
Minimum, .....	....	\$ 65,379,000	....	\$ 205,240,000	....	\$ 421,921,000
Actual Increase,...	....	\$ 27,957,000	....	\$ 112,927,000	....	\$ 96,143,000
Ratio of Increase, .....	....	42.75	....	55.12	....	22.79

The important influence exerted by the currency of the country upon its public affairs cannot be overrated by our legislators or statesmen. Hence the necessity of treating the subject carefully and upon truly national grounds, independently of all local and individual purposes and ends. This influence, be it good or bad, of the currency upon the public affairs of a great nation, was well depicted by a noted English statesman, in 1844, pending the renewal of the charter of the Bank of England. Its importance is far greater now, when the commerce, foreign and domestic, of leading nations has more than doubled in the short space of eighteen years; and especially at this moment, when the affairs of the United States are so sadly disturbed, is it important that the true principles of banking and the currency should be clearly laid down and rigorously followed.

We will here repeat the language* of the eminent British statesman, in Parliament, in the year 1844, upon this subject of the currency and the necessity of placing adequate restraints upon the banking privilege :

“ There is no contract, public or private; no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements made in all the domestic relations of society, the wages of labor, pecuniary transactions of the highest amount and the lowest, the payment of the national debt, the provision for the national expenditure, the command which the coin of the lowest denomination has over the necessities of life, are all affected by the decision to which we may come.”

These are plain words, and forcibly expressed; but the noted orator did not overstate the real importance of the matter then before Parliament.

The Edinburgh Review well defined money, when the writer said, thirty-six years ago :

* See “ *History of the Bank of England*,” 1862, page 276.

“Money is by far the most important of all the measures used in a State; and if it be, as it undoubtedly is, most proper and expedient to take measures for rendering all foot-rules of the same length, and all bushels of the same capacity, it must be equally proper and expedient to take measures to prevent any variation in the measure of value, or, which is the same thing, in the value of money. The justice of this principle is obvious; and the legislature has already on many occasions recognised it.”

The enlarged circulation is partly in small bills, to supply the vacuum created by the withdrawal of a similar amount of gold and silver from active use in commercial and domestic circles. The enlarged volume of loans is partly attributable to further investments in public stocks; but the policy of the banks, in thus adding to the speculative feeling in the community, may well be questioned.

We have taken occasion, in view of the circumstances, to appeal to the judgments of various gentlemen, who have had long experience and an active participation in the financial affairs of the country, in order that those fully conversant with the subject might make known their views.

From a New-York State Banker.

To the Editor of the BANKERS' MAGAZINE:

* * * The government has been forced by circumstances beyond its control to expand the currency. It is an inevitable result of the war, and the consequent very large disbursements. It is not in the power of man to do more than the government has done, to provide for its indispensable wants, and in a way less injurious to the currencies and the fundamental interests of the nation. If gold had taken the place of paper in all government payments it might have increased, but I do not think it would have lessened, the inflation of prices which exists, except in regard to gold itself, and *that*, in my judgment, has been enhanced, not mainly from the increased amount of the currency, but from the fact that it has been hoarded, and bought up, and monopolized for purposes of speculation.

And it has gone up in price just as any other necessary article would, which should be monopolized by a few individuals. It was stated a few weeks since, in the *New-York Times*, on the authority of a banker, that twenty millions of dollars were then loaned on a pledge of gold in that city. I think the amount thus loaned is not so large as stated. But no doubt considerable sums are thus loaned in most of our principal cities; and should the loans be called in, the depreciation in the price of gold would result as a natural consequence. There is also a class of men of large means, who hoard gold with a view to profit by its advance, and their profits are increased, and their operations enlarged by the government, in allowing them to make special deposits of gold on interest at the Sub-Treasury in New-York, and perhaps elsewhere. There are also speculators in foreign exchange, who are closely allied to speculators in gold. Large investments are made in foreign exchange, not for remittance, but simply to hold on speculation. But for these causes, I am of

the opinion that gold would range at only a very moderate premium, and would only increase as the result of excessive foreign importations.

In regard to circulation, soon after the rebellion broke out, a number of banks in the Western States, who held Southern stocks, were, by their depreciation, driven into bankruptcy. This opened a considerable field for the circulation of Eastern banks. Produce has brought high prices, and transportation has been heavy, and at increased charges; and to facilitate the purchase and movement of produce, a great increase of circulation has been needed. In addition, the large amount of coin suddenly withdrawn everywhere from circulation, had to be replaced by paper issues. Another all-pervading demand for currency, and perhaps paramount to all others, is the bounty paid to volunteers. In my experience of fifty years, I have never known such a demand for currency, and such continued inability of the banks to meet it. All the banks in this State, and I think also in the other States, have daily paid out all their miscellaneous receipts of bank notes and Treasury notes; and it has been a very common thing to refuse, in the interior, to cash good checks on New-York, for the want of currency; and at the West, Chicago and other places, checks and drafts on New-York, instead of bringing a premium as usual, have sold at a discount for ordinary country currency.

The increase of bank capital in this State for ten years, ending September, 1861, was a trifle over fifty millions; whereas, the circulation decreased, for the same period, two millions.

By the following attached table, you will see the operation of the banks in this State from March 15th to September 27th, 1862. The increase of circulation in the city of New-York was $65\frac{1}{5}$ per cent., pretty near your statement, but the increase in the rest of the State was only $23\frac{1}{8}$. The increase of deposits in New-York is also less than you suppose, say, in round numbers, fifty-three millions, and in the rest of the State only nine millions. Loans and discounts in New-York city have actually fallen off two millions, instead of having increased $32\frac{1}{5}$ per cent. These differences are to be accounted for from your taking the first six months,* whereas I take the six months ending September 27. You speak of an increase of loans and discounts on a diminished business; but I would remind you, that coin and government and other securities, as the security for loans have, to a considerable extent, taken the place of legitimate business or commercial paper, though the banks have more than their usual share of such paper, from the reduced rates at which they take it, ($4\frac{1}{2}$ or 5 per cent.,) thus diverting it from private bankers and individuals, and much of it the banks take in one name, when other parties probably require two.

To prohibit the export of gold would operate to diminish foreign imports, or to greatly increase our exports. The latter would, of course, increase the price of all articles sent abroad. If importations can afford to pay the present exchange, with our increased tariff, then enormous profits must have been realized under the old tariff and the usual exchange.

* We have taken the minimum amount of the year, in order to contrast with the maximum. This only will show the expansion.—*Eds.*

		As per Reports for 16th March, 1862.		As per Reports for 5th Sept., 1862.
New-York City banks, loans and discounts,	\$ 98,584,943		\$ 96,901,038	
All other banks,..... "	63,481,035		60,282,040	
		\$ 162,017,978		\$ 157,183,078
New-York City banks,..... specie,	81,067,652		87,165,848	
All other banks,..... "	3,218,440		2,118,188	
		84,301,092		89,284,036
New-York City banks,..... circulation,	5,870,885		9,710,016	
All other banks,..... "	22,460,588		27,847,257	
		28,330,973		37,557,273
New-York City banks,..... deposits,	89,789,110		142,898,019	
All other banks,..... "	85,197,149		43,992,788	
		174,986,259		186,890,795

It is possible that, if the export is prohibited, it may induce the English, in order to secure our trade, to think better of our government stock, and, by purchases of it, reduce the premium on exchange. I have reason to believe, that the balance in favor of England has been increased by the return and sale of American securities. And that this has been done, less from distrust than from a design to embarrass our government, and the belief that they could reinvest, if they desired to do so, at reduced rates. I would not be surprised if a state of things should arrive to justify a duty on the export of specie, or its prohibition absolutely, or when the premium on gold exceeds a certain per centage.

The legal tender notes saved our government and people from inevitable and overwhelming bankruptcy and ruin. This fact is too evident to be doubted. No financial officer of the government could, from the violence of old prejudice and public clamor, safely have ventured upon the experiment in ordinary times. But since it has been inaugurated by the demands of inexorable necessity, I am anxious to have it fairly tested, to see if there be not in it the germ of a future policy in harmony with the great and abiding interests of our country.

However this may be, the time seems distant when we can safely return to specie payments. In the mighty operations in which we are engaged, who can calmly contemplate the consequences of suddenly emerging to the other extreme? The change, to be enduring, must be slow and gradual, even with the protection afforded by the present tariff against excessive importations, and the consequent revulsion which follows a heavy call for gold for shipment. What we want, as the incentive and reward of labor and enterprise, is a settled and permanent condition of our monetary affairs, to enable business men to make a reasonably safe calculation for the future. If I mistake not, the legal tender notes will contribute to this end, by lessening the force and frequency of those great and sudden revulsions which have visited us in the past, and which no human wisdom could foresee, and no prudence guard against.

I have already written too much to authorize a further elaboration of my views on this subject. As to what you say about the publication of this reply to your inquiries whether, under my own name, or anonymously, or at all, or whether, in whole or in part, I leave entirely to your better judgment. Though I presume on no right or ability to instruct the public, I yet have no desire to conceal the opinion which I entertain on matters connected with the business of my life.

From a Boston Merchant.

To the Editor of the BANKERS' MAGAZINE:

The expansion of bank loans, deposits and circulation, has undoubtedly had much to do with the present depreciation of the currency; but the sole cause or basis of that expansion is the issue of "legal tender notes" by government. This result was predicted at the very outset by some of the strongest supporters of the administration, such as the *New-York Evening Post*. During the suspension of 1857, the banks mutually redeemed their issues in coin at the clearing-houses, and thus prevented undue expansion. After the suspension of 1861-2, the same course was attempted, but the "legal tender" issues made it impossible to enforce it. Of course, with an abundant and constantly increasing supply of United States notes, (which could not, like specie, be diminished by exportation,) the banks run no risk in increasing their own issues to the utmost limit (usually a very liberal one) of the local laws.

I need hardly point out to you, that bank notes will usually circulate locally in preference to United States notes: 1st. Because they are better known. 2d. Because, to some minds, they may seem better secured by specie and local personal securities. 3d. Because those who circulate them are personally interested in the banks as stockholders or borrowers; and, 4th. Because they can always be exchanged at will for United States notes.

It seems obvious, that when the currency of any country exceeds in amount the wants and convenience of the community, it will, by the natural efforts of the holders to get rid of it, lead to speculation, and thus advance prices. When specie is at par, the result will be to send a portion of it abroad, in payment of foreign importations, and this will check bank issues and restore the equilibrium of the currency. When specie is not at par, the same tendency will exist; but as the banks do not pay specie, their issues need not be diminished, and the redundancy of currency will continue. Holders of it will then seek to get rid of it by purchasing specie, or any other merchandise which may promise a profit; and if the issues of paper continue to increase, and there is no prospect of early redemption, the element of distrust will be added to that of speculation, and the depreciation of paper currency (as we now see) may go very far. Beginning with specie and foreign merchandise, it will gradually affect the prices of every thing, even of real estate. Should this be accomplished, and a permanent depreciation of 25 or 50 per cent. in the currency be established, a party would soon be found in the country to advocate a partial repudiation of that currency, and, perhaps, of the debt based upon it, on the ground that the holders had not given full value for it. Of course, in that case, the banks also must repudiate or be ruined.

All this disgrace and ruin can be at once prevented by the prompt action of the government. The evil has been caused by a redundancy of currency; the remedy (and the only remedy) must be the return of the currency to its normal dimensions. It is probably neither desirable nor possible to resume specie payments at present; but I believe it quite possible to bring up the currency within ten per cent. or less of specie within sixty days.

At the commencement of the war, the bank circulation of the loyal States was about \$150,000,000. A portion of this, however, was not *permanent*, but consisted of large notes used for the convenience of bank payments, transfers and remittances, as checks are used by merchants, and these were usually redeemed almost as soon as issued.

The remainder, and probably much the larger part, consisting chiefly of notes of \$10 and under, was kept in permanent circulation by the people, and constituted a loan from them to the banks. If this permanent bank circulation, of say \$100,000,000 or more, could have been all withdrawn, and an equal amount of United States notes substituted for it, of course no disturbance would have occurred. If the United States notes had been made receivable for all public dues, an additional amount of possibly \$50,000,000 might have been absorbed for the convenience of the banks and the public, and this might possibly have been increased \$50,000,000 more by the operation of the internal taxes. Instead of this, we have now a bank circulation of (I suppose) 200 to 250 millions, and bank deposits (which for business purposes answer all the ends of currency) augmented perhaps 50 per cent., all based on government issues, sufficient of themselves to meet *all* legitimate demands for currency. It may be asked, why do not the holders of United States legal tender notes exchange them for 5.20 bonds? The banks will not, because they need them instead of specie, to redeem their own enormous liabilities. The merchants will not, for they need them to pay their debts, and to carry on their business. The capitalists will not, because they can make more profit by other speculations. At any rate, experience shows that this remedy for redundancy of currency is a failure.

To prohibit the export of gold would do no permanent good, but in the end make ruin more complete. It would greatly increase the incipient distrust already existing, would lead to extensive hoarding of specie, and would utterly destroy the last remnant of our public credit abroad. It would be a remedy worthy of the barbarism of the middle ages, and utterly unjustifiable on the commonest principles of law and equity.

Undoubtedly we may, (as you suggest,) "with more economy in the future, get comparatively out of debt abroad, and thus (by balance of trade again in our favor) put a stop to the export of gold." But this economy can only be enforced by the *necessity* arising from the disappearance of fictitious wealth; in other words, from a (nominal as well as real) *scarcity of money*, such as can only be effected by a reduction of the currency.

When the war broke out, the uncertainty of affairs led to very great reductions of expenditure, while the value of our cotton and other merchandise was greatly increased. In this way a large surplus of money was accumulated, and a large amount of gold imported. Since then our stocks of foreign merchandise have been probably exhausted, and so many persons have been enriched by the war expenditure of the government, that the demand for foreign luxuries has greatly increased; leading to heavy importations, and thus still further deranging the currency. This evil would be reduced to its minimum, by reducing the present abundance of money, or that which passes for it. In 1861 our economy was voluntary; it must now be compulsory.

The only remaining question is, how to reduce the volume of currency! When Congress meets, a tax on bank circulation (if it can be carried) would have an excellent effect; say one per cent. on all issues up to one-quarter of their capital, and two per cent. on all above that amount. But a far more effective measure would be to reduce the amount of government notes, by issuing proposals for a loan, say of \$50,000,000, payable in legal tender notes.

This and the issue of one year certificates, and perhaps of $3\frac{4}{5}$ two year Treasury notes, with the daily operation of the tax-bill, would produce a wonderful effect. The banks would then lose no time in calling in their issues, and the change would be great and rapid. It is surely better to borrow money at six per cent., and pay only five or ten per cent. premium on the specie cost of goods, than to borrow, nominally at par without interest, and lose 25 to 50 per cent. in the prices paid to contractors. But even this is not so bad as unsettling the whole values of the country, and incurring a serious risk of ultimate insolvency.

From a Philadelphia Merchant.

To the Editor of the BANKERS' MAGAZINE:

I do not think the issues of currency by the Treasury are the causes of the high prices of gold and other commodities. Neither do I think the increased issues of the banks chiefly responsible for this result, though no doubt the increased issues of the banks have had more tendency that way than those of the government, for they circulate in the direct channels of trade, where prices are made. Prices have not increased so much from redundancy of currency as from other causes. Excitements breed speculation. The actual demand for gold and exchange awakens speculation. The importation demands of the government, for many articles of army supplies, induces speculation, and the rise in one article generally carries several up with it. When many commodities increase in price, a feverish uneasiness is created among those who do not discriminate, and many purchase because they fear a general advance in prices. It is perfectly clear to me, that the rise in prices is due to special causes which can be traced, and that there is no depreciation of the currency to which the rise can be attributed. The whole cry about the depreciation of paper comes from those who hold that gold cannot rise in price; an incurable fallacy, which leads many minds captive.

I would not hesitate to prohibit the export of gold in cases of emergency to save the country from a financial or commercial revulsion, but I do not think the present occasion demands it, more especially as the banks are in a state of suspension. The high price of gold is a better check to exportation than legal prohibition. The present benefits of the high price of gold are greater than the evils. Indeed, the worst effect, just now, is the false conclusions which are derived from it.

The industry of the Northern Middle States has a career of great prosperity before it, if the seat of war is kept at the South, and if political troubles do not disturb us. The high prices are not objectionable in every point of view. We are just escaping from a range of prices fixed

largely by the operations of foreign commerce. The price of labor here justifies a higher range of prices; when they are established, great activity will ensue, and the level of prices and compensation will be more just at home than when they are mainly under the influence of foreign trade. Fair prices for our home industry can only be established as between those engaged in home industry by home competition. I look for great activity in all branches of domestic production for a long period. With this advantage, the government can obtain all the money required to crush the rebels and raise the revenue to pay the interest, provided the confidence of the people can be retained. Although I do not believe there is any serious redundancy of the currency, I regret the increased issues of the banks.

No doubt their increase is due in part to the legitimate demands of business, but the required increase should have been supplied from the Treasury. The reasons for the whole issue of paper currency being under the control of the government, are not less strong than those which apply to coinage. The government now has not only the motive of the present wants of the Treasury, but the recovery of a right which should never have been conceded; that of issuing paper currency, to an arrangement with the banks for the surrender of their circulation. It is a public measure of the highest importance, if connected with a well-digested system for the circulating Treasury notes. To tax this circulation out of existence would, I fear, be only a temporary cessation of the evil, but to buy it off, and legislate against any future attempts, might succeed. It appears to me it could be bought off with a gain and not a loss. The advantage to the government of having the whole circulation would be very great, besides its security to the people. The city banks have responded largely to the wants of the government; let the country banks do their part by giving up their circulation. This could be facilitated by a measure which would be popular. But I will not refer to it now.

You ask if, by strict economy, we may not get out of debt abroad, and by a favorable balance put a stop to the export of gold. I have no apprehensions on that subject. I believe the country will rise with a rebound after this blow is over, and the public debt, even if it runs to three times its present magnitude, will work like a balance-wheel to steady the movements of both commerce and finance. I look, however, to the Secretary of the Treasury for such modifications of our public systems of finance and banking as will secure the country hereafter from some of the mischiefs produced by them in time past. Mr. CHASE has a power over both of these systems enjoyed by no previous Secretary of the Treasury. I have been so pleased with his past administration that I have great confidence in its results. If any plan of permanency is under consideration, special clauses should be inserted in reference to domestic exchange. This opens a door to a control of the banks both complete and wholesome. The domestic exchanges of the country are now conducted by banks and bankers almost without control. These exchanges furnish not only a mode by which control may be introduced, but one in which revenue might be raised.

With great respect, truly yours.

From a Pennsylvania Bank Cashier.

To the Editor of the BANKERS' MAGAZINE:

* * * There have been many vicissitudes in finance. During my thirty years of experience in banking, I thought I had learned something, but I must confess I am now sadly astray in my ideas, or my financial brethren are drifting madly to destruction. Your esteemed favor of the 18th inst. comes to me opportunely, and I hasten to answer it. It is rather gratifying to find that your thoughts have been directed to a subject that has much occupied mine, and I am led to believe we are not far apart in our conclusions. Your statistics confirm my impressions. Let me add to them: On the first of last April the banks of one city had \$2,860,000 in circulation, and on the first of the present month they had increased their issue to \$5,390,000. *And they will not stop here!* If the banks had kept close to the same line of conduct as in 1861, the financial state of the country would be in a much wholesomer condition than we find it. Secretary CHASE has been governed by expediency, and as he is a man of extraordinary ability and acknowledged patriotism, I feel sure that in yielding a principle, it was done to save the nation. To have attempted the payment of specie for the national debts would have been suicidal. The present banking system of the country would have made it an impossibility. Indeed, the promptitude of the suspended banks in aiding Mr. CHASE, commended them to his favor, and the caresses bestowed on them has doubtless produced the present embarrassing consequences. He is a purblind observer, however, who cannot see on the horizon the dark clouds which portend an approaching storm. The government cannot come to specie payments while the State bank system is permitted to flood us with an irredeemable currency; but the Secretary of the Treasury has more power to prevent a destructive financial crisis than any man living. If he allows the current to flow wildly to our ruin, he will only be another JOHN LAW; if he resists it with a bold hand and indomitable will, he will be recognized hereafter as a wise statesman and a public benefactor.

The evil is mainly with the banks. You point out the enormous bank expansion, in the face of a generally diminished business. There is no legitimate demand for money to increase bank loans. But a legalized suspension of specie payments, without any wholesome restraints upon cupidity and folly, is producing the bitter fruits that I expected long ago, and that you also must have foreseen. The government was forced by a national exigency to become a large borrower, and also to make a currency. The rebellion paralyzed business; credit was destroyed; the banks and money lenders had to seek other investments than commercial notes and bills. Government bonds were offered in the market, and immediately became a legitimate object of investment. So long as capitalists had confidence in the ability of the government to overcome the rebellion, they would not hesitate to invest in its bonds. That confidence is yet strong, or those securities would not be at a premium over the existing currency. Specie is the true measure of value. As a paper currency recedes from the specie standard, it betokens want of confidence in its real value. The

breach between our currency and specie is widening fearfully. Is the cause an apprehension of national ruin, or is it traceable to the over issue of irredeemable paper by the banks? Doubtless the former has its influence, but I ascribe the chief cause to the latter.

Government bonds free from taxation, and the interest payable in gold, can only cease to be appreciated when all hope for our nationality is lost. The legal tender notes are equal to specie for the payment of debts, and being convertible into six per cent. bonds, have a value intrinsically. An irredeemable bank note is a broken promise, with the evidence of falsehood upon its face; is a fraud upon the public, and a satire upon the intelligence of our legislators. The present expansion of the banks is unjustifiable. You have truly stated, that "they have, for the sake of profit, but contrary to prudence, contributed to the expansion now observable." They will continue to expand until the bubble bursts, or the iron hand of government interferes to save the people. This *ad libitum* issue of paper is filling up all the channels of circulation, and forcing specie into the clutches of hoarders and the hands of brokers. It is inflating values, stimulating stock speculations, will soon give a fictitious value to real estate, and will end in a crisis such as we have never yet experienced in our history.

You ask me, would a prohibition of the export of gold do any good, or lessen the evil? I answer, *No*. If gold goes to Europe it must be to pay debts, or purchase what our people are willing to buy. An abundant currency excites extravagance, and creates an appetite for articles of foreign luxury, which must, in the end, be paid for by our domestic produce or our gold. If we would avoid the evil, we must remove the cause. How is that to be done? Not by refusing gold to Europeans in payment of our debts; or for the avails of our own stocks returned and sold among us; or for the articles our appetites crave; but by prohibiting the circulation of irredeemable bank notes, so long as the government is forced to pay her debtors in paper currency. Between the government and the banks there must be no competition. Two currencies are an abomination in finance. The bad will interfere with, if not destroy, the good. The lean kine will devour the fat kine. Let the government do as it will, the banks will have the market. When I say "the banks," I do not mean all, but those only who are taking advantage of the time for speculative purposes, and it would seem that the exceptions are but few. The government must not burn the barn to destroy the rats, but catch them by traps. Let me suggest a plan:

1st. Compel, by act of Congress, all banks after the 1st of February next to redeem their notes in gold or legal tender notes of the United States; this will elevate the character of the United States currency, and cause it soon to approximate to the coin standard.

2d. Let the government tax the average circulation of all banks that do not redeem their issues *entirely* in gold at least three per cent. per annum. This tax will soon leave the field of circulation free to the government. An intelligent and judicious Secretary of the Treasury might easily ascertain how much currency the country could bear without inflating prices and making a merchandise of the precious metals. By checking the redun-

dancy of bank issues, speculative loans, unwarranted by business, would have to be called in and paid. Fictitious transactions would cease and real business revive, and a healthy tone would soon pervade all the avenues of commerce. You refer to the increase of deposits as an evil. That depends upon the character of the deposits. If they arise from margins of loans to speculators held by agreement, you are doubtless right. If, on the other hand, they are the actual savings of the people, they are an evidence of a commendable thrift, or an equally commendable sagacity, that will not embark in speculative enterprises in the present unsettled times. I will look anxiously for the forthcoming report of Secretary CHASE. He has a grand opportunity of showing his ability as a financier. He must not act as a revolutionist, and upset things rashly, even if they are not altogether right; but, first, convince the judgment of the country that his plans are founded on common sense, and then carry them out with inflexibility of purpose until he has attained the desired end.

From a New-England Correspondent.

NOVEMBER 10, 1862.

To the Editor of the BANKERS' MAGAZINE:

I have to acknowledge the receipt of your favor of 23d ult., asking my views respecting the present condition of the currency, especially with respect to the high price and export of gold. I regret that imperative engagements have not permitted me to give an earlier answer, and I now submit my opinions with great diffidence, knowing that those who are concerned in the financial operations of the government, and of great cities like New-York, are much more competent to judge of these questions than I am.

I have, for several years, held very strongly to the doctrines of the "Bullion Report," and I think that this country is now going through an experience, which as strikingly illustrates and vindicates them, as did the experience of Great Britain half a century ago. The weakness of our currency has always been the inadequacy of its metallic basis, and I had for several years, officially and otherwise, labored to increase the specie reserves of this State, believing that by that means only convertibility could be secured, and a depreciation of the paper currency prevented. Holding these views, I am disposed to attribute the present high prices of gold and of exchange to a depreciation of the money which now constitutes the entire circulation of the country; and I trace back that depreciation to the suspension of specie payments by the banks and the government, and more especially to the action of Congress in making government notes a legal tender. If they had not been made a legal tender, their depreciation would have shown itself directly in their falling below par; but I do not know that the measure of it would have been either less or greater; while the value of property would have remained unchanged, and speculation would not have been so encouraged. I am aware that other considerations, than purely economical ones, may have

influenced Congress in adopting the legal tender clause. It was *indispensable* that government should get money, and to do this, as well as to sustain our prestige at home and abroad, it was all-important that the public securities should *seem* not to depreciate; actual depreciation was, however, undeniable as soon as the banks and the government ceased to pay or redeem in gold. The suspension has, thus far, made the task of filling the Treasury comparatively easy, but it is entailing evils on the country, which it will require years to outgrow.

The statistics which you send me, certainly show that the banks have contributed largely, by their issues, to swell the volume of the currency; but, speaking only for those of my own State, I do not think they have taken any unusual or unjustifiable measures to enlarge their circulation, and its present excess is an entire surprise to them. They had anticipated a great decline of circulation, as soon as the government notes should come into use. The last monthly returns of the country banks of Massachusetts showed a considerable number of them to be above the legal limit, (100 per cent. beyond capital,) and the bank commissioners demanded an explanation. The replies, coming from various parts of the State, and many of them from very prudent bankers, disclosed the same state of facts, namely: that the circulation had expanded in spite of efforts to keep it within limits; that bills issued did not come back for redemption; and that, on the other hand, fresh supplies were constantly called for by depositors and customers having to provide for pay-rolls, or to make other petty payments. In conversation with several bank officers who have been especially embarrassed in this way, I find that they attributed the high circulation to the scarcity of silver change, for which small bills are substituted; to the absence of gold coin; to the large sums carried by soldiers to distant places, and other sums left to be expended by their families; to the prevailing habit of buying and selling for cost, and to the practice adopted by some of the banks of the city of New-York, especially by those which redeem Eastern currency, of sending New-England bills to the West, to fill the gap caused by the closing up of banks in Wisconsin and Illinois.

They maintain, in short, that the reserves usually kept in the vaults of banks have been transferred to the pockets of the people. All of them concur in stating that mechanics and laboring men were never in the receipt of so large and regular wages as now. This last statement is fully confirmed by my own observation and inquiries. Since receiving your letter, I addressed a circular (of which I enclose a copy) to twenty or more of the largest savings banks in New-England, and to the largest in New York. I have from them in reply, that in every locality the deposits have increased, and that even in such manufacturing towns as Lowell, Manchester and Saco, there have been no unusual withdrawals for support. In some localities, soldiers' bounties have added largely to the deposits; one institution in Providence estimates its receipts from this source since January 1, at \$125,000.

The lines of *commercial* discount are, in this State, unusually small, and the quality of paper unusually good. The balance of the loan is made up of actual investments in the public funds, and of discounts upon the security of them, and of gold. In all such investments, no use is

individually made of bank notes, but the operations are performed by the transfer of bank credits. The full employment of the laboring classes, and the prevalence of the cash system, undoubtedly are employing an unusual amount of currency, since the disbursements of wages and retail transactions require always the greatest use of cash, while wholesale operations involve a greater use of credit.

Making all proper allowance for these extraordinary demands for currency at the present time, I think the most potent cause of depreciation still remains. The bills being inconvertible, there is no object in sending them home for redemption, so long as the issues are in good credit. They, therefore, pass into the channels of circulation, helping to dilute the whole mass of money in use, and to enhance prices.

The government issues must also have greatly augmented the volume of the currency, and helped to depreciate its value; but precisely to what degree, I have no means of judging. I have used the word "currency" in its proper and limited sense, as applicable to the note circulation only; but I have been accustomed to suppose that deposits in bank are no less a part of the currency than bills in circulation. If this is conceded, the recent great increase of bank deposits loanable at very low rates, and capable of performing all the operations of purchase and payments, must have materially aided the depreciation of money.

Regarding the inconvertibility of paper money (and of bank deposits in like manner) as the main cause of depreciation, I do not see why it may not be very nearly measured by the premiums on gold and exchange. Hoarding and speculation may have done something to enhance the price of gold, but not much, so long as its market price in London does not materially exceed its mint price.

I do not know that any party is to be blamed for the results which we now witness. They have followed unavoidably from the suspension of cash payments, and the legal tender law. If I am right in supposing that the banks did not suspend without conference with and approval of the government, then the responsibility *for that act* must rest upon the government, whose now foreshadowed necessities dictated a step on the part of private corporations, which, if first resorted to by government itself, would have struck a heavy blow at public credit and the national cause.

While entertaining these views as to the causes of depreciation, I am not clear as to the appropriate remedies. How to control an expanded currency; how to bring depreciated paper back to a par with gold; how to prevent the export of the precious metals, are the embarrassing questions. Fully twenty-five years were spent in England in getting into, and out of, similar embarrassments. With our great recuperative energy, I hope with us the extrication will be more safe. How much deeper we shall sink, before the recovery begins, I am unable even to conjecture.

One of your questions points to the possibility of checking the flow of gold by the exercise of a more rigid economy, (especially, I suppose, in the consumption of foreign goods,) thus getting out of debt abroad, and turning the balance of trade in our favor. If the adverse balance grew out of the purchase of necessaries, such as arms, clothing, or other munitions of war, we might calculate on its continuance, and very soon check

and reverse it; for Europe is to-day far more dependent on us for *necessaries*, than we are upon her, and that without cotton. It is not many weeks since the *Economist* prophesied that, before winter, gold would have to be exported to the United States, to pay for breadstuffs, and in its latest issue it attributes our continued and prospective export of it to "experiments in currency." When we consider the enormous imports of corn from the United States, exchange ought now to be in our favor. In 1860, England imported 14½ million quarters, of which 2,600,000 were from the United States. In 1861, she imported 16 million quarters, of which 5,400,000 were from the United States. In the first eight months of the present year, while the import of the corresponding months of last year is almost exactly maintained, the portion furnished by the United States is increased nearly ten per cent.

But I regard the present export of gold as being caused chiefly by the stimulus given to the import of luxuries, or of unnecessary or competing goods, by the high prices which they bring, computed in our currency. As payments must be made in gold or its equivalent, the foreigner seeks a great profit in the difference of currencies alone. The longer this state of things continues, the more serious will be the evil, and the more difficult the recovery; for if the stock of gold in this country is materially diminished, distrust will hasten the decline which is now caused by redundancy only. Still, I do not believe in attempting to check the flow of gold by prohibitory legislation. It would tend only to create alarms and indicate a desperate condition of the national finances. Such legislation has uniformly proved futile, from the early experiments of our colonies to the present time. The ebb and flow of the precious metals are governed by economical laws, hardly less inexorable than those national ones which regulate the tidal currents. I think the efforts of the country should be directed to reducing the volume of the currency, to increasing the revenue, and, as far as possible, to the funding of the public debt.

How to put a check upon government issues I have not considered; but if it is thought necessary to curtail the issues of the banks, I suppose it will most readily be done by taxation. This will bear hardly upon them, for with general and local taxes they are already heavily burdened; but I have never doubted that the government has the right to resume its sovereign functions of creating paper money whenever the public necessities demand.

The excessive importations may, perhaps, be checked by heavier customs duties. It seems to me, that for the purpose of thus indirectly checking the flow of gold, and, as a war measure, duties amounting actually to prohibition might properly be imposed; but I am not sufficiently familiar with the details of our present tariff to judge when such heavier duties might properly be applied.

I hope you will pardon the length of this communication, in view of the difficulty of answering so broad a question as you propose within the compass of an ordinary letter. What I have said of the banks of Massachusetts may not be true of other localities, in some of which the increase of circulation seems to have been greater and more rapid than in this State. If it has been illegitimately swollen, the government will be justified in resorting to the most energetic measures for its reduction.

A declaration of war is, almost necessarily, followed by a suspension of specie payment by the government and by moneyed institutions. The expenses unavoidably incident to a state of war, especially as in the present case in the United States, demand large sums of money. The fears of the people lead to hoarding specie to a large extent, and it is obvious that if the banks were to attempt a continuance of specie payment under such extraordinary circumstances, and with an immense foreign debt against us, they would be drained of their gold and silver at an early period. This subject was discussed and examined before the Parliamentary Committee in 1843, a committee of inquiry instituted at the instance of Sir ROBERT PEEL.

Before this committee Mr. JAMES W. GILBERT, then and for years afterwards manager of the London and Westminster Bank, gave his testimony to this effect :

“ If I were prime minister, I would immediately, on the commencement of war, issue an order in council for the bank to stop payment. I speak as a politician, not as a banker. Now, under such a war as that with France (1795–1815) it appeared to me that a suspension of specie payment was advisable. I recollect investigating, some time ago, the circumstances attending the suspension of 1797. I came to the conclusion that, under the circumstances, a suspension of cash payment was not a matter of choice but of necessity. That is the opinion at which I arrived, after a careful investigation of the circumstances.”

If deemed necessary in 1797, during the commencement of a long war between England and France, a similar step was obviously necessary on the part of our banks in 1861, in view of the unfavorable condition of our foreign trade and our financial affairs. The people of this country were largely indebted to Europe for money borrowed and for goods bought. This indebtedness, if the payment had been promptly enforced, would have absorbed every dollar of coin and bullion in the country. The United States Treasury had, at the close of the year 1861, a prospective demand for four hundred millions of dollars, to meet the wants of the year 1862. Hence the suspension of specie payments was not only of commercial, but a military, necessity.

FOREIGN LOANS IN ENGLAND.—The sums supplied during the first six months of the year 1862, on account of foreign loans, have been unusually large. In February, the Moorish loan of £501,200 was issued ; in April, the Ottoman loan of £8,000,000, and a loan of £2,195,200 for the Viceroy of Egypt, were brought out ; in May, a part of a Russian loan of £15,000,000, was, as far as can be ascertained, to the extent of £4,670,000, raised in the London market, making a total of £15,366,400. The interposition of our government secured the success of the negotiations by which the Moorish and Turkish loans were effected ; and the exceptionally easy condition of the money market facilitated the issue of the Egyptian and Russian loans. About £2,000,000 have been raised within the same period of time for foreign enterprises ; and £3,000,000 have been applied for in connection with the requirements of India. The capital proposed for projected companies in England has also been of considerable amount, but the lists of the main part of these undertakings have not, virtually, been subscribed.

Venezuela and Peru are understood to be negotiating for loans ; and Portugal is stated to be desirous of raising the balance of a loan of £5,000,000 in London and Amsterdam, about £1,500,000 having already been placed privately.

HISTORY OF THE BANK OF ENGLAND.

By JOHN FRANCIS.

APPENDIX.

BANK SHARES, BANK DIVIDENDS, CONSOLS.

Tabular Statement, showing the lowest and highest market rate of the Bank of England shares, from 1731 to 1860; the rate of bank dividends semi-annually during the same period, and the lowest and highest prices of consols during each year:

	<i>Bank Shares.</i>		<i>Bank Dividends.</i>		<i>Consols.</i>	
	<i>Lowest.</i>	<i>Highest.</i>	<i>March.</i>	<i>Septem.</i>	<i>Lowest.</i>	<i>Highest.</i>
1731,....	..	..	8	2½	....	94 99
1732,....	109	152	8	2½	....	96 101
1733,....	130	151	2½	2½	....	92 103
1734,....	132	140	2½	2½	....	90 94
1735,....	138	146	2½	2½	....	92 98
1736,....	148	151	2½	2½	....	100 103
1737,....	142	151	2½	2½	....	105 107
1738,....	140	145	2½	2½	....	102 106
1739,....	115	144	2½	2½	....	97 105
1740,....	138	144	2½	2½	....	98 101
1741,....	135	143	2½	2½	....	98 101
1742,....	136	143	2½	2½	....	98 102
1743,....	145	148	2½	2½	....	100 103
1744,....	116	148	2½	2½	....	90 99
1745,....	133	147	2½	2½	....	85 92
1746,....	125	136	2½	2½	....	75 89
1747,....	119	129	2½	2½	....	81 86
1748,....	117	129	2½	2½	....	76 91
1749,....	128	140	2½	2½	....	91 102
1750,....	131	136	2½	2½	....	98 101
1751,....	135	142	2½	2½	....	97 103
1752,....	141	149	2½	2½	....	101 106
			<i>April.</i>	<i>October.</i>		
1753,....	135	144	2½	2½	....	104 106
1754,....	130	135	2½	2½	....	102 104
1755,....	119	132	2½	2½	....	90 101
1756,....	114	121	2½	2½	....	88 90
1757,....	115	120	2½	2½	....	86 91
1758,....	116	123	2½	2½	....	89 98
1759,....	109	123	2½	2½	....	79 88
1760,....	101	114	2½	2½	....	76 83
1761,....	98	116	2½	2½	....	66 88
1762,....	91	119	2½	2½	....	63 87

History of the Bank of England.

	Bank Shares.		Bank Dividends.		Consols.			
	Lowest.	Highest.	April.	October.	Lowest.	Highest.		
1763,....	111	131	....	2½	2½	....	82	96
1764,....	112	127	....	2½	2½	....	80	86
1765,....	126	136	....	2½	2½	....	85	91
1766,....	135	139	....	2½	2½	....	87	90
1767,....	142	159	....	2½	2½	....	87	91
1768,....	158	190	....	2½	2½	....	88	93
1769,....	149	175	....	2½	2½	....	84	89
1770,....	105	163	....	2½	2½	....	78	87
1771,....	134	165	....	2½	2½	....	81	88
1772,....	144	153	....	2½	2½	....	87	95
1773,....	139	143	....	2½	2½	....	86	87
1774,....	139	146	....	2½	2½	....	86	89
1775,....	141	146	....	2½	2½	....	87	90
1776,....	134	143	....	2½	2½	....	81	90
1777,....	128	138	....	2½	2½	....	76	80
1778,....	107	120	....	2½	2½	....	61	72
1779,....	106	118	....	2½	2½	....	59	64
1780,....	109	116	....	2½	2½	....	60	63
1781,....	105	119	....	2½	3	....	56	59
1782,....	109	124	....	3	3	....	53	61
1783,....	112	134	....	3	3	....	53	68
1784,....	110	118	....	3	3	....	54	57
1785,....	111	142	....	3	3	....	55	71
1786,....	138	158	....	3	3	....	*	..
1787,....	145	160	....	3	3	....	69	78
1788,....	158	178	....	3½	3½	....	*	..
1789,....	169	191	....	3½	3½	....	71½	81½
1790,....	164	188	....	3½	3½	....	70½	80½
1791,....	178	204	....	3½	3½	....	75½	89½
1792,....	171	219	....	3½	3½	....	72½	97½
1793,....	161	180	....	3½	3½	....	70½	81
1794,....	153	169	....	3½	3½	....	62½	72½
1795,....	152	180	....	3½	3½	....	61	70½
1796,....	142	180	....	3½	3½	....	53½	70½
1797,....	115	146	....	3½	3½	....	47½	56½
1798,....	118	138	....	3½	3½	....	47½	58
1799,....	134	176	....	3½	3½	....	52½	69
1800,....	154	175	....	3½	3½	....	60	67½
1801,....	148	190	....	3½	3½	....	54½	70
1802,....	178	207	....	3½	3½	....	66	79
1803,....	186	193	....	3½	3½	....	50½	73
1804,....	146	169	....	3½	3½	....	53½	58½
1805,....	167	197	....	3½	3½	....	57	62
1806,....	191	223	....	3½	3½	....	58½	64½
1807,....	208	235	....	5	5	....	57½	64½
1808,....	224	240	....	5	5	....	62½	69½
1809,....	225	285	....	5	5	....	63½	70½
1810,....	273	276	....	5	5	....	68½	71
1811,....	229	251	....	5	5	....	61½	66½
1812,....	212	232	....	5	5	....	55½	63
1813,....	211	242	....	5	5	....	54½	67½
1814,....	234	266	....	5	5	....	61½	72½
1815,....	219	262	....	5	5	....	53½	65½
1816,....	215	262	....	5	5	....	59½	64½
1817,....	220	294	....	5	5	....	62	84½
1818,....	207	292	....	5	5	....	73	82
1819,....	210	267	....	5	5	....	64½	79

	Bank Shares.		Bank Dividends.		Consols.			
	Lowest.	Highest.	April.	October.	Lowest.	Highest.		
1820,....	215	226	....	5	5	....	65½	70½
1821,....	221	240	....	5	5	....	68½	78½
1822,....	225	252	....	5	5	....	75½	83
1823,....	204	246	....	4	4	....	72	85½
1824,....	227	245	....	4	4	....	84½	96½
1825,....	196	299	....	4	4	....	75	94½
1826,....	193	223	....	4	4	....	73½	84½
1827,....	200	217	....	4	4	....	76½	89½
1828,....	203	215	....	4	4	....	80½	88½
1829,....	208	218	....	4	4	....	85½	94½
1830,....	194	203	....	4	4	....	77½	94½
1831,....	189	204	....	4	4	....	74½	84½
1832,....	185	208	....	4	4	....	81½	85½
1833,....	190	218	....	4	4	....	84½	91½
1834,....	211	225	....	4	4	....	87½	93
1835,....	206	225	....	4	4	....	89½	92½
1836,....	199	219	....	4	4	....	86½	92½
1837,....	208	212	....	4	4	....	87½	93½
1838,....	201	208	....	4	4	....	90½	95½
1839,....	177	206	....	3½	3½	....	89½	93½
1840,....	156	179	....	3½	3½	....	85½	93½
1841,....	157	178	....	3½	3½	....	87½	90½
1842,....	165	178	....	3½	3½	....	88½	95½
1843,....	172	185	....	3½	3½	....	92½	97½
1844,....	185	211	....	3½	3½	....	96½	101½
1845,....	199	215	....	3½	3½	....	91½	100½
1846,....	199	211	....	3½	3½	....	93½	97½
1847,....	180	206½	....	3½	3½	....	78½	94
1848,....	188	202	....	3½	3½	....	79½	90
1849,....	188½	200	....	3½	3½	....	85½	97½
1850,....	203	216	....	3½	3½	....	93	98½
1851,....	210	216½	....	3½	3½	....	95½	99½
1852,....	215½	234½	....	3½	4	....	95½	101½
1853,....	208	230½	....	4	4	....	90½	101
1854,....	204½	221	....	4	4	....	85½	96½
1855,....	207	218	....	4	4	....	86½	93½
1856,....	207	220	....	4	4	....	90	96
1857,....	209	222	....	4	4	....	87½	94½
1858,....	217	230	....	4½	4½	....	94½	98½
1859,....	215	231	....	4½	4½	....	93	96½
1860,....	225	235½	....	4½	5	....	92½	95½
1861,....	226½	241	....	5	5	....	89½	94½

BONUSES ON BANK OF ENGLAND STOCK FROM 1799 TO 1847.

1799,.....	£ 10 per cent. on the capital.	In Navy 5 per cents.
1801,.....	5 " "	" "
1802,.....	2½ " "	" "
1804,.....	5 " "	In money.
1805,.....	5 " "	"
1806,.....	5 " "	"
1816,.....	25 " "	In Bank Stock.
1847,.....	1 " "	In money.

BANK OF ENGLAND STOCK DIVIDENDS FROM 1694 TO 1729.

		Per Cent.			Per Cent.
		£ 8			
From 1694 to 1697,			29th September,	1713	.. 4
per cent. per annum, payable			25th March,	1714	.. 4
quarterly.			29th September,	1714	.. 4
10th September,	1698	.. 7	25th March,	1715	.. 3½
9th March,	1699	.. 4½	29th September,	1715	.. 4
20th September,	1699	.. 6	25th March,	1716	.. 4
25th March,	1700	.. 5½	29th September,	1716	.. 4
29th September,	1700	.. 5½	25th March,	1717	.. 4
25th March,	1701	.. 4½	29th September,	1717	.. 4
29th September,	1701	.. 4½	25th March,	1718	.. 4
25th March,	1702	.. 4½	29th September,	1718	.. 4
29th September,	1702	.. 7½	25th March,	1719	.. 4
25th March,	1703	.. 7½	29th September,	1719	.. 3½
29th September,	1703	.. 9	25th March,	1720	.. 3½
25th March,	1704	.. 7½	29th September,	1720	.. 4
29th September,	1704	.. 8½	25th March,	1721	.. 3
25th March,	1705	.. 8½	29th September,	1721	.. 3
29th September,	1705	.. 7	25th March,	1722	.. 3
25th March,	1706	.. 10½	29th September,	1722	.. 3
29th September,	1706	.. 7½	25th March,	1723	.. 3
25th March,	1707	.. 3½	29th September,	1723	.. 3
29th September,	1707	.. 4	25th March,	1724	.. 3
25th March,	1708	.. 4½	29th September,	1724	.. 3
29th September,	1708	.. 8½	25th March,	1725	.. 3
25th March,	1709	.. 4½	29th September,	1725	.. 3
29th September,	1709	.. 4	25th March,	1726	.. 3
25th March,	1710	.. 4	29th September,	1726	.. 3
29th September,	1710	.. 3½	25th March,	1727	.. 3
25th March,	1711	.. 3½	29th September,	1727	.. 3
29th September,	1711	.. 3½	25th March,	1728	.. 2½
25th March,	1712	.. 4	29th September,	1728	.. 2½
29th September,	1712	.. 4	25th March,	1729	.. 2½
25th March,	1713	.. 4	29th September,	1729	.. 2½

The bank dividends which, from 1788 to 1806, were steady at seven per cent. per annum, indicated, in the year 1807, the large profits made by means of the enlarged business of the bank, the loans having increased in bulk from £16,838,000 in 1797 to £44,558,000 in the year 1815. From 1807 to 1822, the dividends declared were regularly ten per cent. per annum, instead of six or seven; and from 1799 to 1816, (under suspension all the time,) the bonuses or *extra* dividends were 57½ per cent., of £57 10s. to each £100 share. (See page 313.)

The market price of shares which, in 1797, had declined to 115 @ 146, advanced in 1809 and 1817 to 288 @ 294.

THE LONDON JOINT-STOCK BANKS.

The increase in the number and business of the joint-stock banks of London since 1838 has been remarkable. Banking operations for the year 1861, in London, have been steady, safe and profitable. That the latter has been the case is abundantly shown by the recent reports of these establishments, for they all seem to have partaken of the general prosperity. The most remarkable statement is that exhibited by the London and Westminster Bank, whose report shows a gross profit for the half-year of no less than £167,510. The directors have declared a dividend and bonus at the rate of 24 per cent. per annum on a capital of £1,000,000. The London Joint-Stock Bank also declared a dividend and bonus equal to 25 per cent. per annum on a capital of £600,000. Assuming that these profits continue for only four years, the original shareholders of the London Joint-Stock Bank will receive in that period, in dividends and bonuses, an amount equal to the whole of their capital, whilst, at the same time, their joint-stock fund or capital in the bank will remain intact. Such results are certainly unexampled in the history of banking.

It is not supposed that the increase in the business of joint-stock banks is to be attributed solely, or even mainly, to the removal of accounts to them from previously existing establishments. It arises mainly from the creation of new banking business through the extended operations of commerce. We cannot better illustrate this than by showing, in a tabular form, the gradual increase of the deposits and current accounts in the metropolitan joint-stock banks from their foundation, to the 31st of December, 1861 :

YEARS.	London and Westminster.	London Joint-Stock.	London and County.	Union.	Commercial.	City.	Bank of London.	Unity
	£	£	£	£	£	£	£	£
1834.....	180,890	.....	.....	.....	.....	.....	.....	.....
1835.....	266,884	.....	.....	.....	.....	.....	.....	.....
1836.....	643,832	.....	.....	.....	.....	.....	.....	.....
1837.....	793,148	594,101	.....	.....	.....	.....	.....	.....
1838.....	1,387,855	1,145,421	186,477	.....	.....	.....	.....	.....
1839.....	1,266,845	1,065,088	351,275	.....	.....	.....	.....	.....
1840.....	1,361,545	1,170,896	437,995	377,755	.....	.....	.....	.....
1841.....	1,499,828	1,403,188	581,279	563,550	168,977	.....	.....	.....
1842.....	2,087,757	1,771,789	858,802	745,988	246,824	.....	.....	.....
1843.....	2,200,624	2,046,285	996,082	956,467	216,948	.....	.....	.....
1844.....	2,676,741	2,245,390	1,231,412	1,591,280	289,622	.....	.....	.....
1845.....	3,590,014	2,460,475	1,489,738	2,012,548	500,728	.....	.....	.....
1846.....	3,280,364	2,446,017	1,588,585	2,170,810	440,721	.....	.....	.....
1847.....	2,738,758	1,971,912	1,225,120	2,510,064	409,995	.....	.....	.....
1848.....	3,089,659	2,328,056	1,354,730	2,644,728	406,217	.....	.....	.....
1849.....	3,639,628	2,792,507	1,675,494	2,835,617	541,504	.....	.....	.....
1850.....	3,969,648	2,949,869	2,030,238	2,968,583	612,596	.....	.....	.....
1851.....	4,677,298	3,157,575	2,465,768	3,091,316	754,541	.....	.....	.....
1852.....	5,581,706	3,591,506	3,281,608	4,268,488	964,177	.....	.....	.....
1853.....	6,259,540	5,010,623	3,417,180	4,578,781	1,246,824	.....	.....	.....
1854.....	7,177,244	6,161,154	3,779,944	7,081,477	1,265,903	.....	.....	.....
1855.....	8,744,095	6,241,594	4,443,359	8,363,460	1,317,554	.....	.....	.....
1856.....	11,438,461	7,224,927	3,548,824	9,045,606	1,586,361	944,475	.....	.....
1857.....	13,859,021	10,737,580	8,533,425	9,645,913	821,626	1,888,983	1,114,846	139,744
1858.....	11,465,815	9,367,722	4,264,126	10,146,865	992,884	1,749,747	1,300,902	106,718
1859.....	11,115,697	9,556,797	4,975,029	9,318,891	926,314	2,222,976	1,599,140	140,734
1860.....	12,484,454	10,562,658	5,532,614	10,352,763	908,624	2,468,560	1,697,389	186,179
1861.....	15,884,785	11,381,757	6,909,629	11,795,231	.....	3,206,751	1,927,907	177,263

These banks in 1860 were eight in number, but now reduced to seven, the Commercial Bank having been merged in the London and Westminster Bank.

The whole are as follow :

	<i>Commenced.</i>		<i>Commenced.</i>
London and Westminster Bank,	1834	Commercial Bank,	1841
London and Joint-Stock Bank,	1837	City Bank,	1856
London and County Bank,	1838	Bank of London,	1857
Union Bank,	1840	Unity Bank,	1857

The constant growth of these establishments appears clearly enough, from even a cursory glance at the figures. It will be seen that in every instance (except, of course, the Commercial Bank, which is defunct,) the sums now lodged exhibit a large increase over every former period. The aggregate in the seven banks is now £50,783,353, being £7,548,496 more than at the corresponding period of the previous year. The annexed statement shows at a glance the proportion in which the increase has been distributed to each bank :

	<i>Dec. 31, 1861.</i>		<i>Dec. 30, 1860.</i>		<i>Increase.</i>
London and Westminster,	£ 15,384,785	..	£ 12,484,454	..	£ 2,900,331
London and Joint-Stock,	11,881,757	..	10,582,658	..	819,099
London and County,	6,909,629	..	5,582,614	..	1,377,015
Union,	11,795,231	..	10,352,703	..	1,442,528
City,	3,206,781	..	2,468,560	..	738,221
Bank of London,	1,927,907	..	1,697,869	..	230,038
Unity,	177,263	..	136,179	..	41,084
Total,	£ 50,783,353	..	£ 43,234,857	..	£ 7,548,496

These fifty millions of deposits form a vast and almost *new* money power, the application of which must be watched with the greatest possible care, from the powerful and increasing influence which it exercises upon the welfare of the body commercial.

This increase may be further illustrated by the following table, showing the number of banks, and their aggregate deposits at intervals of five years, with the deposits of the Bank of England for the same period :

	<i>No. of Joint-Stock Banks.</i>	<i>Joint-Stock Deposits.</i>	<i>Bank of England Deposits.</i>
1835,	1 ..	£ 266,000 ..	..... £ 10,071,000
1840,	4 ..	3,348,000 ..	February, 6,556,000
1845,	5 ..	10,053,000 ..	June, 16,500,000
1850,	5 ..	12,525,000 ..	January, 20,000,000
1855,	5 ..	29,109,000 ..	September, 19,600,000
1861,	7 ..	50,783,000 ..	.....

In April, 1860, a fraud of £263,000 upon the Union Bank of London, by WILLIAM GEORGE PULLINGER, one of its cashiers, was discovered.

TABULAR STATEMENT

Showing the Circulation, Deposits, Loans, Bullion Reserve, and Rest (Surplus Profits) of the Bank of England at the close of February, each year, from 1778 to 1840, and at the end of March, from 1841 to 1844.

	LIABILITIES.		ASSETS.		
	Circulation.	Deposits.	Loans.	Bullion.	Surplus.
1778,.....	£ 7,440,000	£ 4,662,000	£ 11,221,000	£ 2,011,000	£ 1,129,000
1779,.....	9,013,000	4,358,000	10,936,000	3,711,000	1,276,000
1780,.....	8,411,000	4,724,000	10,901,000	3,581,000	1,347,000
1781,.....	7,092,000	5,797,000	11,186,000	3,280,000	1,577,000
1782,.....	8,029,000	6,180,000	12,794,000	2,158,000	1,793,000
1783,.....	7,675,000	4,465,000	12,796,000	1,221,000	1,977,000
1784,.....	6,203,000	2,904,000	11,619,000	6,558,000	2,168,000
1785,.....	5,923,000	6,669,000	12,173,000	2,740,000	2,321,000
1786,.....	7,583,000	6,152,000	10,353,000	5,979,000	2,599,000
1787,.....	8,330,000	5,902,000	11,359,000	5,627,000	2,754,000
1788,.....	9,561,000	5,177,000	11,865,000	5,743,000	2,870,000
1789,.....	9,807,000	5,537,000	10,961,000	7,229,000	2,845,000
1790,.....	10,041,000	6,223,000	10,332,000	8,633,000	2,701,000
1791,.....	11,439,000	6,865,000	12,608,000	7,869,000	3,668,000
1792,.....	11,307,000	5,523,000	13,069,000	6,468,000	2,706,000
1793,.....	11,889,000	5,346,000	16,005,000	4,011,000	2,781,000
1794,.....	10,744,000	7,892,000	14,525,000	6,987,000	2,876,000
1795,.....	14,018,000	5,973,000	18,311,000	6,127,000	2,949,000
1796,.....	10,730,000	5,702,000	17,140,000	2,589,000	3,248,000
1797,.....	9,675,000	4,892,000	16,888,000	1,086,000	3,358,000
1798,.....	13,096,000	6,149,000	16,800,000	5,829,000	3,384,000
1799,.....	12,960,000	8,132,000	17,039,000	7,564,000	3,511,000
1800,.....	16,844,000	7,063,000	21,424,000	6,144,000	3,661,000
1801,.....	16,213,000	10,746,000	26,425,000	4,640,000	4,106,000
1802,.....	15,187,000	6,858,000	21,960,000	4,153,000	4,068,000
1803,.....	15,320,000	8,060,000	23,915,000	3,777,000	4,321,000
1804,.....	17,078,000	8,677,000	26,999,000	3,372,000	4,616,000
1805,.....	17,871,000	12,084,000	23,661,000	5,884,000	5,590,000
1806,.....	17,730,000	9,981,000	26,591,000	5,987,000	4,867,000
1807,.....	16,951,000	11,829,000	27,408,000	6,143,000	4,771,000
1808,.....	18,189,000	11,962,000	27,884,000	7,855,000	5,089,000
1809,.....	18,543,000	9,963,000	29,118,000	4,489,000	5,981,000
1810,.....	21,020,000	12,457,000	35,379,000	3,501,000	5,408,000
1811,.....	23,360,000	11,446,000	37,122,000	3,350,000	5,667,000
1812,.....	23,408,000	11,595,000	38,026,000	2,983,000	6,006,000
1813,.....	23,211,000	11,268,000	37,931,000	2,884,000	6,336,000
1814,.....	24,801,000	12,455,000	41,990,000	2,204,000	6,937,000
1815,.....	27,262,000	11,702,000	44,558,000	2,087,000	7,632,000
1816,.....	27,013,000	12,389,000	43,401,000	4,641,000	8,640,000
1817,.....	27,398,000	10,826,000	34,279,000	9,681,000	5,736,000
1818,.....	27,771,000	7,993,000	30,905,000	10,055,460	5,192,000
1819,.....	25,127,000	6,413,000	31,455,000	4,185,000	4,100,000
1820,.....	23,484,000	4,094,000	26,187,000	4,911,000	3,521,000
1821,.....	23,885,000	5,623,000	20,796,000	11,870,000	3,158,000
1822,.....	18,665,000	4,890,000	15,973,000	11,057,000	3,675,000
1823,.....	18,392,000	7,181,000	18,320,000	10,384,000	3,181,000
1824,.....	19,737,000	10,093,000	18,372,000	13,810,000	3,847,000

History of the Bank of England.

	LIABILITIES.		ASSETS.		
	<i>Circulation.</i>	<i>Deposits.</i>	<i>Loans.</i>	<i>Bullion.</i>	<i>Surplus.</i>
1825,.....	£ 20,754,000	£ 10,169,000	.. £ 24,951,000	£ 8,779,000	£ 2,808,000
1826,.....	25,468,000	6,986,000	.. 32,919,000	2,460,000	2,974,000
1827,.....	21,891,000	8,802,000	.. 23,530,000	10,159,000	2,996,000
1828,.....	21,981,000	9,198,000	.. 23,581,000	10,347,000	2,750,000
1829,.....	19,871,000	9,554,000	.. 25,385,000	6,835,000	2,795,000
1830,.....	20,051,000	10,763,000	.. 24,204,000	9,171,000	2,562,000
1831,.....	19,600,000	11,214,000	.. 25,209,000	8,217,000	2,612,000
1832,.....	18,052,000	8,937,000	.. 24,333,000	5,293,000	2,633,000
1833,.....	19,372,000	12,455,000	.. 23,850,000	10,205,000	2,228,000
1834,.....	19,050,000	13,087,000	.. 25,212,000	9,225,000	2,300,000
1835,.....	18,510,000	10,071,000	.. 24,895,000	6,289,000	2,603,000
1836,.....	18,195,000	13,985,000	.. 27,208,000	7,918,000	2,946,000
1837,.....	18,165,000	10,007,000	.. 27,297,000	4,077,000	3,202,000
1838,.....	18,975,000	10,825,000	.. 21,958,000	10,471,000	2,629,000
1839,.....	18,098,000	7,732,000	.. 21,741,000	6,773,000	2,677,000
1840,.....	16,504,000	6,556,000	.. 21,611,000	4,311,000	2,862,000
1841,.....	16,537,000	7,212,000	.. 22,323,000	4,339,000	2,918,000
1842,.....	16,952,000	8,657,000	.. 22,686,000	6,125,000	3,102,000
1843,.....	20,093,000	12,003,000	.. 22,830,000	11,064,000	2,788,000
1844,.....	21,123,000	13,973,000	.. 23,479,000	15,784,000	3,169,000

The principal feature in the preceding tables, which claims the consideration of the banker and the legislator, is the rapid and enormous increase in the circulation of the bank and in its deposits, from the time of suspension, (1797,) to the period when resumption was seriously debated, (1816-1817.) Thus, the bank, with an aggregate circulation of £9,675,000, and deposits amounting to £4,892,000, at the time of its suspension in 1797, added one-third to the circulation the next year, and nearly seventy-five per cent. during the third year, (1800.) A larger aggregate was reached in 1804-1806; the deposits, at the same time, increasing one hundred and fifty per cent. In 1810, the circulation reached a yet larger sum, (£21,020,000,) being more than double the amount in 1797. From 1811 to 1818 the increase continued, until, in the latter year, the amount was nearly threefold that of 1797; making, with the deposits, in the year 1815, a combined cash or demand liability of £38,962,000.

The bullion reserve during this long period of twenty years had ranged from £1,086,000 (1797) to £7,855,000, (1808,) and finally reached £9,681,000 in 1817, at the expiration of twenty years.

THE ORIGIN OF THE BANK OF ENGLAND.

BY T. BABINGTON MACAULAY.

From MACAULAY'S fourth volume of the History of England.

I. FINANCIAL DIFFICULTIES OF THE YEAR 1693. II. THE LOTTERY LOAN. III. PRIVATE BANKERS OF THE SEVENTEENTH CENTURY. IV. OPPOSITION TO THE PRIVATE BANKING SYSTEM. V. FIRST SUGGESTIONS FOR A NATIONAL BANK. VI. THE LAND BANK. VII. INSECURITY OF LAND AS A BASIS OF CURRENCY. VIII. WILLIAM PATERSON, THE ORIGINATOR OF THE BANK OF ENGLAND. IX. HIS PLAN FOR A BANK. X. CONSUMMATION OF THE ACT—ITS COMPLETE SUCCESS.

MEANWHILE the Commons were busied with financial questions of grave importance. The estimates for the year 1694 were enormous. The king proposed to add to the regular army, already the greatest regular army that England had ever supported, four regiments of dragoons, eight of horse, and twenty-five of infantry. The whole number of men, officers included, would thus be increased to about ninety-four thousand. CROMWELL, while holding down three reluctant kingdoms, and making vigorous war on Spain in Europe and America, had never had two-thirds of the military force which WILLIAM now thought necessary. The great body of the Tories, headed by three Whig chiefs, HARLEY, FOLEY and HOWE, opposed any augmentation. The great body of the Whigs, headed by MONTAGUE and WHARTON, would have granted all that was asked. After many long discussions, and probably many close divisions, in the Committee of Supply, the king obtained the greater part of what he demanded. The House allowed him four new regiments of dragoons, six of horse, and fifteen of infantry. The whole number of troops voted for the year amounted to eighty-three thousand, the charge to more than two millions and a half, including about two hundred thousand pounds for the ordnance.

The naval estimates passed much more rapidly; for Whigs and Tories agreed in thinking that the maritime ascendancy of England ought to be maintained at any cost. Five hundred thousand pounds were voted for paying the arrears due to seamen, and two millions for the expenses of the year 1694.

The Commons then proceeded to consider the Ways and Means. The land tax was renewed at four shillings in the pound; and by this simple but powerful machinery about two millions were raised with certainty and dispatch. A poll-tax was imposed. Stamp duties had long been among the fiscal resources of Holland and France, and had existed here during part of the reign of CHARLES II., but had been suffered to expire. They were now revived; and they have ever since formed an important part of the revenue of the State. The hackney-coaches of the capital were taxed, and were placed under the government of commissioners, in spite of the resistance of the wives of the coachmen, who assembled round Westminster Hall and mobbed the members. But, notwithstanding all these expe-

dients, there was still a large deficiency ; and it was again necessary to borrow. A new duty on salt and some other imposts of less importance were set apart to form a fund for a loan. On the security of this fund a million was to be raised by a lottery, but a lottery which had scarcely any thing but the name in common with the lotteries of a later period. The sum to be contributed was divided into a hundred thousand shares of ten pounds each. The interest on each share was to be twenty shillings annually, or, in other words, ten per cent., during sixteen years. But ten per cent. for sixteen years was not a bait which was likely to attract lenders. An additional lure was, therefore, held out to capitalists. On one fortieth of the shares much higher interest was to be paid than on the other thirty-nine fortieths. Which of the shares should be prizes was to be determined by lot. The arrangements for the drawing of the tickets were made by an adventurer of the name of NEALE, who, after squandering away two fortunes, had been glad to become groom porter at the palace. His duties were to call the odds when the court played at hazard, to provide cards and dice, and to decide any dispute which might arise on the bowling-green or at the gaming-table. He was eminently skilled in the business of this not very exalted post, and had made such sums by raffles that he was able to engage in very costly speculations, and was then covering the ground round the Seven Dials with buildings. He was probably the best adviser that could have been consulted about the details of a lottery. Yet there were not wanting persons who thought it hardly decent in the Treasury to call in the aid of a gambler by profession.

By the lottery loan, as it was called, one million was obtained. But another million was wanted to bring the estimated revenue for the year 1694 up to a level with the estimated expenditure. The ingenious and enterprising MONTAGUE had a plan ready, a plan to which, except under the pressure of extreme pecuniary difficulties, he might not easily have induced the Commons to assent, but which, to his large and vigorous mind, appeared to have advantages, both commercial and political, more important than the immediate relief to the finances. He succeeded, not only in supplying the wants of the State for twelve months, but in creating a great institution, which, after the lapse of more than a century and a half, continues to flourish, and which he lived to see the stronghold, through all vicissitudes, of the Whig party, and the bulwark, in dangerous times, of the Protestant succession.

In the reign of WILLIAM old men were still living who could remember that there was not a single banking-house in the city of London. So late as the time of the Restoration every trader had his own strong-box in his own house, and, when an acceptance was presented to him, told down the crowns and Caroluses on his own counter. But the increase of wealth had produced its natural effect, the subdivision of labor. Before the end of the reign of CHARLES II., a new mode of paying and receiving money had come into fashion among the merchants of the capital. A class of agents arose, whose office was to keep the cash of the commercial houses. This new branch of business naturally fell into the hands of the goldsmiths, who were accustomed to traffic largely in the precious metals, and who had vaults in which great masses of bullion could

lie secure from fire and from robbers. It was at the shops of the goldsmiths of Lombard-street that all the payments in coin were made. Other traders gave and received nothing but paper.

This great change did not take place without much opposition and clamor. Old-fashioned merchants complained bitterly that a class of men who, thirty years before, had confined themselves to their proper functions, and had made a fair profit by embossing silver bowls and chargers, by setting jewels for fine ladies, and by selling pistoles and dollars to gentlemen setting out for the continent, had become the treasurers, and were fast becoming the masters, of the whole city. These usurers, it was said, played at hazard with what had been earned by the industry and hoarded by the thrift of other men. If the dice turned up well, the knave who kept the cash became an alderman; if they turned up ill, the dupe who furnished the cash became a bankrupt. On the other side, the conveniences of the modern practice were set forth in animated language. The new system, it was said, saved both labor and money. Two clerks, seated in one counting-house, did what, under the old system, must have been done by twenty clerks in twenty different establishments. A goldsmith's note might be transferred ten times in a morning; and thus a hundred guineas, locked in his safe, close to the exchange, did what would formerly have required a thousand guineas, dispersed through many tills, some on Ludgate Hill, some in Austin Friars, and some in Tower-street.*

Gradually, even those who had been loudest in murmuring against the innovation, gave way and conformed to the prevailing usage. The last person who held out, strange to say, was Sir DUDLEY NORTH. When, in 1680, after residing many years abroad, he returned to London, nothing astonished or displeased him more than the practice of making payments by drawing bills on bankers. He found that he could not go on 'Change without being followed round the piazza by goldsmiths, who, with low bows, begged to have the honor of serving him. He lost his temper when his friends asked where he kept his cash. "Where should I keep it," he asked, "but in my own house?" With difficulty he was induced to put his money into the hands of one of the Lombard-street men, as they were called. Unhappily, the Lombard-street man broke, and some of his customers suffered severely. DUDLEY NORTH only lost fifty pounds; but this loss confirmed him in his dislike of the whole mystery of banking. It was in vain, however, that he exhorted his fellow-citizens to return to the good old practice, and not to expose themselves to utter ruin in order to spare themselves a little trouble. He stood alone against the whole community. The advantages of the modern system were felt every hour of every day in every part of London; and people were no more disposed to relinquish those advantages for fear of calamities which occurred at long intervals, than to refrain from building houses for fear of fires, or from building ships for fear of hurricanes. It

* See, for example, the "Mystery of the New-fashioned Goldsmiths or Brokers 1676;" "Is not the hand of Jon in all this? 1676;" and an answer published in the same year. See, also, "England's Glory in the Great Improvement by Banking and Trade, 1694."

is a curious circumstance, that a man who, as a theorist, was distinguished from all the merchants of his time by the largeness of his views and by his superiority to vulgar prejudices, should, in practice, have been distinguished from all the merchants of his time by the obstinacy with which he adhered to an ancient mode of doing business, long after the dullest and most ignorant plodders had abandoned that mode for one better suited to a great commercial society.

No sooner had banking become a separate and important trade, than men began to discuss with earnestness the question whether it would be expedient to erect a national bank. The general opinion seems to have been decidedly in favor of a national bank; nor can we wonder at this; for few were then aware that trade is in general carried on to much more advantage by individuals than by great societies; and banking really is one of those few trades which can be carried on to as much advantage by a great society as by an individual. Two public banks had long been renowned throughout Europe, the Bank of Saint GEORGE, at Genoa, and the Bank of Amsterdam. The immense wealth which was in the keeping of those establishments, the confidence which they inspired, the prosperity which they had created, their stability, tried by panics, by wars, by revolutions, and found proof against all, were favorite topics. The Bank of Saint GEORGE had nearly completed its third century. It had begun to receive deposits and to make loans before COLUMBUS had crossed the Atlantic, before GAMA had turned the Cape, when a Christian emperor was reigning at Constantinople, when a Mahomedan Sultan was reigning at Granada, when Florence was a Republic, when Holland obeyed a hereditary prince. All these things had been changed. New continents and new oceans had been discovered. The Turk was at Constantinople; the Castilian was at Granada; Florence had its hereditary prince; Holland was a Republic; but the Bank of Saint GEORGE was still receiving deposits and making loans. The Bank of Amsterdam was little more than eighty years old; but its solvency had stood severe tests. Even in the terrible crisis of 1672, when the whole Delta of the Rhine was overrun by the French armies, when the white flags were seen from the top of the Stadthouse, there was one place where, amidst the general consternation and confusion, tranquillity and order were still to be found; and that place was the bank. Why should not the Bank of London be as great and as durable as the banks of Genoa and of Amsterdam?

Before the end of the reign of CHARLES II. several plans were proposed, examined, attacked and defended. Some pamphleteers maintained that a national bank ought to be under the direction of the king. Others thought that the management ought to be intrusted to the lord mayor, aldermen and common council of the capital.* After the revolution the subject was discussed with an animation before unknown. For, under the influence of liberty, the breed of political projectors multiplied exceedingly. A crowd of plans, some of which resemble the fancies of a child, or the dreams of a man in a fever, were pressed on the government.

* See a pamphlet entitled "Corporation Credit; or, a Bank of Credit, made Current by Common Consent in London, more Useful and Safe than Money."

Preeminently conspicuous among the political mountebanks, whose busy faces were seen every day in the lobby of the House of Commons, were JOHN BRISCOE and HUGH CHAMBERLAYNE, two projectors worthy to have been members of that academy which GULLIVER found at Lagado. These men affirmed that the one cure for every distemper of the State was a land bank. A land bank would work for England miracles such as had never been wrought for ISRAEL, miracles exceeding the heaps of quails and the daily shower of manna. There would be no taxes; and yet the exchequer would be full to overflowing. There would be no poor rates, for there would be no poor. The income of every land-owner would be doubled. The profits of every merchant would be increased. In short, the island would, to use BRISCOE'S words, be the paradise of the world. The only losers would be the moneyed men, those worst enemies of the nation, who had done more injury to the gentry and yeomanry than an invading army from France would have had the heart to do.*

These blessed effects the land bank was to produce simply by issuing enormous quantities of notes on landed security. The doctrine of the projectors was; that every person who had real property ought to have, besides that property, paper money to the full value of that property. Thus, if his estate was worth two thousand pounds, he ought to have his estate and two thousand pounds in paper money.† Both BRISCOE and CHAMBERLAYNE treated with the greatest contempt the notion that there could be an over-issue of paper as long as there was for every ten pound note a piece of land in the country worth ten pounds. Nobody, they said, would accuse a goldsmith of over-issuing as long as his vaults contained guineas and crowns to the full value of all the notes which bore his signature. Indeed, no goldsmith had in his vaults guineas and crowns to the full value of all his paper. And was not a square mile of rich land in Taunton Dean at least as well entitled to be called wealth as a bag of

* A proposal by Dr. HUGH CHAMBERLAYNE, in Essex-street, for a bank of secure current credit to be founded upon land, in order to the general good of landed men, to the great increase of the value of land, and the no less benefit of trade and commerce, 1695; Proposals for the supplying their majesties with money on easy terms, exempting the nobility, gentry, etc., from taxes, enlarging their yearly estates, and enriching all the subjects of the kingdom by a national land bank; by JOHN BRISCOE. "O fortunatus nimium bona sua norint Anglicanos." Third edition, 1696. BRISCOE seems to have been as much versed in Latin literature as in political economy.

† In confirmation of what is said in the text, I extract a single paragraph from BRISCOE'S proposals. "Admit a gentleman hath barely £100 per annum estate to live on, and hath a wife and four children to provide for; this person, supposing no taxes were upon his estates, must be a great husband to be able to keep his charge, but cannot think of laying up any thing to place out his children in the world; but according to this proposed method he may give his children £500 a piece, and have £90 per annum left for himself and his wife to live upon, the which he may also leave to such of his children as he pleases after his and his wife's decease. For first having settled his estate of £100 per annum, as in proposals 1, 8, he may have bills of credit for £2,000 for his own proper use, for 10s. per cent. per annum, as in proposal 22, which is but £10 per annum for the £2,000, which being deducted out of his estate of £100 per annum, there remains £90 per annum clear to himself." It ought to be observed that this nonsense reached a third edition.

gold or silver? The projectors could not deny that many people had a prejudice in favor of the precious metals, and that, therefore, if the land bank were bound to cash its notes, it would very soon stop payment. This difficulty they got over by proposing that the notes should be inconvertible, and that every body should be forced to take them.

The speculations of CHAMBERLAYNE on the subject of the currency may possibly find admirers even in our own time. But to his other errors he added an error which began and ended with him. He was fool enough to take it for granted, in all his reasonings, that the value of an estate varied directly as the duration. He maintained, that if the annual income derived from a manor were a thousand pounds, a grant of that manor for twenty years must be worth twenty thousand pounds, and a grant for a hundred years worth a hundred thousand pounds. If, therefore, the lord of such a manor would pledge it for a hundred years to the land bank, the land bank might, on that security, instantly issue notes for a hundred thousand pounds. On this subject CHAMBERLAYNE was proof to ridicule, to argument, even to arithmetical demonstration. He was reminded that the fee simple of land would not sell for more than twenty years' purchase. To say, therefore, that a term of a hundred years was worth five times as much as a term of twenty years, was to say that a term of a hundred years was worth five times the fee simple; in other words, that a hundred was five times the infinity. Those who reasoned thus were refuted by being told that they were usurers; and it should seem that a large number of country gentlemen thought the refutation complete.

In December, 1693, CHAMBERLAYNE laid his plan, in all its naked absurdity, before the Commons, and petitioned to be heard. He confidently undertook to raise eight thousand pounds on every freehold estate of a hundred and fifty pounds a year which should be brought, as he expressed it, into his land bank, and this without dispossessing the freeholder.* All the squires in the House must have known that the fee simple of such an estate would hardly fetch three thousand pounds in the market. That less than the fee simple of such an estate could, by any device, be made to produce eight thousand pounds, would, it might have been thought, have seemed incredible to the most illiterate fox-hunter that could be found on the benches. Distress, however, and animosity, had made the landed gentlemen credulous. They insisted on referring CHAMBERLAYNE'S plan to a committee; and the committee reported that

* Commons' Journals, Dec. 7, 1693. I am afraid that I may be suspected of exaggerating the absurdity of this scheme. I, therefore, transcribe the most important part of the petition. "In consideration of the freeholders bringing their lands into this bank, for a fund of current credit, to be established by act of Parliament, it is now proposed that, for every £150 per annum, secured for one hundred and fifty years, for but one hundred yearly payments of £100 per annum, free from all manner of taxes and deductions whatsoever, every such freeholder shall receive £4,000 in the said current credit, and shall have £2,000 more put into the fishery stock for his proper benefit; and there may be further £2,000 reserved at the Parliament's disposal towards carrying on this present war. * * * The freeholder is never to quit the possession of his said estate unless the yearly rent happens to be in arrear."

the plan was practicable, and would tend to the benefit of the nation. But by this time the united force of demonstration and derision had begun to produce an effect even on the most ignorant rustics in the House. The report lay unnoticed on the table; and the country was saved from a calamity, compared with which the defeat of LANDEN and the loss of the Smyrna fleet would have been blessings.

All the projectors of this busy time, however, were not so absurd as CHAMBERLAYNE. One among them, WILLIAM PATERSON, was an ingenious, though not always a judicious, speculator. Of his early life little is known, except that he was a native of Scotland, and that he had been in the West Indies. In what character he had visited the West Indies was a matter about which his contemporaries differed. His friends said that he had been a missionary; his enemies, that he had been a buccancer. He seems to have been gifted by nature with fertile invention, an ardent temperament and great powers of persuasion, and to have acquired somewhere in the course of his vagrant life a perfect knowledge of accounts.

This man submitted to the government, in 1691, a plan of a national bank; and his plan was favorably received both by statesmen and by merchants. But years passed away; and nothing was done, till, in the spring of 1694, it became absolutely necessary to find some new mode of defraying the charges of the war. Then at length the scheme devised by the poor and obscure Scottish adventurer was taken up in earnest by MONTAGUE. With MONTAGUE was closely allied MICHAEL GODFREY, the brother of that Sir EDMONDSBURY GODFREY, whose sad and mysterious death had, fifteen years before, produced a terrible outbreak of popular feeling. MICHAEL was one of the ablest, most upright and most opulent of the merchant princes of London. He was, as might have been expected from his near connection with the martyr of the Protestant faith, a zealous Whig. Some of his writings are still extant, and prove him to have had a strong and clear mind.

By these two distinguished men PATERSON'S scheme was fathered. MONTAGUE undertook to manage the House of Commons, GODFREY to manage the city. An approving vote was obtained from the Committee of Ways and Means; and a bill, the title of which gave occasion to many sarcasms, was laid on the table. It was indeed not easy to guess that a bill, which purported only to impose a new duty on tonnage for the benefit of such persons as should advance money towards carrying on the war, was really a bill creating the greatest commercial institution that the world had ever seen.

The plan was, that twelve hundred thousand pounds should be borrowed by the government on what was then considered as the moderate interest of eight per cent. In order to induce capitalists to advance the money promptly on terms so favorable to the public, the subscribers were to be incorporated by the name of the Governor and Company of the Bank of England. The corporation was to have no exclusive privilege, and was to be restricted from trading in any thing but bills of exchange, bullion and forfeited pledges.

As soon as the plan became generally known, a paper war broke out as furious as that between the swearers and the non-swearers, or as that

between the Old East India Company and the New East India Company. The projectors who had failed to gain the ear of the government fell like madmen on their more fortunate brother. All the goldsmiths and pawnbrokers set up a howl of rage. Some discontented Tories predicted ruin to the monarchy. It was remarkable, they said, that banks and kings had never existed together. Banks were republican institutions. There were flourishing banks at Venice, at Genoa, at Amsterdam and at Hamburg. But who had ever heard of a Bank of France or a Bank of Spain? Some discontented Whigs, on the other hand, predicted ruin to our liberties. Here, they said, is an instrument of tyranny more formidable than the High Commission, than the Star Chamber, than even the fifty thousand soldiers of OLIVER. The whole wealth of the nation will be in the hands of the Tonnage Bank—such was the nickname then in use—and the Tonnage Bank will be in the hands of the sovereign. The power of the purse, the one great security for all the rights of Englishmen, will be transferred from the House of Commons to the governor and directors of the new company. This last consideration was really of some weight, and was allowed to be so by the authors of the bill. A clause was, therefore, most properly inserted, which prohibited the bank from advancing money to the crown without authority from Parliament. Every infraction of this salutary rule was to be punished by forfeiture of three times the sum advanced; and it was provided, that the king should not have power to remit any part of the penalty. The plan, thus amended, received the sanction of the Commons more easily than might have been expected from the violence of the adverse clamor. In truth, the Parliament was under duress. Money must be had, and could in no other way be had so easily. What took place when the House had resolved itself into a committee cannot be discovered; but while the speaker was in the chair, no division took place.

The bill, however, was not safe when it had reached the Upper House. Some lords suspected that the plan of a national bank had been devised for the purpose of exalting the moneyed interest at the expense of the landed interest. Others thought that this plan, whether good or bad, ought not to have been submitted to them in such a form. Whether it would be safe to call into existence a body which might one day rule the whole commercial world, and how such a body should be constituted, were questions which ought not to be decided by one branch of the legislature. The peers ought to be at perfect liberty to examine all the details of the proposed scheme, to suggest amendments, to ask for conferences. It was, therefore, most unfair that the law establishing the bank should be sent up as a part of a law granting supplies to the crown. The Jacobites entertained some hope that the session would end with a quarrel between the Houses, that the tonnage bill would be lost, and that WILLIAM would enter on the campaign without money. It was already May, according to the new style. The London season was over, and many noble families had left Covent Garden and Soho Square for their woods and hay-fields. But summonses were sent out. There was a violent rush back to town. The benches which had lately been deserted were crowded. The sittings began at an hour unusually early, and were prolonged to an hour unusually late. On the day on which the bill was

committed the contest lasted without intermission from nine in the morning till six in the evening. GODOLPHIN was in the chair. NOTTINGHAM and ROCHESTER proposed to strike out all the clauses which related to the bank. Something was said about the danger of setting up a gigantic corporation which might soon give law to the three estates of the realm. But the peers seemed to be most moved by the appeal which was made to them as landlords. The whole scheme, it was asserted, was intended to enrich usurers at the expense of the nobility and gentry. Persons who had laid by money would rather put it into the bank than lend it on mortgage at moderate interest. CÆRMARTHEN said little or nothing in defence of what was, in truth, the work of his rivals and enemies. He owned that there were grave objections to the mode in which the Commons had provided for the public service of the year. But would their lordships amend a money bill? Would they engage in a contest of which the end must be that they must either yield, or incur the grave responsibility of leaving the channel without a fleet during the summer? This argument prevailed; and, on a division, the amendment was rejected by forty-three votes to thirty-one. A few hours later the bill received the royal assent, and the Parliament was prorogued.

In the city the success of MONTAGUE'S plan was complete. It was then at least as difficult to raise a million at eight per cent. as it would now be to raise thirty millions at four per cent. It had been supposed that contributions would drop in very slowly; and a considerable time had, therefore, been allowed by the act. This indulgence was not needed. So popular was the new investment, that on the day on which the books were opened three hundred thousand pounds were subscribed; three hundred thousand more were subscribed during the next forty-eight hours; and, in ten days, to the delight of all the friends of the government, it was announced that the list was full. The whole sum which the corporation was bound to lend to the State was paid into the exchequer before the first instalment was due. SOMERS gladly put the great seal to a charter framed in conformity with the terms prescribed by Parliament; and the Bank of England commenced its operations in the house of the Company of Grocers. There, during many years, directors, secretaries and clerks, might be seen laboring in different parts of one spacious hall. The persons employed by the bank were originally only fifty-four. They are now nine hundred. The sum paid yearly in salaries amounted at first to only four thousand three hundred and fifty pounds. It now exceeds two hundred and ten thousand pounds. We may, therefore, fairly infer that the incomes of commercial clerks are, on an average, about three times as large in the reign of VICTORIA as they were in the reign of WILLIAM III.

It soon appeared that MONTAGUE had, by skilfully availing himself of the financial difficulties of the country, rendered an inestimable service to his party. During several generations the Bank of England was emphatically a Whig body. It was Whig, not accidentally, but necessarily. It must have instantly stopped payment if it had ceased to receive the interest on the sum which it had advanced to the government; and of that interest JAMES would not have paid one farthing. Seventeen years after the passing of the tonnage bill, ADDISON, in one of his most inge-

nious and graceful allegories, described the situation of the great company through which the immense wealth of London was constantly circulating. He saw public credit on her throne in Grocers' Hall, the great charter over her head, the act of settlement full in her view. Her touch turned every thing to gold. Behind her seat, bags filled with coin were piled up to the ceiling. On her right and on her left the floor was hidden by pyramids of guineas. On a sudden the door flies open. The Pretender rushes in, a sponge in one hand, in the other a sword which he shakes at the act of settlement. The beautiful queen sinks down fainting. The spell by which she has turned all things around her into treasure is broken. The money-bags shrink like pricked bladders. The piles of gold pieces are turned into bundles of rags or faggots of wooden tallies.* The truth which this parable was meant to convey was constantly present to the minds of the rulers of the bank. So closely was their interest bound up with the interest of the government, that the greater the public danger the more ready were they to come to the rescue. In old times, when the treasury was empty, when the taxes came in slowly, and when the pay of the soldiers and sailors was in arrear, it had been necessary for the chancellor of the exchequer to go, hat in hand, up and down Cheapside and Cornhill, attended by the lord mayor and by the aldermen, and to make up a sum by borrowing a hundred pounds from this hosier, and two hundred pounds from that ironmonger. Those times were over. The government, instead of laboriously scooping up supplies from numerous petty sources, could now draw whatever it required from an immense reservoir, which all those petty sources kept constantly replenished. It is hardly too much to say that, during many years, the weight of the bank, which was constantly in the scale of the Whigs, almost counterbalanced the weight of the church, which was as constantly in the scale of the Tories.

A few minutes after the bill which established the Bank of England had received the royal assent, the Parliament was prorogued by the king with a speech, in which he warmly thanked the Commons for their liberality. MONTAGUE was immediately rewarded for his services with the place of chancellor of the exchequer.

* Spectator, No. 3.

THE BANK OF ENGLAND.

A VISIT TO THE BANK OF ENGLAND, 1849.

From Hogg's Weekly Instructor.

WE are indebted for the following interesting account of the internal economy of the Bank of England, to Hogg's *Instructor*—a work we have several times had occasion to commend for the excellence of its literary contents:

The bank is one of the grand points in the topography of London. Hackney-coachmen, cabmen and omnibusmen regard it as amongst the chief ports in the voyage of the great city, and draw up here as a matter of course, to set down or take up their human freight. The bank is an immense building, situated a little to the west of Cornhill, and covering an area of several acres of ground. The business now transacted in this extensive edifice was originally carried on in Grocers' Hall in the Poultry—a building which now would scarcely be sufficient to accommodate one department of this vast establishment. In 1732, the foundation-stone of the present building was laid on the site of the house and garden of Sir JOHN HOUBLON, the first governor; and the first erection only comprised what constitutes the present centre, with the courtyard, hall, and bullion court. In 1770, the eastern wing was added to the original; and in the five years ending 1804, the western wing, with the Lothbury front, was added. Since that period there have been frequent additions and alterations made in the building to suit the convenience of the business departments, or to guard against certain contingencies.

During the alarm of 1848, caused by the incoherent threats of several violent politicians in London, a parapet wall was raised all round, above the cornice, and other means were adopted to facilitate defence should an attack have been attempted. The principal entrance is from Threadneedle-street—the front having a centre eighty feet long, besides wings. The view of the bank, as a whole, is not imposing; it is isolated in its position, and in this respect is more favored than many of the splendid edifices of London; nevertheless, the diversity of plans upon which its parts have been built, has denied it that architectural integrity which seldom belongs to any edifice not the idea of one mind.

The front is composed of pillars, &c., of the Ionic order, on a rustic base; and the wings are ornamented with a colonnade. The back of the bank is in Lothbury, from which a handsome carriage-entrance leads into the outer, and then into the bullion courts.

The Bank of England, although ostensibly a public establishment, and though it does present free access to several of its places of business, is, nevertheless, carefully guarded against general intrusion; and it requires considerable interest to obtain a view of the more private apartments of

this truly wonderful and most interesting establishment. We were fortunate enough to have a kind and influential friend, who procured for us an order of admission from a director, and with this *carte*, which opened the way to the treasures of the greatest commercial country of the world, we presented ourselves at the bank. We were politely led to a little waiting-room by a man dressed in black pants and red vest, and wearing a brown drab coat, with a silver elliptical medal attached to his left breast, bearing the words round its edge of "Bank of England." This person took our admission-card from us, and left us alone for some minutes. At last, another official, similarly attired, presented himself, and, bowing, begged to be permitted to conduct us over the premises. Before we could be permitted to advance into the domains of England's *Plutus*, the admission card had to be scrutinized, then initialed on the back by a clerk. The name of the registered visitor, and the number of the party accompanying him, were required to be entered in a journal, with the name of the guide who was to lead us over the various departments; the card was then countersigned by a cashier, and we were at last admissible. Every department of manual labor connected with the business of the bank, save paper-making, is carried on within its walls, as well as the more immediate business of a money-lending, money-changing establishment; and the precision, order and regularity which pervade the whole mechanical departments, are wonderful illustrations of method and mechanical contrivance. The first room we entered was a comparatively small one, and lighted, like all the other apartments, from above. Before us, and to our left, were piles of rough-edged, thick, day-book and ledger paper, which ten persons, men, women and boys, were employed in ruling, cutting, folding and stitching. The ruling was rapidly performed by a woman and two boys, the process being most ingenious and effective. The pens or points, which conduct the ink to the paper, are made from thin sheets of brass—several points, divided according to the pattern required, being in one sheet. Those brass-pointed ink-conductors are attached to a wooden cylinder, which remains stationary, and along which, above the other pens, is stretched a piece of flannel. This flannel is saturated with coloring matter, and, as the sheet of paper to be ruled passes through two rollers, a part of it is always presented to the points, which, attracting the ink from the flannel, deposits it on the large folios, ruling the whole sheet at once. A beautiful cutting machine takes the rough edges from those folios after they are folded. The action of this machine, which is perpendicular, is regulated by a gauge, which moves the cutter backwards and forwards according to the will of the person superintending the work. The shavings from the paper are carefully preserved, and sent off to the paper mill to be returned in folios. The women who stitch the reference and other books previous to binding, sit up in a high gallery, overlooking the ruling and cutting apartment.

From this room we passed into the letter-press printing office, where three steam cylindrical presses and two hand-presses occupied the floor. The machines were splendid ones, from the manufactory of E. & E. COWPER, London and Manchester. Eight persons were at work here, setting up and throwing off, in order to supply the daily consumption of sixty folio volumes, &c., which are required for this great house of business. In passing from the

letter-press room we entered a long and narrow saloon, in which light shafts and wheels were revolving, and causing to move all the beautiful machinery in operation throughout the whole extent of the building. In this saloon was seated a person, whose sole duty it was to fold stamped letters; and, to judge by the activity of his motions, he had a good man's work of it. On the same floor with this shaft-room is the mechanical work-room, in which a planing-machine was putting a smooth face upon a brass plate, and several workmen were busy filing and fitting. Ascending the stairs, which are made of smooth slabs of purple-colored slate, we next found ourselves in a recessed compartment, at the end of a gallery which was of the same length and dimensions as the shaft-room immediately below. At a bench stood a young man, turning over the leaves of a large reference-book, upon the corners of which a precise, methodical, quaint-looking little machine made regular impressions, rising and falling from point to point of the two radii of a right angle, and numbering a page of the book every time that it reached the inferior culminating point. This machine regulated itself, and marked the pages of great ledgers and journals from the first up to several thousands, without making the least mistake in the numeration. Whilst we stood admiring this happy contrivance, and wondering at the intelligence which seemed to govern the motions of this little complex combination of brass and steel, which went on thus numbering its own actions, our ears were constantly saluted with the clash and clang of ponderous steel plates and busy, strong-limbed machinery. A few steps forward, and the turning of our eyes towards the left brought the whole busy scene, of which those sounds were indicative, within the scope of our vision. Eight perpendicular shafts, which communicated their motion to the printing-presses, were whirling and groaning, with the wheels attached to them, while sixteen men—black, and grim, and hot—were actively at work, printing bank notes. The machinery occupied the centre of the gallery, the workmen's bench on one side, and a range of drying-presses on the other. On the bench, which was of iron, heated in order to communicate that necessary quality to the plates used in printing, stood palettes, covered with Frankfort black, coarse-looking daubers, made of cloth, in the form of the mullers used by paint-grinders, numerous black rags, and large masses of prepared chalk. Two men were employed at every printing-press, whose duty it is to ink, polish, and place the paper on the plate, the one after the other alternately. As soon as an impression is taken, the steel plate is quickly removed from the press. It is then inked all over, the workmen immediately removing with chalk and a rubber all that is on the polished surface. The ink remaining in the engraved parts of the plate, it is again placed in the press, and the impression is communicated to the thin gossamer paper. At one end of this long room there are eight indices corresponding to the eight presses, which are numbered. These register every stroke of each press, and consequently the number of notes printed by every two men. When a hundred notes have been thrown off by a workman, they are placed in a box, and inserted into a slit above the indicator of his particular press. These are immediately taken away, as if by magic, and a hundred blank sheets of paper appear in their stead. It is impossible to speculate even a sheet of this paper without

immediate detection—such is the intelligent supervision maintained by the wonderful steam-engine and the mechanical contrivances pertaining to it. Twenty-eight thousand bank notes are generally thrown off here daily. The printing-presses are kept in motion by broad woolen belts, which of course become soiled, and are changed every day. These are washed and dried in a little room fitted up for the purpose, and so expeditious is the whole process that those heavy woolen cloths, several yards in length, can be cleansed and dried in three quarters of an hour. Adjacent to the washing-room is the room in which the paper is saturated with water before being sent to the printers. The paper is remarkably thin, and so porous that two hundred five pound note sheets will absorb about an English pint of water. As soon as the water has been forced by a hydraulic machine through all the body of the note-paper, it is then taken to be pressed. This is an extremely nice and delicate process, for if the pressure administered was to exceed the necessary amount, the thin sheets of paper would probably become coherent into a solid mass. The pressure allowed is three tons, but the process is gradual and frequent. The water pressed from the paper runs off by a pipe into a reservoir, and the room in which those machines work is perfectly dry and comfortable. In this same room a grinding-machine is constantly preparing ink for the printers. This ink, or Frankfort black, is made from the calcined lees and seeds of grapes, and forms one of the finest and darkest imprints that can be found. Twenty-eight pounds of this compost are used by the printers in the bank daily.

All the machines which we have endeavored to describe in a general manner are wrought by a steam-engine of ten-horse power, which, down in its snug little room, keeps up its constant clatter and motion, revising, optimising, and accelerating the labors of man, without requiring man's revision. This engine regulates the supply of coal in the furnace, causes the fire to revolve, which consumes its own smoke, and governs all the subordinate and superior motions connected with itself, except filling the hoppers over the furnaces with coal, as if it was possessed of a rational intelligence. The fires are lighted, and the hoppers filled with coal-dust every morning, and then the engine is left to do its own business, until its services are dispensed with in the evening.

Passing from the engine-house, we wended through a little narrow passage, and found ourselves in a spacious yard, the centre of which was occupied by a great iron cage, about twenty feet in diameter, having a roof terminating in a point, and surrounding and covering a brick furnace, full of the black ashes of what had once represented the wealth of this vast industrial community. This is the furnace in which the old bank notes are annually consumed. Our guide informed us that six men are employed during two entire days in destroying the old notes of a year's issue. A Bank of England note is never issued after it returns to the bank. It is then cancelled and destroyed, to make way for the new issue.

A slight description of the mode of conducting business in regard to the issue of bank notes, will enable our readers to see with what ease the circulation of forged notes can be immediately detected, and the number and amount of all those in circulation declared. On every note there is

a date of its issue, the sum of its value, the name of one cashier, and the initial letters which indicate the reference-book in which are all those particulars, carefully registered. Whenever a note is presented to the bank the corner is torn from it, the number is punched out, it is cancelled in the register-book, and then sent down to the library, there to lie for ten years, until burned in the yard during the eleventh. By this means the bank can tell, by reference to its books, how many notes of any date, since the year 1694, are in circulation, and to what amount. The old notes are kept for ten years in the library, and on the eleventh they are destroyed, so that there is a conflagration annually. Some of the bills in the library were once the representatives of immense wealth. One thousand pound notes are, however, the largest in amount that are circulated by the bank. We had a package of five hundred of these in our hands. We had also five or six bills, amounting in the aggregate to four millions and a half of money, one of them alone being for one million sterling.

We now ascended from the subterranean library into the accountant's office, and the transition was very striking. The latter is a magnificent hall, seated all through with desks, at which about a hundred clerks were busy, turning over the leaves of books, and making entries, or comparing notes and preparing them for the archives below. Sixteen Ionic columns run in two parallel rows along the sides of this vast hall. At the one end there is a great clock, at the other is a recess, in which are seated the senior or head accountants.

One of the most interesting and astonishing departments within the whole compass of the banking business was the weighing department, in which, with the rapidity of thought and a precision approaching to the hundredth part of a grain, the weight of the gold coins is determined. There are six weighing machines, kept working by the same agency which supplies all the mechanical power in the bank, and three weighers attend to these. Rolls of sovereigns or half-sovereigns are placed in grooves, and are shaken, one at a time, by the motion of the machine, into the weights. If they are of standard weight, they are thrown by the same mechanical intelligence into a box at the right hand side of the person who watches the operation; if they have lost the hundredth part of a grain, they are cast into a box on the left. Those which stand the test are put into bags of one thousand sovereigns each, and those below par are cut by a machine, and sent back to the mint. Between one and two thousand light sovereigns are thus daily sent out of circulation. The silver is put up into bags, each of one hundred pounds value, and the gold into bags of a thousand, and then those bags-full of bullion are sent through a strongly-guarded door, or rather window, into the treasury. The treasury is a dark, gloomy apartment, fitted up with iron presses, which are supplied with huge locks and bolts, and which are perfectly fire-proof. Gold, silver and paper money ready for circulation, to the amount of twenty-two millions sterling, were in the treasury when we visited it. One of the gentlemen in that department placed one thousand sovereigns in our hand, and at the same time pointed to seventy bagsfull of gold in the little recess which he had thrown open, making in all the modest sum of seventy thousand pounds. He placed notes to the

amount of half a million also upon our palm, which, no doubt, had its own sensations, as the precious deposit trembled on its top. The heads of departments meet in the treasury every evening, and there all the accounts are balanced.

In the issue-room there is a fine marble statue of WILLIAM III., which seems to preside over twenty-eight money-changers, who are constantly employed taking or giving gold and silver for Bank of England notes, or *vice versa*. The desks of the clerks surround this spacious apartment, and offer every facility for the active business carried on here. In the cashier's room we counted eleven white-haired gentlemen busily signing and countersigning the notes to be issued. The banking department is now carried on in a temporary wooden erection, in consequence of some necessary alterations being made in the usual place of business. Two beautiful elms are growing up through the roof and centre of this banking-house, the leaves on those branches enclosed being sear and withered, while those that have been allowed to breathe even the deleterious air of London are bright and green. Eighty clerks were huddled in here, and yet the duties of their office seemed to be discharged with remarkable ability and ease. All the desks were distinguished by particular letters of the alphabet, which referred the person doing business with one clerk to the individual necessary to complete it, without noise or confusion.

The most splendid of all the halls in the Bank of England, however, is the Rotunda, in which all the stock-jobbers, stock-brokers and others meet for the purpose of transacting business in the public funds, and in which the government dividends are paid. From the floor to the apex of the dome is eighty-two feet, and the stucco-work is very beautiful. Fourteen upright cariatides (female figures) stand upon a circular pediment and support the lofty dome, through which falls the softened, chastened sunbeams. The cupola which caps the summit of the dividend warrant office is very rich in alto-relievos, and is also supported by twenty statues, standing two and two by each other's sides. The transfer office is that in which all transactions in the stocks are settled, after parties have agreed to a transmission. He who sells out cancels his claims upon the government, transferring them to the person who may have purchased from him. The consolidated annuity office is appropriated to the sale of annuities, and to the granting of the receipts required by the annuitants before they draw their money. All the transactions of this office are preserved in the presses, the doors of which are numbered and lettered, and indicate the particular entry-books within that have been used since the incorporation of the bank by royal charter in 1694.

Nine families constantly reside within the precincts of the bank—the houses of the secretary, chief accountant and gate-keeper being situated round the court, into which the Lothbury gate opens. Around the whole extent of the bank, within the parapet wall, there is a walk upon which the sentinels pace during the night, lest thieves should attempt to enter. Thirty-four private soldiers and an officer are deputed to this duty every night, each man receiving a shilling, and the officer half-a-crown and his supper. Besides these soldiers, and the families resident in the bank, there are fourteen men constantly there, day and night, who are perfectly acquainted with all the labyrinthian mazes of the vast building, and who

could immediately bring the fire-engines into operation, which stand in the furnace-court. There are about one thousand individuals employed in this establishment. In 1819 there were eleven hundred clerks employed, and twenty-five years previous to that period two hundred and fifty sufficed to discharge the duties required.

The business hours are from nine to five o'clock, and the most rigid exactitude in time-keeping is demanded from all the employees. If an individual is three times late in his attendance, he is called before the directors and reprimanded; if the fault is again repeated, the delinquent receives a gentle intimation to resign his situation. Fifty or more of those employed in this vast national counting-house are constantly enjoying a holiday, the period of relaxation extending as the period during which a man has served extends. The direction of the bank is vested in a governor, deputy-governor and twenty-four directors, who are elected annually at a general court of the proprietors. Thirteen directors, with the governor, form a court for the management of business.

According to a pamphlet issued by Mr. THOMSON HANKEY, formerly governor of the bank, the revenue is paid into the Bank of England at the rate of about £1,000,000 a week, that is, in ordinary times; a considerable portion of this is allowed to accumulate to provide means on each quarter-day for the payment of the dividends on the government debt. Suddenly on those days five or six millions sterling is paid away by the bank to the public; but the difference as to the abundance or scarcity of money just before or just after the payment of this large sum is scarcely appreciable, so nicely do the ordinary operations of banking accommodate and render easy all these large transfers of money. And for all this business the bank receives no other remuneration but the use of the government balances, which vary from "*nil*," the day after the payment of the dividend, until they accumulate to the amount required for payment of dividends; and if then there is not sufficient, the bank are expected to advance the difference, which is repaid out of the next accruing revenue.

And these remarks apply not only to the public banking department the benefit and convenience are equally apparent if we look to the department for private banking. In this department every kind of banking business is carried on for ordinary private customers; his savings may be invested by the bank, and the dividend and interest of all kinds received for him and placed to his account; all the property he may keep in securities will be taken charge of for him, and he may keep all his cash and other securities in the same way as he would keep them at any other private banking establishment, and with all similar conveniences as to receipts or payments in any way that may be required. If a large deposit is required to be made on account of a railway, if large foreign payments are required to be made abroad by the transmission of gold, every facility is given through the machinery of the existing system, by which these large transactions are daily carried out, without causing the smallest derangement to the ordinary trade of the country; or, at least, if any derangement or inconvenience is experienced, it is doubtless in a very mitigated form, in consequence of the general prevalence of a good system of banking throughout the country.

THE BANK OF ENGLAND, 1844—1861.

In order to represent fully the numerous changes and fluctuations of the Bank of England, since the grant of the last charter, in 1844, we compile and publish, from official data, a statement showing—I. The Circulation Outstanding. II. Public Deposits. III. Private Deposits. IV. Public Securities held. V. Other Securities. VI. Bullion and Coin held. VII. Reserve of Notes: at each period when a change in the rate of discount was adopted by the bank.

Week ending	Notes in Circulation.	Public Deposits.	Other Deposits.	Public Securities.	Other Securities.	Bullion.	Reserve of Notes.	Minimum Rate of Discount. Per cent.
1844. September 7,	£ 21,206,624 ..	2,869,809 ..	8,644,848 ..	£ 14,554,884 ..	2,785,610 ..	£ 15,309,060 ..	£ 8,175,025 ..	4
September 14,	20,668,880 ..	4,417,067 ..	8,475,101 ..	14,564,884 ..	8,416,689 ..	15,907,771 ..	8,680,290 ..	9½
October 30,	22,886,897 ..	8,556,646 ..	8,391,431 ..	15,406,775 ..	8,867,608 ..	14,004,838 ..	6,294,645 ..	3½
December 28,	20,107,905 ..	7,411,605 ..	8,365,079 ..	13,540,619 ..	11,081,681 ..	14,578,415 ..	9,076,800 ..	2½
1845. June 14,	21,068,905 ..	6,261,465 ..	10,315,111 ..	13,364,368 ..	11,305,903 ..	14,613,990 ..	9,864,615 ..	2½
November 1,	22,152,746 ..	4,467,068 ..	9,099,737 ..	13,308,168 ..	13,439,813 ..	13,885,043 ..	8,919,775 ..	3½
1846. January 31,	22,461,597 ..	4,839,510 ..	17,086,880 ..	13,187,047 ..	31,466,997 ..	13,298,244 ..	5,112,860 ..	3½
August 30,	21,311,811 ..	7,142,313 ..	9,161,668 ..	12,961,785 ..	13,395,457 ..	16,266,068 ..	9,449,760 ..	3
September 13,	20,292,233 ..	8,198,800 ..	8,005,308 ..	13,961,240 ..	12,331,816 ..	14,338,948 ..	9,846,600 ..	3
1847. January 9,	20,962,214 ..	9,890,624 ..	7,903,939 ..	13,936,363 ..	15,071,620 ..	14,951,873 ..	8,277,065 ..	3
January 16,	21,678,230 ..	5,084,139 ..	10,889,726 ..	13,757,338 ..	14,400,711 ..	13,949,661 ..	6,546,965 ..	3½
January 23,	21,501,874 ..	4,068,489 ..	10,855,895 ..	13,757,336 ..	14,439,657 ..	13,442,830 ..	6,167,170 ..	4
August 7,	19,594,877 ..	5,570,606 ..	7,995,597 ..	11,693,260 ..	16,302,175 ..	9,332,380 ..	8,946,245 ..	5½
October 26,	21,363,183 ..	4,764,394 ..	8,680,509 ..	10,399,707 ..	19,467,128 ..	8,312,691 ..	1,567,370 ..	8
October 30,	21,764,085 ..	4,696,083 ..	8,911,449 ..	16,618,607 ..	20,409,397 ..	8,438,674 ..	1,176,740 ..	8
November 30,	20,179,074 ..	7,319,809 ..	7,566,438 ..	10,633,907 ..	18,791,117 ..	10,016,987 ..	4,298,095 ..	7
December 4,	19,668,733 ..	7,799,527 ..	8,441,239 ..	10,946,584 ..	13,070,409 ..	11,062,299 ..	5,688,090 ..	6
December 25,	13,680,098 ..	9,365,973 ..	11,065,267 ..	11,065,267 ..	16,979,000 ..	13,264,296 ..	7,786,180 ..	5
1848. January 15,	19,397,576 ..	4,384,690 ..	10,674,188 ..	11,308,368 ..	15,254,894 ..	12,829,693 ..	7,152,400 ..	5
January 22,	20,015,153 ..	4,032,448 ..	10,774,570 ..	11,464,665 ..	14,510,266 ..	13,176,913 ..	7,447,385 ..	4
June 10,	18,661,480 ..	5,628,828 ..	9,054,948 ..	12,007,267 ..	11,886,651 ..	13,689,925 ..	9,500,315 ..	3½
October 30,	19,660,744 ..	3,619,440 ..	10,921,199 ..	13,950,013 ..	10,899,084 ..	13,378,143 ..	6,013,165 ..	3
December 28,	17,849,915 ..	8,573,068 ..	8,901,078 ..	13,484,168 ..	10,814,515 ..	15,000,676 ..	11,309,365 ..	3

Bank Statistics, 1844—1861.

1844.	July 21.....	20,880,184	2,809,319	11,899,066	14,885,985	9,697,004	14,717,196	8,111,740	3
	November 17.....	19,319,300	7,349,990	9,913,504	14,893,067	9,780,599	16,067,099	11,097,635	3½
	December 22.....	18,873,644	10,368,704	9,485,599	14,850,880	10,860,565	17,080,648	13,451,390	3½
1850.	January 5.....	19,841,669	10,331,413	9,783,963	14,375,661	11,067,096	17,090,469	13,010,375	3½
	October 19.....	21,682,708	6,894,496	9,450,613	14,938,901	10,773,545	14,015,108	9,804,195	3½
	December 31.....	19,715,157	10,708,686	9,301,664	14,888,968	12,762,797	15,860,376	10,363,710	3
1851.	July 19.....	21,814,983	3,957,006	9,658,816	13,481,091	11,808,076	13,698,047	6,449,515	3
	December 30.....	19,174,968	9,309,658	9,046,449	13,944,330	11,800,143	17,413,664	13,163,065	3
1852.	January 17.....	22,319,099	4,713,153	11,054,776	13,240,099	11,388,796	17,734,337	10,113,940	3½
	June 24.....	22,610,658	7,590,979	12,684,028	13,674,586	10,755,395	22,043,688	14,344,690	3
	September 25.....	22,994,139	8,793,451	11,686,139	14,199,163	11,662,188	21,511,696	13,619,305	3
1853.	January 8.....	24,849,739	5,771,914	14,810,648	13,876,794	15,093,533	19,763,621	9,809,489	3½
	January 23.....	24,913,474	4,968,764	13,737,697	13,890,407	14,170,745	19,404,919	9,444,335	3
	March 19.....	23,817,233	8,903,555	19,374,068	13,464,068	15,447,373	19,763,146	11,183,095	3
	June 4.....	24,813,453	4,635,454	13,909,339	13,134,653	14,633,339	18,333,984	8,364,970	3½
	September 8.....	23,919,004	4,701,593	11,017,313	12,773,176	14,546,194	16,000,068	7,090,005	4
	September 17.....	23,857,993	6,007,898	11,035,973	12,537,868	16,740,633	15,362,398	6,977,135	4½
	October 1.....	24,317,011	6,733,795	11,683,505	13,333,063	19,134,739	15,613,569	6,333,690	5
	October 15.....	25,073,473	3,700,539	13,664,326	13,465,161	17,433,039	15,371,474	5,013,490	5
1854.	May 6.....	23,133,991	3,393,333	10,633,531	13,593,907	14,749,490	13,003,079	3,900,430	5½
	July 26.....	21,554,446	2,802,361	11,134,900	11,775,368	13,610,068	13,464,324	6,357,060	5
	December 23.....	20,064,067	5,660,414	10,390,367	11,609,568	14,561,408	14,137,104	8,369,740	5
1855.	April 7.....	20,717,199	6,003,895	11,364,375	13,034,749	13,633,995	15,073,318	8,580,140	4½
	May 6.....	21,363,966	4,387,590	13,645,631	13,991,373	13,791,060	15,619,319	8,749,000	4
	June 23.....	20,536,617	6,484,635	13,334,470	13,394,063	13,933,907	13,106,096	11,887,310	3½
	September 8.....	21,133,671	7,591,337	10,970,368	13,031,068	16,637,337	14,317,376	7,593,900	4
	September 15.....	20,709,416	7,893,391	11,444,769	13,799,368	17,893,784	13,096,463	7,390,900	4½
	September 28.....	21,174,628	8,144,989	11,437,905	13,135,066	19,915,763	13,933,938	6,195,370	5
	October 6.....	21,304,103	7,104,534	10,337,643	11,413,143	19,791,363	13,379,331	5,473,470	5½

THE BANK OF ENGLAND, 1844-1863. (Continued.)

Year ending	Notes in Circulation.	Public Deposits.	Other Deposits.	Public Securities.	Other Securities.	Bullion.	Reserve of Notes.	Minimum Rate of Discount. Per cent.
1853.	October 30,	£ 21,851,864	£ 2,893,091	£ 11,764,080	£ 10,685,859	£ 11,980,907	£ 4,810,485	6 @ 7
	October 31,	21,415,059	3,700,844	11,397,331	10,333,955	11,808,965	4,983,640	6 @ 7
1854.	March 30,	19,733,495	6,833,848	11,857,190	11,871,931	10,449,333	5,398,790	6 @ 7
	May 31,	20,074,519	5,083,308	11,473,461	12,479,416	10,533,504	5,081,900	6
	May 31,	20,338,908	5,680,594	10,745,371	13,613,119	11,854,056	5,684,680	6
	June 28,	20,312,501	5,704,570	9,810,045	11,374,135	13,073,758	7,338,715	4½
	September 30,	20,093,591	7,909,734	9,868,973	11,964,908	13,193,609	6,325,805	4½
	September 30,	21,151,699	8,068,091	9,956,813	11,994,938	13,170,373	6,379,710	5
	October 11,	21,501,301	8,001,501	9,843,913	11,373,905	10,140,067	5,931,660	6 @ 7
	October 18,	23,140,687	4,640,590	10,481,990	11,108,996	9,760,453	5,584,740	6 @ 7
	December 6,	20,063,143	5,870,709	9,397,168	10,640,967	10,498,198	5,181,360	6½
	December 20,	19,335,333	6,391,949	8,493,063	10,870,431	10,513,933	5,663,300	6
1857.	April 4,	20,330,754	9,019,338	9,419,013	11,645,974	9,848,730	5,507,475	6½
	June 30,	19,493,767	7,799,093	9,393,064	10,937,693	11,173,669	6,107,805	6
	July 18,	20,763,319	5,419,956	10,561,096	10,596,551	11,840,659	5,687,400	6½
	October 10,	20,863,690	5,503,336	9,667,133	10,580,907	10,109,943	4,024,400	6
	October 17,	21,029,315	4,693,091	11,193,451	10,354,541	9,594,478	3,317,135	7
	October 24,	20,595,707	4,561,740	11,985,966	10,354,541	9,369,794	3,485,840	8
	November 7,	21,079,943	4,871,944	11,910,570	10,130,104	8,497,790	3,153,815	9
	November 14,	21,068,466	5,314,609	12,965,944	9,444,838	7,170,008	3,957,710	10
	December 26,	20,123,559	7,433,307	15,151,618	6,493,755	10,753,251	7,433,670	10
1858.	January 3,	20,143,975	7,443,618	15,073,671	7,541,491	11,454,961	6,064,935	8
	January 9,	20,349,035	7,190,661	14,945,377	7,765,309	13,646,198	7,063,920	6
	January 16,	20,353,609	5,934,996	13,194,733	9,191,966	13,337,107	7,540,765	5
	January 30,	20,590,197	6,243,398	13,175,063	9,337,650	15,399,794	9,415,060	4
	February 6,	20,945,637	6,451,568	17,080,175	9,559,161	15,073,740	9,370,100	3½
	February 13,	20,451,089	4,329,493	16,909,945	9,703,317	15,923,836	10,617,445	8
	December 11,	20,333,073	6,853,814	13,371,663	10,808,361	15,063,781	12,781,900	9½
	December 20,	20,455,664	9,660,316	13,149,007	10,903,391	10,143,997	13,343,090	9½

Bank Statistics, 1844—1861.

1859.	March	79	9,354,497	18,641,965	10,690,447	16,708,619	19,928,789	19,849,065	3½
	April	80	5,948,296	15,394,695	11,871,118	17,505,501	17,640,843	9,496,645	3½
	May	7	5,463,088	15,968,971	11,871,118	19,187,314	17,905,480	8,190,850	4½
	June	4	6,301,774	16,898,368	11,861,891	19,906,940	17,764,596	10,478,390	3½
	June	11	6,319,397	15,943,769	11,891,876	19,040,919	17,937,887	10,607,545	3
	July	16	4,871,788	16,864,798	11,480,880	17,893,071	17,941,791	10,100,935	3½
	August	6	5,265,359	14,361,004	11,908,678	17,690,087	17,890,896	8,889,930	3½
1860.	January	19	5,166,859	14,850,764	10,518,898	19,396,664	18,884,408	7,589,865	3
	January	31	5,309,719	14,484,676	10,171,190	20,778,981	14,392,509	6,946,870	4
	March	29	10,284,110	13,556,194	10,951,190	23,953,189	13,871,301	5,083,685	4½
	April	19	5,373,185	14,570,717	9,798,948	22,684,398	14,687,109	4,993,085	5
	May	10	7,384,448	15,006,949	9,798,948	20,788,025	15,878,396	7,188,845	4½
	May	24	7,664,898	15,569,848	9,798,948	19,984,674	15,844,195	8,946,100	4
	November	8	4,968,173	13,114,361	9,490,278	19,968,649	18,897,065	6,489,870	4½
	November	18	.....	.....	.....	.....	18,814,811	.....	5
	November	15	5,894,023	13,608,793	9,490,278	20,810,515	18,814,811	6,888,886	6
	November	29	6,515,613	13,866,350	9,490,278	20,394,269	18,938,880	7,686,890	5
	December	31	7,373,905	13,294,494	9,488,168	22,584,458	13,698,889	5,899,815	6
1861.	January	7	8,787,397	15,477,485	10,019,791	21,499,766	19,176,886	5,818,115	7
	February	14	4,700,298	13,161,148	8,444,776	20,788,396	11,571,883	5,583,845	8
	March	31	8,324,094	11,453,254	10,599,073	19,707,399	13,701,485	7,488,486	7
	April	4	7,888,609	11,635,480	10,608,084	20,815,068	18,000,180	6,944,490	6
	April	11	4,998,297	13,901,791	10,993,868	18,515,006	18,132,483	6,980,860	5
	May	16	6,735,187	11,591,839	10,180,868	19,794,757	13,898,446	5,978,195	5
	August	1	8,701,959	13,194,650	9,468,277	18,847,711	13,196,708	5,704,760	5
	August	15	3,994,965	13,094,890	10,000,890	17,685,471	12,647,688	6,988,460	4½
	August	29	4,064,709	13,774,891	10,185,900	17,401,395	13,104,833	7,187,875	4
	September	19	5,061,928	13,442,850	10,450,480	17,598,089	13,999,799	7,987,965	3½
	November	7	4,940,889	13,515,941	11,719,187	16,460,864	14,210,774	7,379,940	3
1862.	January	9	4,548,974	13,904,488	13,768,618	18,158,887	15,048,017	9,508,800	3½

DIRECTORS OF THE BANK OF ENGLAND,

FROM 1694 TO 1861.

Sir John Houblon,	1694	Samuel Lock,	1697
Michael Godfrey,	"	Sir Peter Delme,	1698
Sir Thomas Abney,	"	William Dawsonne,	"
Sir James Bateman,	"	Francis Stratford,	"
Brooke Bridges,	"	Peter Gott,	"
George Boddington,	"	Sir Richard Levett,	"
James Denew,	"	John Devinck,	1699
Sir Henry Furness,	"	John Rudge,	"
Sir William Gore,	"	Richard Perry,	"
Thomas Geddard,	"	John Reynardson,	1700
Sir Gilbert Heathcote,	"	William Desbouverie,	"
Sir William Hedges,	"	Josiah Diston,	1701
Sir James Houblon,	"	John Gould,	"
Sir John Huband,	"	John Hanger,	"
Abraham Houblon,	"	Humphrey South,	"
Sir Theodore Janssen,	"	Sir Robert Clayton,	1702
John Knight,	"	Sir Gerard Conyers,	"
Samuel Lethieullier,	"	Abraham Hill,	"
John Lordell,	"	Samuel Heathcote,	"
William Paterson,	"	Charles Chambrelan,	1703
Robert Raworth,	"	Sir William Hodges,	"
Sir William Scawen,	"	Sir Charles Peers,	1705
Obadiah Sedgwick,	"	Sir Thomas Scawen,	"
John Smith,	"	Sir John Cope, Jr.,	1706
Nathaniel Tench,	"	James Dolliffe,	1708
Sir John Ward,	"	John Emille,	"
Henry Corniah,	1695	William Gore,	1709
Edward Clarke,	"	Sir Justus Beek,	1710
Sir John Cope, Sen.,	"	William Henry Commellissen,	"
Peter Godfrey,	"	John Dolben,	"
Anthony Stevens,	"	Jeremiah Powell,	"
Sir William Ashhurst,	1697	Sir Denis Dutry,	1711
Robert Bristow,	"	Heneage Featherstone,	"
Samuel Bultell,	"	Sir Philip Jackson,	"
John Page,	"	John Ward, Jr.,	"
Sir Francis Eyles,	"	Sir George Thorold,	"
John Shipman,	"	Mr. Robert Atwood,	1712
Sir Nathaniel Gould,	"	Richard Cary,	"

Sir Joseph Hodges,	1712	Christopher Tower,	1784
Sir Randolph Knipe,	"	John Eaton Dodsworth,	"
Christopher Lethieullier	"	Frederick Frankland,	1786
Matthew Raper,	"	Samuel Trench,	"
John Edmonds,	1718	Alexander Sheafe,	1787
Sir Richard Houlton,	"	Richard Chiswell, Jr.,	1788
Richard Chiswell,	1714	Sir John Lequesne,	"
Sir William Jollif,	"	Benjamin Mee,	"
Henry Lyell,	"	Mark Weyland,	"
William Thompson,	"	Claude Fonnereau,	1789
Sir John Eyles,	1715	Charles Palmer,	"
Barrington Eaton,	1716	John South,	"
John Francis Fauquier,	"	Matthew Beachcroft,	1741
Humphrey Morice,	"	Robert Nettleton,	"
Moses Raper,	"	Thomas Whateley,	"
Sir Joseph Eyles,	1717	Merrick Burrell,	1742
Sir William Hamfreys,	1719	James Lever,	"
Richard Du Cane,	1720	Theophilus Salwey,	"
Samuel Holden,	"	Robert Marsh,	1743
Bryan Benson,	1721	James Theobald,	"
Thomas Cooke,	"	Robert Salusbury,	1744
Delillers Carbonnel,	1722	Peter Thomas,	"
Nathaniel Gould,	"	Bartholomew Burton,	1746
Henry Herring,	"	Godfrey Thornton,	1748
Hon. Horatio Townshend,	"	John Weyland,	"
Sir Edward Bellamy,	1723	Thomas Winterbottom,	1749
Matthew Howard,	"	Charles Boehm,	1750
John Olmius,	"	Matthew Clairmont,	"
Sir Francis Forbes,	1724	Samuel Handley,	"
William Fawkener,	"	Richard Stratton,	"
Sir John Heathcote,	1725	Harry Thompson,	"
John Nicoll,	1726	Sir Samuel Fludyer,	1753
Sir Francis Porten,	"	John Sargent,	"
Stamp Brooksbank,	1728	William Cooper,	1754
James Gaultier,	"	Phillip de la Haize,	"
William Hunt,	"	Sir Thomas Chitty,	1755
William Snelling,	"	Peter Du Cane,	"
Clement Boehm,	1729	Edward Payne,	1756
Joseph Paice, Jr.,	1730	Thomas Plumer,	"
Matthew Raper,	"	Peter Theobald,	"
James Spilman,	"	Robert Dingley,	1757
Robert Alsop,	1731	James Sperling,	"
John Bance,	"	Henry Plant,	1759
Henry Neale,	1732	Samuel Beachcroft,	1760
Robert Thornton,	"	Gustavus Brander,	1761
Charles Savage,	1733	Daniel Booth,	"
Benjamin Lethieullier,	1734	John Cornwall,	"
Benjamin Longuet,	"	Peter Gausson,	"
Sir John Thompson,	"	James Haughton Langston,	"

Edmund Wilcox,	1761	Peter Cazalet,	1792
William Bowden,	1763	William Mellish,	"
William Ewer,	"	Edward Simeon,	"
Richard Neave,	"	Alexander Champion, Jr.,	1794
John Fisher,	1764	George Dorrien,	"
Christopher Hake, Jr.,	"	Jeremiah Harman,	"
Thomas Thomas,	1765	Nathaniel Bogle French,	1796
Edward Darell,	1767	Charles Pole,	"
William Halhead,	"	Thomas Amyand,	1798
Lyde Browne,	1768	Thomas Langley,	"
George Drake,	"	Ebenezer Maitland,	"
George Hayter,	"	Peter Free,	1800
Benjamin Hopkins,	"	Jeremiah Olive,	"
George Peters,	"	Henry Smith,	1802
Mark Weyland,	"	Stephen Thornton,	"
Roger Boehm,	1769	John Bowden,	1803
Matthew Howard,	"	Cornelius Buller,	"
Benjamin Branfill,	1770	Alexander Baring,	1805
William Snell,	"	John Josiah Holford,	"
Samuel Bosanquet,	1771	John Baker Richards,	"
Martyn Fonnereau,	"	Samuel Drew,	1806
Godfrey Thornton,	1772	Henry Davidson,	1807
Daniel Giles, Jr.,	1774	John Stainforth,	"
Christopher Puller,	"	Sir Robert Wigram,	"
Thomas Dea,	1775	John Campbell,	1808
Richard Clay,	1776	William Haldimand,	1809
Thomas Raikes,	"	George Blackman,	1810
Benjamin Mee, Jr.,	1777	William Tierney Robarts,	"
John Sargent, Jr.,	1778	John Horsley Palmer,	1811
William Cooke,	1780	Andrew Henry Thompeon,	"
Samuel Thornton,	"	Sir Thomas Neave,	1812
Thomas Scott Jackson,	"	Richard Mee Raikes,	"
Job Matthew,	1781	James Pattison, Jr.,	1813
Joseph Nutt,	"	William Ward,	1817
Thomas Boddington,	"	Samuel Hibbert,	1819
Benjamin Winthrop,	"	Timothy Abraham Curtis,	1820
Beeston Long, Jr.,	1784	John Rae Reid,	"
James Maude,	"	Sir John Henry Pally,	1821
Isaac Osborne,	"	David Barclay,	"
Sir Brook Watson,	"	John Cockerell,	"
John Harrison,	1785	Henry Porcher,	"
Bicknell Coney,	1786	William Cotton,	1822
John Whitmore, Jr.,	"	John Benjamin Heath,	1823
Peter Isaac Thellusson,	1787	William R. Robinson,	1825
Moses Yeldham,	1788	James Morris,	1827
William Manning, Jr.,	1790	William Thompson,	"
John Pearce,	"	Humphrey St. John Mildmay,	1828
John Puget,	"	John Oliver Hanson,	1829
Thomas Lewin,	1791	Charles Pascoe Grenfell,	1830

Abel Lewes Gower,	1830	Thomas Tooke, Jr.,	1843
Sheffield Neave,	"	Henry Lancelot Holland,	1844
Rowland Mitchell,	1833	Thomas Newman Hunt,	"
Christopher Pearse,	1834	George Warde Norman,	"
Henry Davidson,	1835	James Malcolmson,	1846
Bonamy Dobree,	"	Thomas Baring,	1848
Thomson Hankey, Jr.,	"	Henry Wollaston Blake,	"
Henry James Prescott,	"	George Lyall, Jr.,	"
Robert Barclay,	1837	Thomas Masterman,	"
John Malcolmson,	"	Alexander Matheson,	"
John Gellibrand Hubbard,	1838	Henry Hulse Berens,	1849
Charles Frederick Huth,	"	Robert Wigram Crawford,	1850
Alfred Latham,	"	Benjamin Buck Greene,	"
Thomas Charles Smith,	"	Henry Huck Gibbs,	1853
Thomas Matthias Weguelin,	"	James Pattison Currie,	1855
Edward Henry Chapman,	1840	Travers Buxton,	1857
Kirkman Daniel Hodgson,	"	George Joachim Göschen,	1858
William Little,	1842	James Alexander Guthrie,	"
David Powell,	"	Edward Horsley Palmer,	"
Francis Wilson,	"	John William Birch,	1860
Arthur Edward Campbell,	1848	Stephen Cave, M. P.,	"

GOVERNOR, DEPUTY-GOVERNOR AND DIRECTORS OF THE BANK OF ENGLAND,

ELECTED APRIL, 1861,

With the dates when they were respectively elected.

	<i>First Elected.</i>		<i>First Elected.</i>
Thomas Baring,	1848	†Thomson Hankey,	1835
Henry Hulse Berens,	1849	†John Benjamin Heath,	1823
Henry Wollaston Blake,	1848	†John Gellibrand Hubbard,	1838
John William Birch,	1860	George Lyall,	1848
Travers Buxton,	1857	Thomas Masterman,	"
Arthur Edward Campbell,	1848	Alexander Matheson,	"
Stephen Cave,	1860	*James Morris,	1827
†William Cotton,	1822	†Sheffield Neave,	1830
†Bonamy Dobree,	1835	George Warde Norman,	1844
Benjamin Buck Greene,	1850	Edward Horsley Palmer,	1858
George Joachim Göschen,	1858	Thomas Charles Smith,	1838
James Alexander Guthrie,	1858		

* Formerly Governor of the Bank.

† Formerly Deputy-Governor, and afterwards Governor of the Bank.

DUTIES, QUALIFICATIONS, &C., OF THE GOVERNOR AND DEPUTY-GOVERNOR.

By the act of 1844, the banking department of the Bank of England was separated from its issuing department, and was to be managed like "any other banking concern issuing Bank of England notes." Taking this view of the banking department, we propose to inquire on what principles it ought to be administered. We shall do this, however, not so much with the view of bringing forward any notions of our own, as to lay before the reader some account of those principles which the bank directors have adopted for their government.

The Bank of England is governed by a court of directors, according to GILBART'S "*Treatise on Banking*," consisting of twenty-four members. These are selected from the mercantile classes of London, virtually, by the other directors, who form what is called a House List. They recommend certain persons to be chosen as directors, and the proprietors always follow this recommendation. The court hold their meetings every Thursday, and they then receive a report of the transactions of the preceding week.

The executive administration, in the mean time, is in the hands of the governor and deputy-governor, who may be advised or assisted by the committee of treasury. This committee is composed of those directors who have held the office of governor, of the existing governor and deputy-governor, and of the director who is intended to be the next deputy-governor. A director is at first an ordinary director, and attends the weekly meetings of the court. In turn he becomes, for one year, a member of the committee of treasury; then deputy-governor for two years; then governor for two years; and afterwards a permanent member of the committee of treasury. This committee meet once a week, and at such other times as they may be called together specially by the governor. Sometimes they discuss the measures that are to be submitted to the next meeting of the court; but the court do not now so readily as formerly adopt their recommendations. The governor and deputy-governor, for the time being, make all loans and advances, and sometimes raise the rate of discount, without waiting for the opinion of the court. They conduct all negotiations with the government, and, subject to the sanction of the court, have the whole administration of the affairs of the bank. Each director must hold £2,000 of bank stock; the deputy-governor, £3,000; and the governor, £4,000. It was the rule that every director should take his turn for becoming governor, but recently it has been determined to place in that office the director whom the other directors shall, by ballot, think best qualified. Several suggestions were made before the parliamentary committees, for improving the composition of the court of directors. It was proposed that all the directors should not be taken from the commercial classes, but that some should be selected from the banking and manufacturing interests. It was also asked, whether a permanent governor, either for life or for a number of years, would not be preferable to the present system.

OF THE NATIONAL DEBT OF GREAT BRITAIN.

BY T. BABINGTON MACAULAY.

It was about the year 1688 that the word stock-jobber was first heard in London. In the short space of four years a crowd of companies, every one of which confidently held out to subscribers the hope of immense gains, sprang into existence; the Insurance Company, the Paper Company, the Lute-string Company, the Pearl Fishery Company, the Glass-Bottle Company, the Alum Company, the Blythe Coal Company, the Sword-blade Company. There was a Tapestry Company, which would soon furnish pretty hangings for all the parlors of the middle class, and for all the bed-chambers of the higher. There was a Copper Company, which proposed to explore the mines of England, and held out a hope that they would prove not less valuable than those of Potosi. There was a Diving Company, which undertook to bring up precious effects from shipwrecked vessels, and which announced that it had laid in a stock of wonderful machines resembling complete suits of armor. In front of the helmet was a huge glass eye, like that of a cyclop; and out of the crest went a pipe, through which the air was to be admitted.

The whole process was exhibited on the Thames. Fine gentlemen and fine ladies were invited to the show, were hospitably regaled, and were delighted by seeing the divers in their panoply descend into the river and return laden with old iron and ships' tackle. There was a Greenland Fishing Company, which could not fail to drive the Dutch whalers and herring busses out of the Northern Ocean. There was a Tanning Company, which promised to furnish leather superior to the best that was brought from Turkey or Russia. There was a society which undertook the office of giving gentlemen a liberal education on low terms, and which assumed the sounding name of the Royal Academies Company. In a pompous advertisement it was announced that the directors of the Royal Academies Company had engaged the best masters in every branch of knowledge, and were about to issue twenty thousand tickets at twenty shillings each.

There was to be a lottery; two thousand prizes were to be drawn; and the fortunate holders of the prize were to be taught, at the charge of the company, Latin, Greek, Hebrew, French, Spanish, conic sections, trigonometry, heraldry, japanning, fortification, book-keeping, and the art of playing on the theorbo. Some of these companies took large mansions, and printed their advertisements in gilded letters. Others, less ostentatious, were content with ink, and met at coffee-houses in the neighborhood of the Royal Exchange. JONATHAN'S and GARRAWAY'S were in a constant ferment with brokers, buyers, sellers, meetings of directors, meetings of proprietors. Time-bargains soon came into fashion.

Extensive combinations were formed, and monstrous fables were circulated, for the purpose of raising or depressing the price of shares.

Our country witnessed for the first time those phenomena with which a long experience has made us familiar. A mania, of which the symptoms were essentially the same with those of the mania of 1720, of the mania of 1825, of the mania of 1845, seized the public mind. An impatience to be rich, a contempt for those slow but sure gains which are the proper reward of industry, patience and thrift, spread through society. The spirit of the cogging dicers of Whitefriars took possession of the grave senators of the city, wardens of trades, deputies, aldermen. It was much easier and much more lucrative to put forth a lying prospectus announcing a new stock, to persuade ignorant people that the dividends could not fall short of twenty per cent., and to part with five thousand pounds of this imaginary wealth for ten thousand solid guineas, than to load a ship with a well-chosen cargo for Virginia or the Levant. Every day some new bubble was puffed into existence, rose buoyant, shone bright, burst, and was forgotten.

The new form which covetousness had taken, furnished the comic poets and satirists with an excellent subject; nor was that subject less welcome to them because some of the most unscrupulous and most successful of the new race of gamblers were men in sad-colored clothes and lank hair, men who called cards the Devil's books, men who thought it a sin and a scandal to win or to lose twopence over a backgammon-board. It was in the last drama of SHADWELL that the hypocrisy and knavery of these speculators was, for the first time, exposed to public ridicule. He died in November, 1692, just before the stock-jobbers came on the stage; and the epilogue was spoken by an actor dressed in deep mourning. The best scene is that in which four or five stern non-conformists, clad in the full Puritan costume, after discussing the prospects of the Mousetrap Company and the Fleakilling Company, examine the question whether the godly may lawfully hold stock in a company for bringing over Chinese rope-dancers. "Considerable men have shares," says one austere person in cropped hair and bands; "but verily I question whether it be lawful or not."

These doubts are removed by a stout old Roundhead colonel, who had fought at Marston Moor, and who reminds his weaker brother that the saints need not themselves see the rope-dancing, and that, in all probability, there will be no rope-dancing to see. "The thing," he says, "is likely to take; the shares will sell well; and then we shall not care whether the dancers come over or no." It is important to observe that this scene was exhibited and applauded before one farthing of the national debt had been contracted. So ill-informed were the numerous writers who, at a later period, ascribed to the national debt the existence of stock-jobbing, and of all the immoralities connected with stock-jobbing. The truth is, that society had, in the natural course of its growth, reached a point at which it was inevitable that there should be stock-jobbing, whether there were a national debt or not, and inevitable, also, that, if there were a long and costly war, there should be a national debt.

LEGAL MISCELLANY.

- I. *Tax upon United States Stock.* II. *Decisions by the Supreme Court of New-York.* III. *Decision in the Case of the Merchants' Bank.* IV. *Letter of Secretary CHASE.* V. *Taxation of United States Stocks in New-Jersey.* VI. *Foreign Bills of Exchange.* VII. *Commissions on Discounts—Usury.* VIII. *Notes of Mutual Insurance Companies.* IX. *Lien upon Bank Stock.* X. *The Pawnners' Bank, Boston.*

I. TAX ON UNITED STATES STOCKS.

Suits are now pending against the Bank of the Commonwealth, New-York City, and the Commercial Bank, Rochester, for tax upon that portion of their respective capitals which is invested in stocks of the United States. The Supreme Court of the State of New-York has decided against the Bank of the Commonwealth, and the latter has carried the case to the Court of Appeals. It is a case of some importance to the banking institutions of the State. According to the last annual report, there was held, in September, 1861, by the Bank Department of New-York in trust for the banks, \$5,089,300, United States stock. This amount is no doubt largely increased since. At the present tax chargeable upon investments, real estate, &c., \$1 79 per hundred dollars, the banks, if liable, must pay upwards of ninety thousand dollars annually upon such portions of their capital. It may be well to recur to the celebrated case of McCULLOCH (*i. e.* Bank of United States) against the State of Maryland, to recover back a tax of this kind. This case, which is relied upon, is reported in full in the BANKERS' MAGAZINE.

In the case of McCULLOCH *vs.* STATE OF MARYLAND, the State of Maryland, by an act passed 11th February, 1818, levied a stamp tax on "*all banks in the State not chartered by the legislature,*" and required all notes of such banks to be issued on *stamped* paper, and inhibited, under penalty, the *circulation* of the notes of such banks, except on stamped paper; and after elaborate arguments on both sides, it was decided by the Supreme Court of the United States that this tax was a *political* tax, levelled at the Bank of the United States, and could *not*, under the *Constitution of the United States*, be levied on the notes of the Bank of the United States, because it would be a restraint on the necessary and proper exercise of the powers of the United States, repugnant to the exercise of its supremacy, and *that no single State could tax, control or impede this banking franchise of circulation which it could not create.*

In the case of McCULLOCH *vs.* THE STATE OF MARYLAND, this subject was thoroughly argued by the Supreme Court of the United States. It was discussed at the bar in all its relations, and examined by the court with



the utmost attention. The conclusion was, that "all subjects over which the power of a State extends are objects of taxation; *but those over which it does not extend, are, upon the soundest principles, exempt from taxation.*"

The sovereignty of a State extends to every thing which exists by its own authority, or is introduced by its permission, but not to those which are employed by Congress to carry into effect powers conferred on that body by the people of the United States. "The attempt to use the power of taxation on the means employed by the government of the United States in pursuance of the Constitution, is in itself an abuse, because it is the usurpation of a power which the people of a single State cannot give."

"The States have no power, by taxation or otherwise, to retard, impede, burthen, or in any manner control the operation of the constitutional laws enacted by Congress to carry into execution the power vested in the general government."

The court also decided, that "a contract made by the government in the exercise of its power to borrow money on the credit of the United States, is undoubtedly independent of the will of every State in which the individual who lends money may reside, and is undoubtedly an operation essential to the important objects for which the government was created. It ought, therefore, on the principles settled in the case of *McCULLOCH vs. THE STATE OF MARYLAND*, to be exempt from taxation, and consequently from being taxed by corporations deriving their power from States."

Nothing can be clearer nor more explicit than this language; and as the decisions of the Supreme Court of the United States are the law of the land, it matters little what may be the opinions of this counsellor, or that counsellor feel *ad hoc*, that States or corporations *may tax* United States stocks.

A question is indeed made, whether, as included in the general amount of *personal property*, United States stocks may not be reached by a general tax on personal property; but it seems fair reasoning, and applicable in this case, that what cannot be done directly cannot be affected indirectly, and, consequently, that the United States stocks cannot be taxed *eo nomine*, they cannot be any more rightfully taxed by classing them under another name.

Mr. Justice STORY, in his *Commentaries on the Constitution*, vol. II., page 492, says: "In another case the question was raised, whether a State had a constitutional authority to tax stock issued for loans to the United States, and it was held by the Supreme Court, that a State had not. The reasoning of the court was as follows:

"Is the stock issued for loans to the government of the United States liable to be taxed by States and corporations?"

Congress has power to borrow money on the credit of the United States. The stock it issues is the evidence of a debt created by the exercise of this power. The tax in question is a tax upon the contract subsisting between the government and the individual. It bears directly upon that contract while subsisting and in full force. The power operates upon the contract the instant it is framed, and must imply a right

to affect that contract. If the States and corporations throughout the Union possess the power to tax a contract for the loan of money, what shall arrest this principle in its application to every other contract? What measure can government adopt which will not be exposed to its influence?

II. ARE UNITED STATES STOCKS TAXABLE BY STATE AUTHORITY? *

The People ex rel. the Hanover Bank v. The Commissioners of Taxes and Assessments of the City and County of New-York. Before the New-York Supreme Court, General Term, October, 1862. INGRAHAM, BARNARD and CLERKE, JJ.

The relators, the Hanover Bank, having a capital of \$1,000,000, were assessed at \$908,119, the assessors having deducted from the capital the value of the real estate and stocks in other corporations. The bank objected to this assessment, upon the ground that the bank owned stocks, bonds and other securities of the United States to the amount of \$896,560, and claimed to be entitled to have the amount reduced to \$105,000. The Commissioners of Taxes and Assessments refused such application, and the case was brought to this court on *certiorari*.

By the Court, INGRAHAM, P. J.—So far as the questions involved in this case were discussed and decided by the Court of Appeals, in the case of the People *ex rel.* the Bank of the Commonwealth, (23 *N. Y. Rep.*, 192,) we do not feel at liberty to express any opinions at variance therewith. That case must be understood as deciding that stock of the United States, held by a corporation or by individuals, may be taxed under the laws of this State, where such taxation is general as applying to all personal property, and no unfriendly discrimination to the United States stock is applied by the State law; or, in other words, that where the taxation was general on the personal property of an individual or corporation, property which, if nominally taxed as stock of the United States, could not be taxed, may be included in the general aggregate of property liable to taxation, and the tax thus be imposed.

Whatever, therefore, may be the individual opinions of the members of this court on these questions decided by the Court of Appeals, we do not feel at liberty to re-examine them in this case; and the only difference which exists between that case and the present, is as to the effect of the provision of the act of Congress of the 25th February, 1862, which says: "All stocks, bonds and other securities of the United States, held by individuals, corporations or associations within the United States, shall be exempt from taxation by or under State authority."

Two questions arise in regard to this enactment:

I. Whether, if constitutional, such a provision would exempt them under our laws:

And, II. Whether Congress can pass such a law limiting and restricting the powers of the State in regard to taxation.



My conclusions are :

I. That under the decision of the Court of Appeals in the matter of the Bank of the Commonwealth, (23 *N. Y. Rep.*,) stocks and bonds of the United States held by a resident of the State, may be taxed with other personal estate.

II. That the act of Congress of February, 1862, exempting such stocks from taxation, is valid so far as relates to all stocks, bonds and other securities issued by the United States after the passage of the act.

III. That such securities are not subject to taxation under the State laws.

The respondents should be ordered to correct the assessment rolls, by striking from the amount the stocks, bonds and securities issued by the United States, and held by the relator of a date subsequent to the passage of the act of Congress.

The People ex rel. The Bank of Commerce vs. The Commissioners of Taxes and Assessments, &c.

By the Court, INGRAHAM, P. J.—We refer to the opinion delivered in the case of the Hanover Bank for our views upon the questions involving the right to exempt United States stocks from taxation, as decisive of the principal questions in this case. CLERKE, J. dissented.

The People ex rel. PETER M. BRYSON et al., Trustees, &c., vs. The Commissioners of Taxes and Assessments for the City and County of New-York.

By the Court, INGRAHAM, P. J.—The stock of the United States, in which the funds held by the relators were invested, were issued under the act of February, 1861, and such investments were made during that year. That such investments were liable to State taxation was decided by the Court of Appeals in the *People ex rel. Bank of the Commonwealth*, (23 *N. Y. Rep.*, p. 192,) and this court is bound by that decision.

Since that was made, the act of Congress of April, 1862, exempting all stocks of the United States from taxation by State authority, has been passed. For the reason stated in the opinion in the case of the Hanover Bank, we do not think Congress has the power to exempt from taxation stocks which had been previously issued, and had been paid for to the government, if they were subject to taxation previously.

The authority to exempt from taxation by the Congress of the United States can only be sustained as an incident to the power to borrow money; and if the exemption is not to enable Congress to exercise that power, it becomes an interference with the right of the State as to taxation in a matter not necessary to the exercise of any power delegated to the government of the United States.

For these reasons, we are of opinion that judgment should be rendered for the respondents.

BARNARD and CLERKE, JJ., concurred.

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III. ARE UNITED STATES SECURITIES LIABLE TO STATE TAXATION ?

*Before the Supreme Court of New-York, General Term, September, 1862.
Before Justices INGRAHAM, BARNARD and CLERKE. The People ex rel.
the Merchants' Bank and Fourteen other Banks in the City of New-
York vs. The Commissioners of Taxes and Assessments, &c.*

The Merchants' Bank is a banking association organized under the general banking law of this State, with a capital of two millions seven hundred and seventy-six thousand seven hundred and seventy-five dollars, out of which it has paid \$185,000 for real estate, upon which its banking house stands; \$30,275 in amount is held by literary and charitable institutions; the balance of its capital is \$2,561,500. Out of this balance of capital the Merchants' Bank invested in Treasury notes and stocks or bonds of the Federal government the sum of \$1,701,000, prior to the 28th day of March, 1862, and a further sum after that day, making an aggregate amount of more than \$2,000,000, which notes and stocks or bonds have been since owned and held by said bank. On that day the bank presented to said commissioners a verified statement of its lands and personal property. They thereupon decided that it should be assessed, in respect to its personal estate, the sum of \$2,561,500, and entered such assessment on the books provided for that purpose. This sum embraced the notes, stocks and bonds of the Federal government owned and held by the bank. Application was made on its behalf to the said commissioners to reduce such assessment to \$860,500, which they refused to do, and thereupon a *certiorari* to the Commissioners of Taxes and Assessments was allowed under the twentieth section of the act of 1859, in relation to taxes, &c., in the city of New-York, upon the application of the Merchants' Bank, for the purpose of reviewing their action in the assessment of that bank, in the year 1862.

On the relators' petition, the *certiorari*, and the commissioners' return, the argument was brought on before the General Term.

The various banks contended that the Tax Commissioners erred in assessing them for that part of their capital stock which had been invested in, and consisted of, the notes and stocks or bonds of the United States; and their proceeding should be corrected. That a bank is not liable to taxation, in respect to *that portion* of its capital which is invested in the securities of the Federal government.

(1.) That species of property is expressly exempted from taxation by the general law of this State, which enacted that "all lands and all personal estate, &c., whether owned by individuals or corporations, shall be liable to taxation, subject," &c., expressly exempting from taxation all property, real or personal, whoever may be its owner, which has been "*exempted from taxation under the Constitution of the United States.*" (1 *Rev. Stat.*, 287-8, sec. 1-4.)

(2.) By an act of Congress, entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," passed February 25, 1862, it was declared that all stocks, bonds and other securities of the United States *held* by individuals, *corporations or associations* within the

United States, shall be exempt from taxes by or under State authority. (*United States Statutes at Large*, 1862, p. 345.)

That act is declared by the Federal Constitution to be the supreme law of the land; and the judges of every State are bound thereby, "anything in the Constitution or laws of any State to the contrary notwithstanding."

The United States Treasury notes and bonds were issued by the Secretary of the Treasury under the authority of that act of Congress. They are not taxable property by any State authority, and they constitute *that part* of the capital stock of a bank possessing them which, by the third section of the act of 1857, the Tax Commissioners are required not to include in the assessed valuation of its personal property, but to deduct from the actual value of its "capital stock" in making up their assessments. (23 *N. Y. Rep.*, 195.)

(3.) Before the act of February 25, 1862, was passed, the Supreme Court of the United States had decided that the stocks and bonds of the United States were, under the Federal Constitution, exempt from taxation by State authority, upon the ground that they were the *means* employed by Congress in the exercise of an express grant of power to it, "to borrow money upon the credit of the United States." (4 *Wheaton's Rep.*, 116. 9 *Wheaton's Rep.*, 738. 2 *Peters' Rep.*, 449.)

The relator further contends that the assessment of the Merchants' Bank, though claimed by the Tax Commissioners to have been made upon its capital stock *eo nomine*, was, in fact, to the extent of \$1,701,000, made upon the public stocks or bonds of the United States, in which so much of its capital had been invested.

Under the tax laws of this State an assessment upon the capital stock of this bank, invested wholly or in part in the stocks of the Federal government, is an assessment upon these securities *per se*.

The term "capital stock," in the 3d section of the act of April 15, 1857, in legal sense, means the securities constituting such capital; property only, whether owned by individuals or corporations, being the subject of taxation. (23 *N. Y. Rep.*, 195.)

An assessment upon the capital stock of this bank could not have been made irrespective of the stocks or bonds of the United States in which part of it was invested.

Their worth alone determined its actual value to the extent of its investment in them; and the law imposed upon the Tax Commissioners the duty, in making up their assessment roll, of ascertaining the value of such securities, and whether they were exempt from taxation. (*Laws of 1859*, p. 680, sec. 7; 23 *N. Y. Rep.*, 195.)

"Our laws of assessment contain no specification of the subjects of taxation. They provide for the valuation of the estate of the tax-payer *in mass*, of whatever it may consist;" but if he owns any thing which is exempted by law, its value must be deducted *from the value of the mass*. (23 *N. Y. Rep.*, 213, 195.)

The relators also contend, that they were not, at the time this assessment was made, subject to assessment and taxation upon the value of the capital stock, without regard to the fact that a portion of such capital stock had been invested in the public stocks, debts or bonds of the United States; and that the action of the Tax Commissioners, in the as-

assessment of this bank, is in direct antagonism with the act of Congress passed February 28, 1862, exempting the bonds and stocks of the United States from taxation by State authority, and the court is asked to give a construction to the laws of this State which will sustain such action.

On behalf of the commissioners, the counsel for the Corporation contended that Congress cannot derive a power to pass an exempting act from the clause in the Constitution giving Congress the power "to make all laws which shall be necessary and proper" for carrying into execution "the power to borrow money," &c. The tax in question is not imposed upon the stocks or bonds of the United States. It is imposed upon the estimated value of the "capital stock" of the bank. If banks or individuals happen to hold United States stocks or bonds, the tax so assessed is not upon the stocks or bonds, but upon the interest which the banks or citizens of the State may have in such stocks or bonds, in common with other property of similar description throughout the State. The tax is not a discriminating tax. The laws of this State permit no such tax. A tax upon United States Stock *eo nomine* has been declared invalid, as obstructing the government in the use of means necessary for its support. But to charge all citizens of a State with contributing to the support of government in proportion to the value of their property, without regard to the manner of its investment, cannot be regarded as an act of hostility to, or in any manner obstructing the general government in the exercise of its powers, or interfering with, or imposing any burden upon, the means adopted for its support.

After very extended argument by counsel for the several banks, and by the Corporation counsel, the court took the points of the various relators to render its decision at a future day.

B. W. BONNEY and GEORGE N. TITUS for the Merchants' Bank; TRACY, WAIT & TALMADGE for the Hanover and Atlantic Banks; BARNEY, BUTLER & PARSONS for the Continental Bank; A. D. SILLIMAN and DANIEL LORD for the Bank of Commerce; A. D. SILLIMAN for Irving and Tradesmen's Banks; CHAPMAN & HITCHCOCK for American Exchange Bank and the Mechanics'; A. R. DYOTT for the Importers and Traders' and Merchants' Exchange Banks; BURRILL, DAVISON & BURRILL for Mercantile Bank; WM. E. CURTIS for Union Bank. GREENE C. BRONSON and HENRY H. ANDERSON for the Commissioners.

IV. TAXATION OF NATIONAL SECURITIES.

To satisfy the general wish to ascertain if there was any doubt in regard to the promised exemption of the bonds and notes of the United States from State taxation, a letter has been addressed to the Secretary of the Treasury, and in reply to it the following letter has been received:

TREASURY DEPARTMENT, *June 2, 1862.*

Sir,—Your letter of the 31st ultimo is received, asking a copy of an opinion of the Attorney-General upon the liability of the notes and bonds of the United States to municipal and State taxation. And you quote the statement in my appeal in behalf of the national loan as the

ground for asking such a copy for public information to those whose subscriptions you received as agent.

My statement was founded on the decision of the Supreme Court of the United States, in the case of *WESTON vs. THE CITY COUNCIL OF CHARLESTON*, reported in 2 *Peters*, 445, where this question will be found to be elaborately discussed and judicially decided.

Since that time, it seems the Court of Appeals of the State of New-York have ruled that the capital of the banks of that State, being subjected to tax under the State laws, no portion of such capital is withdrawn from such taxation by being invested in stocks of the United States. The question has been again brought before the Supreme Court, where it is now pending.

Upon inquiry, after the opinion of the Attorney-General, to which you refer, I learn that the board of brokers of the city of New-York addressed a letter to that officer, asking his views upon the ruling of the Court of Appeals, to which he replied, that he had been requested by me to appear in that case before the Supreme Court, and had no doubt but the former decision of that court would be confirmed. I understand it was a mere letter of acknowledgment, and not a formal opinion on the question.

Very respectfully, your obedient servant,

S. P. CHASE, *Secretary of the Treasury.*

STEPHEN SALISBURY, Esq., *Worcester, Mass.*

V. TAXATION OF UNITED STATES STOCKS IN NEW-JERSEY.

The Supreme Court of New-Jersey delivered their opinion in the tax cases. It will be remembered that the following points were raised for adjudication:

1. *Are New-Jersey State bonds in the hands of individuals exempt from taxation?* The court decides that they are. The law which authorized their issue, passed in May, 1861, expressly exempts them.

2. *Are United States government securities in the hands of individuals exempt from taxation?* The court decides that they are. Congress has not made them taxable, and, therefore, the State governments cannot tax them. Otherwise the State governments could fetter and clog the means employed by the general government for raising revenue by loans in times of general danger. For this reason, the Supreme Court of the United States has several times decided against the right of the States to tax government securities. Besides, Congress, by the act of February 25th, 1862, called the Treasury Note and Government Bond bill, expressly declared that "all stocks, bonds and other securities of the United States, held by individuals, corporations or associations, within the United States, shall be exempt from taxation by or under State authority."

3. *Can corporations, such as banks, &c., under the late tax law of this State, which declares that they shall be taxed for the full amount of their capital stock actually paid in, and accumulated surplus, avail themselves of the*

above exemptions, if such capital or accumulated surplus has, in whole or in part, been invested in New-Jersey bonds or government securities? It was argued that they could not, on the ground that the tax was imposed upon the capital and accumulated surplus as an arbitrary amount, fixed upon by way of convenience as a fair basis of taxing such corporations, without regard to the investments they chose to make. But the court decides otherwise, viz., that they are entitled to the deduction of such securities from the amount of their capital and surplus. This is a very important item to the banks of this city, which came forward and took up a large part of the State loan, and also largely of the government loans, on the faith of this very exemption. This decision will have the effect of greatly enhancing the value of State and government securities.

4. Are the inhabitants of this State to be taxed for stocks held by them in the corporations of other States, such as rail-road companies, banks, &c.? It was argued that they should not be taxed for such stocks, because the property represented thereby is situated in another State, and taxed there, and is not "*property within this State*;" whereas the tax law directs that the whole tax for the year shall be levied on "*the real and personal property within this State*." It was contended that stock in a corporation is mere evidence of the amount or proportion of interest which the stockholder has in the corporate property, the same as a deed for land. And hence, that if the property is not situated in this State it cannot be taxed; and if it should be taxed, it would involve a double taxation of the same property. But the court deemed such stock as belonging to the same category with *choses in action*, or debts, which are considered as a part of a man's personal effects, like money in his pocket, following him wherever he resides, and, hence, taxable in his hands, without reference to the locality of the corporation or debtor.

5. On behalf of tax-payers in Jersey City, another point was made, that they could only be taxed according to the local laws appertaining to that city. But, as the tax law of last winter repeals all laws inconsistent therewith, whether special, or local, or otherwise, the court decides that the people of Jersey City are to be taxed for *the same things* as the other inhabitants of the State are; but that the mode of collecting the tax in that city is not interfered with by the law.

This decision is important, as being the first authoritative exposition of the questions growing out of our complicated relations to the general government in reference to the system of taxes. It will undoubtedly command general respect, as the court has given a very full and careful consideration to the whole subject. It will also probably have a bearing on the action of the assessors, who are now completing their lists of assessment in Essex County.

VI. FOREIGN BILLS OF EXCHANGE.

JULES LORIMER vs. LOUIS DAGRON.—*Supreme Court, New-York, before Justice MARVIN.*

This was an action on four foreign bills of exchange, amounting

to \$2,626 48, drawn by defendant in favor of plaintiff on Messrs. L. YEHLERON & Co., of Havre, France. Plaintiff's evidence disclosed that on October 17, 1860, the bills were protested for non-acceptance by an *huissier*, of Havre, who, on December 17, 1860, also protested them for non-payment. The protests, signed by PIPEREAU, with a certificate of the United States consul at Havre, under seal, attesting the signature of authority of the *huissier*, were produced. The plaintiff also brought proof of PIPEREAU's signature by the oral testimony of a Mr. BAILEY; and, to show that the protests were made pursuant to the laws of France, the plaintiff produced from the law library "the code commercial" of France, sec. 173, whereby protests are authorized by two notaries, or one notary and two witnesses, or one *huissier* and two witnesses. On defendant's objecting that there were no witnesses to these protests, the plaintiff produced from the Astor Library a bound volume of the *Moniteur*, the official journal of France, containing an act of the "Provisional Government of France in 1848," dated and passed March 23d, 1848, whereby witnesses to all protests were thereafter dispensed with. It was further shown, that on November 5th, 1860, on receiving the notice of protest for non-acceptance of the bills, the plaintiff, through a Mr. LECOUR, served notice thereof at defendant's place of business in this city, and on January 11th, 1861, in the same manner, gave notice of protest for non-payment thereof; one witness testifying that defendant promised to pay the drafts after receiving such notices of protests. An interesting point of the case was in reference to the functions and powers of the *huissier*, it being contended that he was a bailiff, and, as such, his certificate of protest could not be received like the certificate of a notary public—an officer known to the commercial law—except an opportunity was had to cross-examine him. Defendant moved for a nonsuit, which was denied, and judgment was rendered for the plaintiff for \$3,149 57, with costs. J. H. HOBART PINCKNEY and S. B. CUSHING, for plaintiff; COUDRET BROS., for defendant.

VII. ARE COMMISSIONS FOR DISCOUNTING, USURIOUS ?

THE CHATHAM BANK vs. FREDERICK B. BETTS *et al.*, *New-York Superior Court, Special Term, before Justice ROBERTSON.*

This was an action upon a promissory note, drawn by the defendant, BETTS, in favor of the defendant, THOMAS, and endorsed by THOMAS and POTTER. The note was for the sum of \$2,350, payable three months after date, (18th September, 1861,) at the Mechanics' Bank.

The defence set up was, that the note was given for the sole benefit of the defendant, THOMAS, without consideration, and that it was discounted by POTTER upon an usurious agreement, by which he, POTTER, received \$150 as extra interest, and that the suit was prosecuted for the defendant, POTTER, who was the real party in interest. On the trial THOMAS testified that the note was given to realize the amount for the benefit of BETTS; and POTTER testified that THOMAS called upon him repeatedly with the note, desiring him to discount it; he, POTTER, replying that he had no

money; THOMAS insisted, and the witness finally obtained the discount of the plaintiff.

It appeared from the testimony that POTTER gave THOMAS a check for \$2,000, and subsequently another for \$208, but never paid over the entire proceeds coming into his hands. The balance, which POTTER failed to pay over, was the usury set up in the case. The jury, however, found for the plaintiffs.

The defendants thereupon moved for a new trial, on the ground that the verdict was contrary to the evidence. After reviewing the entire evidence submitted on the motion, Justice ROBERTSON held, that although POTTER failed to pay over the entire proceeds, and although it did not appear whether or not it was understood that the balance retained by him was a commission for his trouble and responsibility in the matter, still there was nothing to show the transaction usurious in the hands of the plaintiffs, who discounted it for POTTER at legal rates of interest. The motion for a new trial was denied.

VIII. INSURANCE NOTES.

HOWLAND, Receiver, &c., *agt.* EDMONDS *et al.*, *Executor, &c.*—A note given to a mutual fire insurance company, organized under the general law, as one of the notes required by the statute (chap. 308 of 1849) to make up its capital, is, in legal effect, payable on demand, *i. e.*, at its date, though by its terms payment was to be made at such times and in such portions as the directors might require.

No actual demand is necessary in respect to such a note.

The statute under which it is given fastens on it the character of a note payable absolutely, or at the mere will of the holder.

The statute of limitations begins to run against such a note at the time it is given, and is a good defence at the expiration of six years from that time.

IX. LIEN UPON BANK STOCK.

LEGGETT *agt.* THE BANK OF SING SING.—A provision in the articles of a banking association that the shares of its stock shall not be transferable until the shareholder shall discharge all debts due by him to the association, includes liabilities of the shareholder which have not matured.

Such a provision creates a valid lien as against an assignee of the stock, who takes with knowledge thereof, while the shareholder is under a contingent liability as endorser, and gives no notice to the bank of his claim until after the endorser's liability has become fixed.

X. THE PAWNER'S BANK OF BOSTON.

F. W. SAWYER *vs.* PAWNER'S BANK.—This case, tried in the second session of the Superior Court of Massachusetts, before Judge ROCKWELL, without a jury, involves questions of law of more than ordinary interest

to the commercial community. The plaintiff, it seemed, was the president of the defendant's bank for the first two years of its existence, and, indeed, was the principal man in getting it up. And it appeared that for his services in establishing the bank, and also for his services for the first year, he had made no charge. But when he commenced on the second year he gave the directors notice, at a meeting of the board, that he should expect compensation for his services as president thereafter, and that a majority of the directors gave him verbal assurances of their disposition to pay him, and no dissent was expressed then or afterwards by any one of the board; but no express vote was taken, and the plaintiff went on doing the duties of his office till near the end of the year, when the directors declined to vote him any salary, but referred the matter to the stockholders. At the stockholders' meeting the plaintiff declined to act on the board with those directors longer, and another director was chosen in his place, and the stockholders' referred the whole matter back to the directors. The value of the plaintiff's services to the bank was not disputed; but the directors claimed that the plaintiff agreed to serve gratuitously, and also denied that their verbal promise was binding, it not having been expressly voted.

The court found the facts as laid by the plaintiff, that he gave the directors due notice of his intention to claim compensation, and that they said and did such things that the bank would be liable, unless it was as the directors contended, that an express vote was essential for the plaintiff's recovery. And the judge held it was, and that the verbal promises of the directors, and the implied promise from their silence, were of no avail to the plaintiff, if the directors refused to put them in form on the record.

The whole matter, however, goes up to the Supreme Court for revision, and it ought, for the tendency of the age is to make the presidents of our corporations the chief executive officers. On them falls almost all of the most responsible duties of our banks, our insurance offices and our railroads, and probably not one in ten of them has had the matter of his compensation voted on expressly for years.—*Boston Bulletin*.

RAILWAYS OF FRANCE AND ITALY.—A convention recently concluded between the governments of France and Italy, relative to the railways which connect their respective territories, has just been promulgated. It stipulates that each government, at its own expense, execute the part of the Modane and Suze Railway, which is on its territory. The Italian government is, however, to make the whole of the tunnel through Mont Cenis, and France is to pay the expense of half of it, provided that expense does not exceed 190,000,000 francs, and that the tunnel be completed in twenty-five years; if the tunnel be completed in less than twenty-five years, a premium of 500,000 francs is to be paid by France for each year down to fifteen; and if in less than fifteen, the premium for each year is to be 600,000 francs. In case the tunnel be not finished in twenty-five years, and in case 250 metres on the French side and 250 on the Italian be not cut through every year, France is to be relieved from all her engagements. During the execution of the works she is to pay 5 per cent. interest on the outlay incurred. The convention also contains the stipulation that of the 20,000,000 francs, which the VICTOR EMANUEL Company is to pay for the use of the tunnel, Italy is to receive 13,000,000 francs and France the rest. Finally, France is to prolong the railway from Toulon to Nice to the Italian frontier near the convent of St. Louis, and Italy is to prolong the Genoa to Vintimille Railway to the same place.

THE NEW TREASURY LOAN.

By the act of Congress, passed July 17, 1861, the Secretary of the Treasury was authorized to issue coupon bonds, registered bonds and Treasury notes, to the extent of two hundred and fifty millions of dollars, in such proportions as he might deem advisable. The Treasury notes to be payable in three years, bearing 7 30-100 per cent. interest per annum. Of these notes, the banks of the cities of New-York, Boston and Philadelphia subscribed, in September and October, 1861, to one hundred millions at par. The Secretary of the Treasury concluded to issue fifty millions more of these notes. Between January and November, 1862, there were negotiated of these a sum exceeding thirty-six millions. On the 10th of November, 1862, the Secretary issued the following notice :

Proposals will be received at this Department until 12 o'clock of Monday, the 17th inst., and then opened, for thirteen millions, four hundred and twenty thousand, five hundred and fifty dollars, (\$13,420,550,) being the whole amount of 7.30 three years bonds authorized by law, and remaining undisposed of. These bonds will be of the issue of October 1, 1861, and will have the coupon, due April 1, 1863, attached. The accrued interest, from October 2, 1861, to date of payment, will be required to be paid in gold coin or United States legal tender notes. Offers for any amount not less than one bond of fifty dollars will be considered, but the Department will be at liberty to decline all proposals not regarded as advantageous to the government.

The bids for the loan under this call of the Secretary of the Treasury were opened at the Treasury Department at the appointed hour, Monday, November 17th, in presence of a large number of bidders from Northern cities. The whole amount offered was \$29,994,850 ; all bids above 3.05, amounting to \$9,505,050, were accepted, and \$4,108,400 were divided *pro rata* among the bids at 3.05. The whole amount awarded was \$13,613,450. This shows a most gratifying confidence in financial affairs, and the ability of the government to meet its obligations. About three and a half hours were occupied in opening and examining the numerous bids.

Renewed confidence is felt as to the ability of the government, in view of the operations under the excise and stamp acts, the revenues from which alone are variously estimated at 150 to 175 millions of dollars for the first twelve months.

The following were the total bids received, and the order in which they were opened. Those marked with a star (*) were accepted. Those marked with a dagger, [†], at 3.05 per cent., were afterwards allotted at the rate of 59.45 per cent. :

Name of Bidder.	Per ct.	Amount bid.	Name of Bidder.	Per ct.	Amount bid.
Samuel Res, Boston,	103.	\$ 200	Samuel A. Way, Boston,	101.50	\$ 10,000
Franklin Haven, "	102.77½	500,000	"	102.50	10,000
"	103.02	500,000	"	102.50	10,000
Isa Steward, "	103.	100	"	103.	10,000

Name of Bidder.	Per ct.	Amount bid.	Name of Bidder.	Per ct.	Amount bid.
New-England Bk., Bost.	100.50	\$ 10,000	Henry S. Milton, Boston, par,		\$ 1,000
Wm. P. Dole, Wash.,...	108.	400	Thomas Turner, N. Y.,...	102.	500
A. G. Dudley, "...	108.	150	Henry W. Shaw, "...	108.	1,000
Charles Stoddard, Bost.,...	102.25	6,000	E. L. Bushnell, "...	101.	5,000
Francis Jago, Phila.,...	101.	4,000	" " "...	101.50	5,000
Boyiston Bank, Boston,	108.	40,000	" " "...	102.	5,000
Miners' Bk., Pottev., Pa.,	102.50	50,000	" " "...	102.50	5,000
White & Hill, N. Hamp. par,		5,000	Mount Holly Bank, N. J.,	103.	5,000
Geo. B. Milton, Boston,	101.	1,000	" " "...	103.50	*5,000
Edward J. King, N. Y.,...	102.27	5,000	Allen Bancroft, Treas.,		
" " "...	102.53	5,000	Plymouth, 102.		10,000
" " "...	103.18	*5,000	" " "...	102.50	10,000
Underhill & Haydn, N. Y.	102.20	20,000	" " "...	103.	10,000
Benkard & Hutton, "...	103.12½	*250,000	Rebecca Nathans, Phila.,	102.	8,000
" " "...	103.25	*250,000	Nathan Nathans, "...	102.50	1,000
" " "...	103.37½	*350,000	— Caldwell, Worcester,		
" " "...	103.50	*250,000	Mass., 101.		1,000
Bank of Commonwealth,			Waterbury Bank, Conn.,	102.50	15,000
N. Y., 103.05		*150,000	" " "...	102.60	10,000
" " "...	103.80	*150,000	M. L. McLean, Wash.,...	102.	1,000
" " "...	103.55	*150,000	Ward & Co., N. Y.,...	102.15	50,000
Atlantic Bank, "...	102.88	25,000	" " "...	102.65	50,000
" " "...	103.	-25,000	" " "...	102.85	50,000
Thos. B. C. Morgan, Phil.	103.60	*1,600	" " "...	103.05	*50,000
G. W. Berrian, Jer. City,	102.50	8,000	D. C. Spooner, Phila.,...	102.25	*10,000
Stewart & Bro., Phila.,...	102.80	25,000	Pemberton Smith, Phila. par,		8,000
" " "...	102.90	25,000	Agawam Bank, Spring-		
" " "...	103.02	25,000	field, Mass., 101.25		5,000
" " "...	103.28	*25,000	" " "...	101.50	5,000
Dater & Timpson, N. Y.,	103.	20,000	" " "...	101.75	5,000
Corn Exch. Bk., Phila.,	102.75	20,000	" " "...	102.	5,000
" " "...	108.	20,000	" " "...	102.25	5,000
" " "...	103.12½	*20,000	Isaac Sweetser, Boston,	102.	1,000
" " "...	103.25	*20,000	John Gulliver, Phila.,...	103.25	*2,000
" " "...	103.37½	*20,000	Farmers' & Mech. Bank,		
John Ponder, Wash.,...	103.25	*25,000	Phila., 102.85		250,000
Florence & Conant, Wash.	104.	1,000	" " "...	103.35	*100,000
Philip Speyer & Co., N. Y.	103.51	20,000	" " "...	103.65	*100,000
" " "...	102.52	10,000	" " "...	103.85	*50,000
" " "...	102.56	10,000	G. F. Hunting, Boston, par,		400
" " "...	102.59	10,000	J. Amory Davis, "...	102.50	25,000
" " "...	102.62	10,000	Thomas Lamb, "...	103.	25,000
" " "...	102.64	10,000	" " "...	102.75	25,000
" " "...	102.68	5,000	Brevoort Fire Ins. Co.,		
" " "...	102.71	5,000	N. Y., par,		10,000
" " "...	102.73	5,000	" " "...	100.50	10,000
" " "...	102.75	5,000	" " "...	101.	10,000
" " "...	102.76	5,000	Bliss, Williams & Co.,		
" " "...	102.77	5,000	N. Y., 101.75		25,000
Daniel Le Roy, N. Y.,...	103.40	*5,000	" " "...	101.90	25,000
" " "...	103.55	*5,000	" " "...	102.05	50,000
B. M. Freigh, Saugerties,	102.75	5,000	" " "...	102.25	50,000
" " "...	103.12½	*5,000	" " "...	102.30	25,000
" " "...	103.25	*10,000	Com'nwealth Bk., Phila.,	102.	25,000
J. Van Duser, Pres't, N. Y.	102.76	20,000	" " "...	102.50	25,000
" " "...	102.96	20,000	" " "...	103.	25,000
" " "...	103.18	*20,000	" " "...	103.50	*25,000
" " "...	103.26	*20,000	E. L. Bowles, N. Y.,...	103.23	*6,000
" " "...	103.31	*20,000	Rich'd Vallant, "...	104.	*7,500
D. De Amarelli, Phila.,...	101.	800	John L. Rogers, "...	103.	20,000
Josiah P. Cooke, Boston,	102.50	10,000	Chas. H. Delavan, N. Y.,	102.25	20,000
Isaac W. Blain, N. Y.,...	101.50	4,500	" " "...	102.50	20,000
Waterbury Bank, Conn.,	102.60	8,000	" " "...	102.75	15,000
Metacomet Bk., Fall R.,...	102.25	15,000	" " "...	103.	15,000
" " "...	102.50	15,000	J. E. Park, Downin-		
" " "...	102.75	15,000	town, Pa.,...	102.87½	5,000
" " "...	103.	15,000	J. M. Goddard, N. Y.,...	103.	1,500

Name of Bidder.	Per ct.	Amount bid.	Name of Bidder.	Per ct.	Amount bid.
C. P. Willard, Phila.,...	101.	\$ 50	Drexel & Co., Phila.,....	103.38	* \$ 150,000
Otis Daniel, Boston,....	102.50	10,000	Mrs. S. E. Edwards, Phil. par,		2,000
" " " " " " " " " "	102.	10,000	Benjamin Tomes, N. Y.,	103.40	*5,000
" " " " " " " " " "	101.	10,000	" " " " " " " " " "	103.60	*5,550
" est. M. Grant, ..	103.	10,000	F. Tomes, Jr.,	103.50	*5,000
" " " " " " " " " "	102.	10,000	Livermore, Clews & Co.,		
Wm. Amar, Phila.	103.25	*5,000	" " " " " " " " " "	101.90	40,000
" " " " " " " " " "	103.50	*5,000	" " " " " " " " " "	102.37½	5,000
Underhill & Hayden, N.Y.	101.57	5,000	" " " " " " " " " "	102.40	40,000
" " " " " " " " " "	101.77	5,000	" " " " " " " " " "	102.50	84,000
" " " " " " " " " "	101.97	5,000	" " " " " " " " " "	102.55	3,000
" " " " " " " " " "	102.17	5,000	" " " " " " " " " "	102.60	5,000
" " " " " " " " " "	102.27	5,000	" " " " " " " " " "	102.62½	5,000
" " " " " " " " " "	102.37	5,000	" " " " " " " " " "	102.75	8,000
" " " " " " " " " "	102.47	5,000	" " " " " " " " " "	102.87½	5,000
" " " " " " " " " "	102.57	5,000	" " " " " " " " " "	102.90	5,000
" " " " " " " " " "	102.67	5,000	E. Whitehouse, Son &		
" " " " " " " " " "	102.77	5,000	Morison, N. Y.,	103.	90,000
" " " " " " " " " "	102.97	5,000	" " " " " " " " " "	103.25	*75,000
" " " " " " " " " "	103.07	*5,000	Livermore, Clews & Co.,		
Clarkson Brothers, N. Y.	103.10	*10,000	" " " " " " " " " "	103.	50,000
" " " " " " " " " "	103.15	*10,000	" " " " " " " " " "	103.05	130,000
" " " " " " " " " "	103.17	*10,000	" " " " " " " " " "	103.10	*30,000
" " " " " " " " " "	103.41	*10,000	" " " " " " " " " "	103.12½	*20,000
G. D. Rosengarten, Phila.	104.	*5,000	" " " " " " " " " "	103.25	*10,000
Jacob L. Smith, ..	104.	*750	" " " " " " " " " "	103.37½	*5,000
S. & W. Welch, ..	102.60	100,000	" " " " " " " " " "	103.01	50,000
Ashton,	103.12½	*10,000	" " " " " " " " " "	103.07	*55,000
C. S. Darrow, Boston, ..	104.	*10,000	" " " " " " " " " "	103.13	*150,000
De Courcey, Lafourcade			" " " " " " " " " "	103.17	*50,000
& Co., Phila.,	103.25	*8,000	E. T. Kelsey,	N. Y., 103.	250
W. M. Webster, Phila. . .	par,	2,200	J. M. Palisse,	" par,	1,000
Samuel F. Ashton, Phila.	102.50	10,000	Benj. H. Field,	" 103.25	*10,000
Bank of Yonkers, N. Y.,	102.15	10,000	" " " " " " " " " "	102.	10,000
" " " " " " " " " "	102.80	10,000	" " " " " " " " " "	101.	20,000
" " " " " " " " " "	103.15	*10,000	Geo. W. Welch,	" 103.50	*10,000
Jay Cooke & Co., Wash.	103.	25,000	Alphonso De Schwitz	" 103.	10,000
" " " " " " " " " "	103.12½	*25,000	Maria McGregor, N. Y.,	102.75	7,000
" " " " " " " " " "	103.26	*25,000	Charles T. Gulick, N. Y.,	103.25	2,500
" " " " " " " " " "	103.50	*25,000	Judd Linseed and Sperm		
John T. Vincent, Wash.,	102.50	1,000	Oil Co., N. Y.,	103.50	*50,000
C. W. Schwartz,	101.75	500	Merchants' Bank, N. Y.,	102.50	100,000
Brewster, Sweet & Co.,			" " " " " " " " " "	102.75	50,000
" " " " " " " " " "	Boston, 103.75	*15,000	" " " " " " " " " "	102.90	50,000
" " " " " " " " " "	" " 103.50	*100,000	" " " " " " " " " "	103.25	*50,000
" " " " " " " " " "	" " 103.25	*100,000	" " " " " " " " " "	103.35	*50,000
" " " " " " " " " "	" " 103.12½	*100,000	O. H. Schreiner, Cash,		
" " " " " " " " " "	" " 103.12½	*10,000	" " " " " " " " " "	N. Y., 103.56	25,000
Lewis Johnson & Co.,			" " " " " " " " " "	" 102.76	25,000
" " " " " " " " " "	Washington, 102.62½	100,000	" " " " " " " " " "	" 103.06	*25,000
" " " " " " " " " "	" " 102.35	200,000	" " " " " " " " " "	" 103.28	*25,000
" " " " " " " " " "	" " 102.70	50,000	James F. Penniman,	103.35	*8,000
Clark, Dodge & Co. N.Y.	103.12½	*100,000	John Wadsworth, ..	103.	10,000
" " " " " " " " " "	103.25	*100,000	" " " " " " " " " "	102.75	10,000
" " " " " " " " " "	103.37½	*100,000	Mutual Life Ins. Co.	103.25	*100,000
" " " " " " " " " "	103.50	*50,000	" " " " " " " " " "	103.	100,000
Gebhard Fire Ins., N. Y.,	103.12½	*5,000	" " " " " " " " " "	102.75	100,000
" " " " " " " " " "	103.37½	*5,000	" " " " " " " " " "	102.50	100,000
" " " " " " " " " "	103.62½	*5,000	" " " " " " " " " "	102.	100,000
" " " " " " " " " "	103.87½	*5,000	Vermilye & Co., N. Y.,	102.50	10,000
" " " " " " " " " "	104.05	*5,000	" " " " " " " " " "	102.55	20,000
Robert Stuyvesant, N.Y.	102.62½	500	" " " " " " " " " "	102.61	50,000
" " " " " " " " " "	103.37½	500	" " " " " " " " " "	102.81	50,000
John Blake, N. Y.,	102.50	1,000	" " " " " " " " " "	102.90	20,000
Drexel & Co., Phila.,	102.80	150,000	" " " " " " " " " "	103.	10,000
" " " " " " " " " "	102.91	150,000	" " " " " " " " " "	103.05	*50,000
" " " " " " " " " "	103.03	250,000	" " " " " " " " " "	103.10	*20,000

Name of Bidder.	Per ct.	Amount Bid.	Name of Bidder.	Per ct.	Amount Bid.
Vermilye & Co., N. Y.,	108.80	*\$ 100,000	J. F. D. Lanier, N. Y.,	108.	\$ 100,000
"	"	108.50	F. J. Gallatin, Pres.,	"	102.50
"	"	108.55	Winalow, Lanier & Co.,	"	"
"	"	108.60	for selves and C. P. Cul-	"	"
"	"	108.75	ver,..... N. Y.,	102.25	100,000
"	"	108.80	"	102.50	100,000
"	"	104.	"	102.90	200,000
Continental Bank, N. Y.,	108.05	†50,000	"	103.	350,000
"	"	108.10	"	103.10	*250,000
"	"	108.90	E. D. Stanton & Co.	"	103.25
"	"	108.36	"	103.30	*100,000
John Slatery,.....	par,	10,000	"	103.36	*100,000
"	"	102.	Corn Exchange Bank	"	102.79
Clarkson & Co.,...	"	101.01	"	103.01	50,000
"	"	100.01	"	103.17	*50,000
Roosevelt & Son,...	"	108.25	Nassau Bank,	"	103.
"	"	108.50	"	102.25	25,000
"	"	108.75	"	102.50	25,000
James A. Cowing,	"	108.55	"	102.75	25,000
Geo. & Sam'l Brown	"	109.75	"	103.	25,000
"	"	108.	Manhattan Savings Inst.,	108.12½	*125,000
"	"	108.25	Home Ins. Co.,	"	102.
"	"	108.50	"	102.30	25,000
John P. Yelverton, Cash.,	"	108.50	"	102.55	25,000
N. Y.,	108.23	*250,000	"	103.75	25,000
"	"	108.27	East River Savings Inst.,	102.50	25,000
Jeremiah Pangborn,	"	108.70	"	103.	25,000
Oriental Bank,.....	"	102.50	William H. Slocum,	102.50	10,000
G.S. Robbins & Son	"	108.30	Hines, Shippensburg, Pa. par,	"	1,000
"	"	108.90	James H. Banker, N. Y.,	103.	20,000
" Trustees	"	102.50	"	103.10	*20,000
"	"	102.90	"	103.32	*20,000
"	"	103.25	"	103.37½	*20,000
" Agents,	"	102.50	"	103.40	*20,000
"	"	103.75	John De Von. Exr.,	103.50	*3,400
J. F. D. Lanier,...	"	102.90	Jefferson B. Bank, Ohio,	103.	31,000

Award of the Treasury Loan, 7.30 bonds, at 3.05 per cent. premium, November 17, 1862.

	Bid.	Awarded.
Jay Cooke & Co., bankers, Washington,.....	\$ 250,000	.. \$ 148,600
American Exchange Bank, New-York,.....	750,000	.. 445,900
Mechanics' Bank, New-York,.....	25,000	.. 14,900
Fearing & Dalton,.....	25,000	.. 14,900
Ward, Campbell & Co., New-York,.....	420,000	.. 249,700
Ketchum, Son & Co., New-York,.....	4,642,500	.. 2,760,300
Do. for Hooper and others,.....	107,500	.. 63,900
Do. for M. Ketchum,.....	50,000	.. 29,700
Rittenhouse, Fant & Co., Washington, D. C.,.....	100,000	.. 59,500
Do. do. do.	80,000	.. 47,600
Anthony Halsey, cashier Tradesmen's Bank, New-York,.	130,000	.. 77,300
Bank of the Commonwealth, New-York,.....	150,000	.. 89,200
Ward & Co., New-York,.....	50,000	.. 29,700
Livermore, Clews & Co., New-York,.....	30,000	.. 17,800
Vermilye & Co., New-York,.....	50,000	.. 29,700
Continental Bank, New-York,.....	50,000	.. 29,700

\$ 6,910,000 .. \$4,108,400

Rate of award, 59,315-691, or about 59.45 per cent.

THE LOAN OF NOVEMBER, 1862.

The parties to the combination bid of KETCHUM, SONS & COMPANY, for the government loan, were as follows, at 103.05 :

The Union Bank, New-York,...	\$ 580,000	A. A. Robinson,.....	\$ 2,500
Grant & Son,.....	800,000	Ketchum, Son & Co.,.....	500,000
J. P. Morgan & Co.,.....	500,000	City Bank, Hartford, Conn.,...	25,000
R. S. Ely,.....	100,000	G. F. Davis, Hartford,.....	10,000
Nash Moseman,.....	50,000	Robert Buel & Son, ".....	10,000
T. B. Coddington,.....	20,000	State Bank, ".....	50,000
William B. Isham,.....	30,000	Hartford Bank, ".....	8,000
Samuel Titus,.....	10,000	Merchants and Manufac. Bank,.	60,000
John P. Coffin,.....	10,000	Bank of Hartford County,.....	10,000
L. W. Jerome,.....	130,000	North American Fire Ins. Co.,.	15,000
R. L. Lord,.....	100,000	Howe, Mather & Co.,.....	55,000
S. & C. H. Isham,.....	20,000	Society for Savings,.....	25,000
Atlantic Mutual Insurance Co.,.	100,000	Deep River Bk., Deep River, Ct.,	10,000
Mechanics' Banking Association,	50,000	Sangatuck Bank, Westport, "	25,000
M. M. Freeman,.....	15,000	Pequonnoek Bk., Bridgeport, "	25,000
John F. Hantington,.....	500	Connecticut Bank, ".....	10,000
Dry Dock Savings Bank,.....	75,000	P. C. Calhoun, ".....	10,000
R. P. Spencer,.....	10,000	Farmers' Bank, ".....	10,000
Benjamin Nathan,.....	100,000	John W. Leeds, Stamford, "	20,000
C. R. Robert,.....	50,000	Iron Bank, Fall Village, "	20,000
William H. Tillinghast,.....	10,000	Springfield Bank, Springf., Mass.,	33,000
T. Ketchum & Co.,.....	100,000	Merchants' Bk., New-Bedford, "	25,000
E. Bement,.....	20,000	Glens Falls Bk., Glens Falls, N. Y.,	30,000
DeLaunay, Clark & Co.,.....	280,000	Essex County Bk., Newark, N. J.,	20,000
Mason Thomson,.....	10,000	Lafayette Banking Co., Cin., O.,	50,000
Charles A. Meigs & Son,.....	10,000	Harrison & Hooper, ".....	40,000
John J. Phelps,.....	50,000	Bank of Commerce, Cleveland, "	100,000
A. W. Greenleaf & Co.,.....	100,000	Henry Wick & Co., ".....	10,000
A. G. Jerome & Co.,.....	100,000	Brothers McKim, Baltimore, Md.,	50,000
George Opdyke,.....	30,000	Bush & Howard, Buffalo, N. Y.,	10,000
Morris Ketchum,.....	50,000		
Charles G. Clark,.....	25,000		\$ 4,800,000

CANADA.—His Excellency the Governor-General, in Council, was pleased to lay before the Council a memorandum from the Honorable the Minister of Finance, stating that it has been represented to his department, that the paper currency authorized and made a legal tender by the United States government has become greatly depreciated in value, and that the market value of goods in the several markets of the United States is based upon the nominal value of the said paper currency, and that the levying of duty upon this value so based is injurious to trade, and has the effect of making the duty so imposed greater than it would be if imposed upon the fair market value thereof, if such value was expressed in the standard currency of the United States, which was the only legal currency in that country where the customs laws of this province were enacted.

His Excellency was pleased to order, and it is hereby ordered, that, with a view to remedy, as far as possible, the evils complained of, all invoices of goods purchased on and after the 1st day of November prox., in the United States, the prices of which are based upon such depreciated paper currency, shall, upon the entry thereof, be accompanied by a certificate, under the hand and seal of a British Consul, showing the per centage of depreciation of American paper currency as compared with gold on the day of the date of such invoice; and that collectors of customs in this province be authorized to deduct the amount of such per centage of depreciation from the invoice, and compute the duties upon the amount remaining after such deduction.

WILLIAM H. LEE, C. E. C.

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, 1860, 1861 AND 1862.

NEW-YORK STOCK BOARD.	YEAR 1860.		MAY, 1860.		JUNE, 1860.		JULY, 1862.		AUGUST, 1862.		SEPT. 1862.		OCT., 1862.		10 MON., '62.	
	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.
United States six per cent. 1862...	95	109 1/2	90	100	97 1/2	109	103 1/2	107 1/2	94 1/2	109	96 1/2	99 1/2	96 1/2	100	108	103 1/2
United States six per cent. 1861...	..	104 1/2	83 1/2	96 1/2	97 1/2	108 1/2	107 1/2	96 1/2	108	96 1/2	101 1/2	99	103 1/2	102	104 1/2	107 1/2
U. S. five per cent. 1874 coupon...	88	98	75	97	89 1/2	96	90 1/2	97 1/2	85	91	86	91	88	91 1/2	94	78
Indiana State five per cent. ....	..	84 1/2	75	84 1/2	75	84 1/2	..	..	..	..	..	..	..	..	..	75
Virginia six per cent. bonds.....	78	95	85	81	85 1/2	90 1/2	80 1/2	89 1/2	83	87	81	87	85 1/2	89	85 1/2	49
Tennessee six per cent. bonds.....	64	98	84 1/2	77	86 1/2	61	89 1/2	61	87 1/2	49 1/2	89 1/2	48 1/2	51	81	58 1/2	61
Georgia six per cent. bonds.....	109	105	86	94	76	..	78	..	78	..	..	..	..	..	68 1/2	78
North Carolina six per cent. bonds,	76	100	44	89 1/2	85 1/2	79 1/2	79	74	64 1/2	73	65	67 1/2	64 1/2	68	71	60
California seven per cent. bonds...	83	93	71 1/2	88	89	90 1/2	96 1/2	93 1/2	91	96	94 1/2	100	99 1/2	100	119 1/2	76 1/2
Missouri six per cent. bonds.....	61	84 1/2	85	79 1/2	80 1/2	84	81	83 1/2	45	61	45 1/2	49 1/2	45 1/2	50 1/2	49 1/2	40
Cumberland Coal Co., preferred...	8	17 1/2	4	9 1/2	8 1/2	9 1/2	9 1/2	9 1/2	7 1/2	8	8 1/2	8 1/2	8 1/2	15 1/2	9 1/2	5
Pacific Mail Steamship Company...	70	107 1/2	50	100	109	119	115	116	104 1/2	119 1/2	107 1/2	119 1/2	109 1/2	121 1/2	117 1/2	91
New-York Central Rail-Road.....	70	95 1/2	68	89 1/2	81 1/2	89 1/2	88 1/2	89 1/2	87 1/2	96 1/2	86 1/2	94 1/2	88	104	103 1/2	79 1/2
Erie Rail-Road shares.....	8 1/2	43	17	40 1/2	35 1/2	40 1/2	35 1/2	39 1/2	38	37	38 1/2	39 1/2	38 1/2	49 1/2	48	65 1/2
Hudson River Rail-Road.....	36	66	51 1/2	49 1/2	36	45	44	49 1/2	43	47 1/2	44 1/2	54 1/2	50	63 1/2	61	79
New-York Central Rail-Road shares,	8	34	8 1/2	16 1/2	18	15	14	19 1/2	13	17 1/2	14 1/2	17	15	23	30 1/2	11 1/2
Harlem Rail-Road shares.....	37	55	20 1/2	43	33 1/2	37	35 1/2	45	33 1/2	41	35	43	39	43 1/2	46 1/2	33 1/2
Reading Rail-Road shares.....	80	49 1/2	39 1/2	45 1/2	45 1/2	49 1/2	50	60	54 1/2	59 1/2	56	63 1/2	56 1/2	70	69	79
Michigan Central Rail-Road.....	84 1/2	79 1/2	39 1/2	61 1/2	56 1/2	69 1/2	63 1/2	69 1/2	57	63 1/2	59 1/2	66 1/2	63 1/2	81 1/2	93 1/2	47
Michigan S. & N. Indiana R.R....	5	25	16 1/2	20 1/2	23	26 1/2	23 1/2	23 1/2	27 1/2	34 1/2	34 1/2	33 1/2	31 1/2	39 1/2	37 1/2	19
Michigan S. & N. Indiana, guar....	12 1/2	50 1/2	22 1/2	41 1/2	47	53 1/2	67	64	53 1/2	60 1/2	55 1/2	64 1/2	61 1/2	74	73 1/2	85
Panama Rail-Road shares.....	106	146 1/2	97 1/2	121	126 1/2	128	127 1/2	128	127 1/2	128	127 1/2	128	127 1/2	128	127 1/2	128
Illinois Central Rail-Road shares...	51 1/2	69 1/2	55 1/2	66 1/2	60	64	60 1/2	66 1/2	61 1/2	67	63 1/2	61 1/2	61 1/2	77	76 1/2	84 1/2
Gatens and Chicago Rail-Road....	55	89 1/2	55	74 1/2	66 1/2	78	69 1/2	79 1/2	66 1/2	71 1/2	67 1/2	74 1/2	70 1/2	81 1/2	88	88
Cleveland and Toledo Rail-Road...	19 1/2	49 1/2	20 1/2	30 1/2	41 1/2	47 1/2	49 1/2	45	49 1/2	47 1/2	46 1/2	54 1/2	53 1/2	69 1/2	67 1/2	78
Chicago & Rock Island Rail-Road...	43 1/2	54 1/2	30 1/2	63	56	66	62 1/2	69 1/2	60 1/2	65 1/2	62 1/2	69 1/2	68 1/2	78 1/2	71 1/2	85 1/2
Illinois Central Construction bonds,	81	100 1/2	84 1/2	109 1/2	88 1/2	94 1/2	94 1/2	97 1/2	90 1/2	94	95	103 1/2	100	107	108 1/2	107
Pennsylvania Coal Company.....	73 1/2	87	74 1/2	81	85	80 1/2	80	93	85	91	85	99 1/2	99	103	106	110
Delaware and Hudson Canal Co....	80	101 1/2	79	98	98	100	99	100 1/2	91 1/2	97 1/2	97 1/2	100 1/2	100	110	108	110
Premium on gold.....	..	..	..	..	3 1/2	4 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Chicago, Burlington and Quincy...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Demand Notes.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, 7.30 per cent.,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

THE STOCK MARKET FOR OCTOBER.

THE continued rise of prices of leading stocks is merely commensurate with the advanced values of gold and silver in the market. The quotations of actual sales for the month of October are far above those of any previous date of late years. Government six per cents, of 1868, are $22\frac{1}{2}$ above the lowest price of the year; new six per cents sold at $7\frac{1}{2}$ premium, and the new 7.30 per cents at 108. In State loans the sales were, in October, 2 to 6 per cent. above those of the year, viz.: Virginia sixes, 2 per cent.; California sevens, $6\frac{1}{2}$; Missouri, $1\frac{1}{2}$.

Coal company shares also partake of the advanced values. Delaware and Hudson shares, in October, were in demand at 110. Cumberland Coal, $9\frac{1}{2}$ to 17.

Pacific Mail Steamship Company shares were $11\frac{1}{2}$ per cent. above prior sales. Panama shares, 4 per cent. In rail-road shares generally the quotations of actual sales, in October, were 3 to 16 per cent. above the highest of previous months of the year, viz.: New-York Central R. R., $3\frac{1}{2}$; Erie, $15\frac{1}{2}$; Hudson River, $16\frac{1}{2}$; Harlem, $3\frac{1}{2}$; Harlem preferred, $4\frac{1}{2}$; Reading R. R., 9; Michigan Central, 11; Michigan Southern, $8\frac{1}{2}$; Southern preferred, 11; Illinois Central, $8\frac{1}{2}$; Galena and Chicago, $7\frac{1}{2}$; Cleveland and Toledo, $3\frac{1}{2}$; Chicago and Rock Island, $6\frac{1}{2}$; Chicago and Quincy brought 119.

A violent reaction in prices has occurred since the opening of the month, the changes in which will be recorded at the close of the present number.

A Miser and his Hoard.—The *Journal de la Nièvre* relates the following story: A man named COYRANT, 45 years of age, in comparatively easy circumstances, residing near the Faubourg Saint Antoine, at Nevers, had a mania for hiding his money, and he had selected a hole in his stable, just over a beam, for that purpose. In that place he had deposited his treasure, amounting to 700 francs in gold. A few days since, he went to see that his treasure was safe, and was thunderstruck at finding that the money had disappeared. His suspicions fell on a cobbler, named GUYOT, who resided a short distance from him. Arming himself with a loaded pistol, he went to the cobbler's house, and finding him sitting at his work, discharged the pistol point blank at him, but fortunately missed him, the cobbler by some accident falling at the moment from his stool to the ground. COYRANT, thinking he had killed the man, hurried back to his own house, and, reloading the weapon, attempted to blow out his brains, but in his agitation only broke his lower jaw, the wound of which is not very serious.

Banking Law in France.—The Tribunal of Commerce has just pronounced a judgment of some importance against the Bank of France. M. JEANNIN, a bill clerk of the Comptoir d'Escompte, received in the course of his rounds a number of bank notes, among which, as it turned out, was one bearing neither number nor signature. The English usage of taking the numbers of notes passing through commercial hands does not prevail in France, and M. JEANNIN was therefore unable to say where he took the imperfect note. His employers refused to receive it, and left him responsible for the loss. The note was a genuine proof of a Bank of France 1,000f. issue, but had never been perfected by a number and signature, and could only have been put in circulation by a fraud. Under these circumstances, M. JEANNIN brought an action for 1,000f. against the governor of the bank, not upon the note, but for damages occasioned by carelessness in allowing the note to be issued. The tribunal adopted the plaintiffs' view of the law, and gave a verdict against the bank for the full amount.

THE PRICE OF GOLD.

IN our Nos. for August, September, October and November, we published the daily fluctuations in the value of gold, up to the 25th of October. The highest quotation being 137½ for gold, and 31 per cent. premium for silver. This occurred on the 15th October. Since then, the lowest price was 127.

LOWEST AND HIGHEST PRICES OF GOLD AT NEW-YORK.

Sept. 15...	117½ @ 117½ ..	Oct. 9...	126 @ 126½ ..	Nov. 3...	180½ @ 181½
16...	116½ @ 117½ ..	10...	127 @ 129 ..	4...	129½ @ 131½
17...	116½ @ 117½ ..	11...	128 @ 128½ ..	5...	131½ @ 132½
18...	116½ @ 117½ ..	13...	129 @ 130½ ..	6...	131½ @ 132
19...	116½ @ 117½ ..	14...	132 @ 133½ ..	7...	131½ @ 132
20...	116½ @ 117½ ..	15...	134 @ 137½ ..	8...	132 @ 132½
22...	117½ @ 117½ ..	16...	132½ @ 135 ..	10...	132½ @ 133½
23...	117½ @ 118½ ..	17...	132 @ 133 ..	11...	131 @ 132½
24...	118½ @ 119 ..	18...	129 @ 130 ..	12...	131½ @ 132
25...	120 @ 120½ ..	20...	127 @ 129 ..	13...	131½ @ 132
26...	120½ @ 120½ ..	21...	128½ @ 132 ..	14...	132 @ 133
27...	121½ @ 121½ ..	23...	133 @ 134 ..	15...	131½ @ 132
29...	121½ @ 123½ ..	23...	132½ @ 133 ..	17...	132 @ 132½
30...	121½ @ 124 ..	24...	130½ @ 132½ ..	18...	131½ @ 132
Oct. 1...	122 @ 122½ ..	25...	130 @ 131½ ..	19...	130 @ 131
2...	122½ @ 123 ..	27...	130 @ 131½ ..	20...	130½ @ 130½
3...	122½ @ 122½ ..	28...	131½ @ 132½ ..	21...	130½ @ 130½
4...	122½ @ 123 ..	29...	131½ @ 131½ ..	22...	130½ @ 130½
6...	123 @ 123½ ..	30...	130½ @ 130½ ..	24...	130½ @ 130½
7...	123½ @ 124 ..	31...	129½ @ 130 ..	25...	129½ @ 130
8...	124½ @ 125 ..	Nov. 1...	129½ @ 131½ ..	26...	129½ @ 129½

The sale of gold has been resumed at the daily meetings of the New-York Stock Board. At Boston the sales of gold have not been suspended.

BANK ITEMS.

NOTICE TO BANKERS AND BANKERS.—“*The Bankers' Almanac for 1863*” will be issued about 1st January next. Our subscribers are requested to notify us immediately of any changes in the year 1862, in the offices of President and Cashier, and among private bankers.

WANTED.—Vol. II., New Series, **BANKERS' MAGAZINE.** In order to complete a set of the **BANKERS' MAGAZINE**, we will pay seven dollars for the second volume, new series, or from July, 1862, to June, 1863.

BANKERS' LICENSES.—The Commissioner of Internal Revenue has decided that incorporated banks must pay license as brokers, and persons doing business as bankers, brokers and land-warrant brokers, must take out three licenses. The triple requirement is, for bankers, \$100 license; brokers, \$50; and land-warrant brokers, \$25.

NEW-YORK.—The demand for currency in the State and city of New-York still continues, and the banks comply with it by transferring to the Bank Superintendent, Albany, large amounts of United States Government stocks, on which there are equal amounts of bank circulation issued.

Sag Harbor.—The Suffolk County Bank, Sag Harbor, N. Y., was entered on Friday night, October 31st, by burglars. The building was entered by prying open a back shutter. They broke open a brass padlock to the vault; also a strap lock covering the key hole of the outer safe door, and blew open the safe doors with powder or gun cotton. The outer safe door, fire proof, had a CHASE lock. The inside door (supposed to be thief and burglar proof) had a JONES' combination lock. The burglars carried off \$4,850 Suffolk County Bank bills; \$5,910 U. S. legal tender notes; \$240 miscellaneous bills; \$727 specie and postal currency; also a number of checks, bonds, &c. The bank offers \$2,000 reward for the recovery of the property stolen. The security of a country bank will be enhanced by having, in addition to the best safes and locks, a live watchman inside the building, with fire arms for his own protection.

Banks, Stamps, &c.—The certification of a bank check by the paying teller's marking it, or writing his name across it, does not come within the meaning of the law relating to certificates, and is not, therefore, subject to stamp.

When the clerk of a court certifies a paper to be a copy by marking the same "copy," and signing his name thereto, it will be necessary for him to affix a ten cent stamp.

A power of attorney "to sell stock, to vote at an election, to collect rent, and sell real estate," requires a one dollar and sixty cent stamp.

If a bank declares a dividend of ten thousand dollars, it must withhold from the parties to whom the dividend is payable three per cent. on this sum, viz., three hundred dollars, and account for it to the Commissioner of Internal Revenue, as required in the law.

Stamps are not absolutely necessary until the 1st of January, 1863.

All instruments, therefore, made previous to that date, will be valid without stamp.

No prosecutions will be allowed till stamps are issued, as no one but collectors can inform against parties who neglect to use stamps.

The mere transfer of a mortgage does not require a stamp.

The ordinary acknowledgment by the grantor before a justice of the peace, or a notary public, is a part of the deed, and does not require a separate stamp; but a certificate that A. B. was a justice, &c., would require a stamp.

The form of affidavit, "Sworn, &c.," is not a certificate under the law, and, therefore, requires no stamp.

A stamp will be required upon every certificate which has or may have a legal value in any court of law or equity.

In stamping promissory notes, or other instruments requiring stamps, under the provisions of the excise law, stamps of a smaller amount in numbers sufficient to amount to the sum of the stamp required can be used, provided they are of the kind denominated for the particular instruments drawn.

MASSACHUSETTS.—JONATHAN P. ROBINSON, Esq., has resigned the presidency of the Mount Vernon Bank, Boston.

Great Barrington.—Mr. WILBUR CURTIS died in South Egremont, Mass., 9th inst., aged 77. He was a native of Egremont, where he passed most of his life; was the first President of the Mahaiwe Bank of Great Barrington, which office he held for many years, to the great satisfaction of the bank and its customers, and had been a member of both houses of the State legislature, and of the constitutional convention of 1853.

Newburyport.—The Merchants' Bank of Newburyport will petition the next legislature for an alteration in their charter, allowing the reduction of their capital stock in the sum of ninety thousand dollars, agreeably to a vote of the stockholders.

Fairhaven.—The Fairhaven, Mass., Bank will petition the next legislature that the capital stock of the bank be reduced in the sum of seventy-five thousand dollars, making the par value of the shares seventy-five dollars each, and the whole capital two hundred and twenty-five thousand dollars.

Northampton.—JOEL HAYDEN, of Haydenville, has been chosen President of the Holyoke Bank, at Northampton, in place of SAMUEL WILLSTON, of Easthampton, who declined a re-election on account of private business.

North Brookfield.—The North Brookfield, Mass., Savings Bank gives notice to its depositors, that in consequence of the (almost entire) destruction of the account-

books of the bank by fire, October 14, it becomes necessary that all the outstanding pass books should be immediately presented to the Treasurer, that they may be copied into the new books, and thereby be enabled to restore the accounts, and also for the security of the depositors, as in case any pass-book shall be lost without being so copied, no evidence of the owner's property in the bank will exist. The Treasurer requests those who withdrew any deposits between Sept. 25th and Oct. 14th, to report the same, because the book upon which payments were entered was entirely consumed.

Transfer of Banks.—The town of Fall River is partly in Massachusetts and partly in Rhode Island. The Fall River Union Bank and the Pocasset Bank, at Fall River, have hitherto been considered as Rhode Island banks, and their returns were published in the official reports of that State. They have recently removed across the Massachusetts State line, and now make their reports among the country banks of that commonwealth.

MAINE.—OLIVER MOSES, Esq., has been chosen President of the City Bank, Bath, in place of JAMES H. McCLELLAN, declined.

VERMONT.—The Franklin County Bank, of St. Albans, Vt., was chartered in Oct., 1849, and began business in April, 1850, with a capital of \$100,000. In April, 1860, after being in operation ten years, this bank had earned and paid back to its stockholders \$100,000, thus having, in the short space of ten years, paid back to the stockholders their original deposits, and kept the capital stock good.

NEW-HAMPSHIRE.—The stockholders of the Piscataqua Exchange Bank, Portsmouth, N. H., have voted to refund one-half of the capital of the bank to the stockholders, and the bank is paying out the returned capital in cash, or stock of the United States at its market value when delivered, at the option of the stockholders. This bank was incorporated in 1845, and the last statement of its capital that we have before us was \$200,000.

RHODE-ISLAND.—At a special meeting of the directors of the State Bank, Providence, held 20th October, EDWIN A. SMITH was elected Cashier, in place of F. P. BROWN, Esq., resigned.

CONNECTICUT.—The Norwich, Connecticut, Bank is redeeming its entire issue of \$100 bills, they having been extensively counterfeited, as we reported previously.

PENNSYLVANIA.—The Wyoming Bank, at Wilkesbarre, Pennsylvania, has declared its sixty-fifth dividend, viz., five per cent., clear of the United States tax.

Mr. EDWARD NORTH, of Germantown, a few days since enclosed a bill or ticket, in the similitude of a bank note, intended to circulate as currency, to Secretary CHASE, asking his opinion as to the legality of any such issue. The face of the bill reads as follows:

Redeemable at my office or at
the Farmers' Bank of Reading.

EXCHANGE AND BANKING-HOUSE	
No. 619.	OF
	G. W. GOODRICH,
	25
	CENTS.
Due and payable on demand to the bearer in current Bank Notes,	
TWENTY-FIVE CENTS.	
Reading, Pennsylvania, June 1, 1862.	
	G. W. GOODRICH.

This is the answer sent back by the Assistant Secretary of the Treasury:

TREASURY DEPARTMENT, November 7, 1862.

SIR,—Your letter of the 4th instant is received, with the note of G. W. GOODRICH, for 25 cents, which is herewith returned.

Your inquiry as to the legality of such notes may be best answered by referring

you to the act of 17th July last, (Laws 592,) the second section of which imposes on the making, issue, circulation, or payment of any such note, a fine not exceeding \$500, an imprisonment not exceeding six months, or both, at the option of the United States Court, before which the offender may be tried.

Very respectfully, your obedient servant,

GEORGE HARRINGTON,

Assistant Secretary of the Treasury.

EDWARD NORTH, Esq., *Germanstown, Pennsylvania.*

It will be seen from this that the issues of this description are wholly illegal, and may be suppressed by any person feeling aggrieved and injured by their circulation.

NEW-JERSEY.—GEORGE JUDKINS has been elected Cashier of the City Bank, Trenton, New-Jersey, in place of B. B. HALSTEAD, resigned.

DELAWARE.—MESERS. DE HAVEN & BROTHER, bankers, Philadelphia, redeem without charge, 5, 10, 25 and 50 cent notes of the City of Wilmington, Delaware.

MARYLAND.—JAMES MOTT, Esq., for several years Cashier of Farmers and Merchants' Bank, Baltimore, has sent in his resignation of that position to the board of directors.

NORTH-CAROLINA.—JOHN D. STARR, Esq., President of the Bank of Fayetteville, North-Carolina, died at his residence near that place September 24th, aged 62. He was formerly of Connecticut, and brother of the late WILLIAM D. STARR, of Middletown, for a long time editor and proprietor of the *Sentinel and Witness*. He removed to the South when a young man, had been a successful merchant in Fayetteville, and on retiring from business was elected President of the bank of that city. He leaves a family in Fayetteville and a large circle of relatives in Middletown to mourn his death.

ILLINOIS.—NEW BANKS.—By reference to our advertising columns, it will be seen that a new bank has been established at Morris, Grundy County, Illinois, called the Grundy County Bank, and another at Sycamore, De Kalb County, called the Sycamore Bank. They are located in prosperous business towns, where the facilities they will afford are needed by the merchants and the farmers of the vicinity; and their managers, as we are assured, are determined to do a legitimate banking business. Based upon Illinois stocks, and having complied with the law in regard to capital, appointing an agent in this city for the redemption of their notes, &c., their bills will at once pass into circulation as among the very best currency we have.—*Chicago Tribune, October 24.*

The trustees of the old State Bank of Illinois are about to hold closing auction sales of all the remaining property of the bank, viz., at Mineral Point, Wisconsin, November 19th, and at Springfield, Illinois, 26th.

LOUISIANA.—The Merchants' Bank and Crescent City Bank have been forced into liquidation by order No. 294 of Gen. BUTLER. The circulation of the former is \$212,275, secured by bonds, and \$175,635 new issue. It owes depositors \$100,000, and has \$508,186 in maturing and suspended paper.

NEW-ORLEANS.—W. O. JUMANVILLE has been elected Cashier of the Canal Bank, New-Orleans, in place of Mr. A. A. KERNION, resigned.

LONDON.—WILLIAM CROSS, Esq., of the firm of DENNISTOUN, CROSS & Co., of London, and of DENNISTOUN & Co., of New-York, died in London on 2d inst.

THE CURRENCY.—MR. ALEXANDER B. JOHNSON, of Utica, formerly President of the Ontario Bank, Utica, New-York, has published a pamphlet of thirty-two pages, octavo, entitled "*The Advanced Value of Gold, Suspended Specie Payments, Legal Tender Notes, Taxation and National Debt, investigated impartially.*" Copies may be had, gratis, of the author at Utica, New-York, or on application to the publisher of the BANKERS' MAGAZINE, 68 William-street, New-York. Copies will be mailed to order on the receipt of six cents in postage stamps.

Notes on the Money Market.

NEW-YORK, NOVEMBER 24, 1862.

Exchange on London, at sixty days' sight, 144 @ 145.

Speculation has marked the movements of the stock board and money circles during the past month. It was specially observable in the rapid rise of stocks until the first week in November, when suddenly there was a reaction, and prices declined from 10 to 90 per cent. in one week. These changes arose mainly from the result of the elections in the State of New-York, and other States, and from fears caused by the removal of General McOLELLAN from the command of the army. Slight events (as well as important ones) will sometimes induce holders of public securities to sell out; especially those parties who have but a limited amount to lose, and who cannot always hold their investments during a falling market.

Another cause of disturbance was the unexpected borrowing of twelve millions of dollars on the 19th inst., for account of the Treasury, by the assistant treasurer in New-York. This sum was borrowed at the rate of five per cent., for fifteen days, in anticipation of the negotiation then proposed to be made on the 17th, of the balance of the 7.80 per cent. loan, amounting to thirteen and a half millions.

The negotiation was effected on the day named; there being bids for over twenty-nine millions of dollars; one-third of which, at from 8.06 to 4.12½ per cent. premium, and the remainder at par to 8.05 per cent. This is one of the most satisfactory negotiations made during the present war. It will be remembered that one hundred millions of these issues (authorized July 17, 1861) were taken by the banks of the three cities of New-York, Boston and Philadelphia in September—October, 1861, at par—a very profitable operation for these institutions; those notes having since reached 6 per cent. premium in the open market.

The 7.80 loan having been thus exhausted, capitalists will now find, for profitable and for more permanent investment, the new twenty year 6 per cent. bonds of the United States, designated as "five twenties," redeemable at the pleasure of the government, after five years, and authorized by act of Congress approved Feb. 25, 1862. The coupon bonds are issued in sums of \$50, \$100, \$500 and \$1,000. The registered bonds in sums of \$50, \$100, \$500, \$1,000 and \$5,000. Interest will commence from the date of subscription, and is payable in gold, at the Mint, or any sub-treasury or depository of the United States, on the first days of May and November of each year. At the present premium on gold, these bonds yield about eight per cent. per annum. The ample provision made by customs duties, excise stamps and internal revenue, for the payment of interest and liquidation of the principal, makes an investment in this loan safe, profitable and available at all times. This being the permanent loan into which the legal-tender notes are convertible, it will become the principal loan in the market, and a profitable mode of investment for trust funds, the surplus funds of capitalists, as well as the earnings of the industrial classes.

The bank movement continues to be an expansive one. The loans, specie, circulation, deposits and exchanges of the present year at New-York have been as follows, at the dates mentioned:

1862.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
January 4,.....	\$ 154,415,000 ..	\$ 23,938,000 ..	\$ 8,586,000 ..	\$ 111,789,000 ..	\$ 100,642,000
February 1,.....	144,675,000 ..	27,479,000 ..	6,404,000 ..	112,057,000 ..	98,791,000
March 1,.....	187,674,000 ..	29,596,000 ..	5,868,000 ..	107,974,000 ..	109,854,000
April 5,.....	194,477,000 ..	33,764,000 ..	7,099,000 ..	94,082,000 ..	111,836,000
May 2,.....	228,406,000 ..	35,175,000 ..	8,492,000 ..	109,684,000 ..	140,952,000
June 7,.....	142,818,000 ..	31,948,000 ..	8,818,000 ..	125,566,000 ..	148,128,000
July 5,.....	143,648,000 ..	31,790,000 ..	9,370,000 ..	137,498,000 ..	149,748,000
August 2,.....	150,517,000 ..	34,022,000 ..	9,511,000 ..	137,112,000 ..	149,167,000
Sept. 6,.....	158,485,000 ..	34,126,000 ..	9,645,000 ..	142,668,000 ..	154,074,000
October 4,.....	165,057,000 ..	33,325,000 ..	9,900,000 ..	157,344,000 ..	220,618,000
Nov. 1,.....	176,847,000 ..	37,980,000 ..	9,848,000 ..	167,455,000 ..	213,344,000
" 8,.....	176,700,000 ..	33,794,000 ..	9,782,000 ..	163,959,000 ..	214,304,000
" 15,.....	178,786,000 ..	39,348,000 ..	9,840,000 ..	164,098,000 ..	224,494,000
" 22,.....	176,569,000 ..	33,110,000 ..	9,894,000 ..	157,378,000 ..	218,810,000

Exchange on London has varied but little during the month. The rates are governed mainly by the quotations of gold, the extreme prices of which have been 129½ and 133½ since the first inst. For the steamer of this week the range for bankers' sixty days bills on London has been 144 @ 145, while the current rates for gold are 130 @ 130½; which is a greater difference than is usually recorded. The rates of foreign exchange, (first-class bankers), as quoted by the brokers, are as follow:

London, 60 days, 144½ per cent; London, 3 days, 145½ per cent; Paris, 60 days, 3 francs 90 cents; Paris, 3 days, 3 francs 87½ cents; Amsterdam, 60 days' sight, per guilder, 55½ cents; Hamburg, 60 days' sight, per marc banco, 48½ cents; Frankfurt, 60 days' sight, per florin, 55½ cents; Bremen, 60 days' sight, per rix dollar, 105½ cents.

The following will show the current rates on foreign bills toward the close of the last four months:

	Aug. 23.	Sept. 23.	Oct. 23.	Nov. 24.
London, bankers' bills,.....	127½ @ 128	.. 129 @ 129½	.. 145 @ 147	.. 144 @ 145
“ mercantile bills,....	196 @ 197	.. 198½ @ 199	.. 143 @ 145	.. 142 @ 143
“ with bills of lading,.....	125½ @ 126	.. 128 @ 128½	.. 143 @ 145	.. 140 @ 141
Paris, bankers' bills,.....	4.45 @ 4.37½	.. 4.43½ @ 4.35	.. 4.00 @ 3.85	.. 3.90 @ 3.85
Amsterdam, per guilder,....	47½ @ 47½	.. 48 @ 49	.. 53½ @ 55	.. 55 @ 55½
Bremen, per rix dollar,.....	90½ @ 92	.. 92 @ 96	.. 102 @ 104	.. 105 @ 105½
Hamburg, per marc banco,...	49½ @ 48	.. 49 @ 48	.. 47 @ 49	.. 48½ @ 48½
Frankfurt, per florin,.....	47½ @ 48	.. 48½ @ 49½	.. 54½ @ 55½	.. 55 @ 55½

The foreign export of coin and bullion from this port, since the first of January, to the middle of the month of November, as compared with former years, has been as follow:

1852,.....	\$ 28,907,000	.. 1856,.....	\$ 23,906,000	.. 1860,.....	\$ 41,947,000
1853,.....	22,518,000	.. 1857,.....	24,906,000	.. 1861,.....	3,232,000
1854,.....	26,544,000	.. 1858,.....	23,548,000	.. 1862,.....	52,503,000
1855,.....	24,555,000	.. 1859,.....	67,077,000	..	

In government loans there has been a large amount taken for investment during the month, and at good prices. The six per cents of 1861 are in demand at 108½ @ 104½; five per cents, 92½ @ 92½; Treasury 7.30 per cents, 104 @ 104½; Demand notes, 24½ @ 25 premium. Ohio State six per cents have reached 118; Pennsylvania fives have advanced to 96; California sevens are quoted 114 @ 115; Connecticut war bonds, six per cent, 103 @ 108; Illinois war loan, 108 @ 104; Indiana war bonds, par; Maryland coupon six per cents, 110 @ 112; Michigan sixes, 100 @ 102; New-Jersey six per cent. war loan, 108 @ 104; New-York State six per cents of 1872-1874, 116 @ 117.

We annex the highest cash prices offered for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Sept. 11th.	20th.	Oct. 1st.	11th.	20th.	Nov. 1st.	10th.	20th.
U. S. 6's, 1861, coupons,....	100	102	108	101½	108½	104½	108½	108½
U. S. 5 per cents, 1874,....	88½	90½	91	92	92½	98	92½	92½
Ohio 6 per cents, 1866,....	107	108½	108½	108½	109	108½	108½	112
Kentucky 6 per cents,.....	95	98	98	96	94	96	96	96
Indiana 5 per cents,.....	..	77	..	..	..	80	80	80
Pennsylvania 5 per cents, ..	89½	89½	91	92	94½	85	94	96
Virginia 6 per cents,.....	56	55½	58½	55½	64	64½	64	64
Georgia 6 per cents,.....	78	78	..	..	..	68½	75	80
California 7 per cents, 1877, ..	100½	105½	110	112	114	114	118½	118½
North Carolina 6 per cents, ..	67½	66½	67	68	69	70	70	70½
Missouri 6 per cents,.....	48½	47½	50	48	53½	58	52½	51½
Louisiana 6 per cents,.....	65	60	..	..	..	57	57	58
Tennessee 6 per cents,....	49	50½	51½	50½	52½	55	53½	54

The assistant treasurer of the United States, at New-York, gave notice, on 25th ult., that he "is authorized by the Secretary of the Treasury to receive deposits of United States gold coin for a period not less than thirty days, returnable in kind after ten days' notice, together with interest at the rate of four (4) per centum per annum.

The treasurer of the State of Minnesota gives notice that he will receive bids (not under par) for \$100,000, eight per cent. bonds of that State, the proceeds to be applied to the expenses of the pre-

sent India war, said bonds being made payable in ten years from the time they are negotiated, at a rate of interest not exceeding eight per cent. per annum, payable semi-annually in the city of New-York.

The following table represents the capital, deposits, circulation, specie and loans of the banks of the three leading cities at the close of last week, compared with the statement four weeks since:

	Nov. 15.	Capital.	Deposits.	Circulation.	Specie.	Loans.
New-York,.....	\$ 69,494,000 ..	\$ 164,065,000 ..	\$ 9,840,000 ..	\$ 89,848,000 ..	\$ 178,786,000	
Boston,.....	83,281,000 ..	49,646,000 ..	8,055,000 ..	7,990,000 ..	74,880,000	
Philadelphia,.....	11,718,000 ..	34,698,000 ..	4,655,000 ..	5,513,000 ..	36,787,000	
November 15,.....	\$ 119,448,000 ..	\$ 248,340,000 ..	\$ 22,550,000 ..	\$ 53,856,000 ..	\$ 290,408,000	
October 18,.....	119,448,000 ..	244,657,000 ..	22,780,000 ..	52,069,900 ..	290,571,000	

The New-York banks include, under the head of "deposits," the balances due to other banks. To make the statement a fair one, we include in the Boston and Philadelphia aggregates also the balances due to other banks. The minimum loans of the New-York banks, reported this year, were \$123,412,000; (increase 44 per cent. ;) deposits, \$98,750,000; (increase 75 per cent. ;) circulation, \$5,368,000; (increase 88 per cent.)

In rail-road shares the fluctuations have been large during the month. The rates were much higher at the opening of the month than last week. Chicago, Burlington and Quincy Rail-Road shares brought 119, and have dropped down to 88½; New-York Central reached 107½; Reading, 79; Michigan Central, 92½; Erie, 65½; Erie, preferred shares, 98; Cleveland and Pittsburgh, 88 @ 40½; Pacific Mail, 188.

We annex the current cash quotations for leading shares in this market since the middle of August. Those with a star [*] pay no dividend this year.

	Sept. 11th.	20th.	Oct. 1st.	11th.	20th.	Nov. 1st.	10th.	20th.
N. Y. Central R. R. shares,.....	94½	96½	104	96½	105½	105½	108½	103½
*N. Y. and Erie R. R. shares,....	88½	49½	49½	49½	58½	64½	64½	61½
*Harlem R. R. shares,.....	15½	17	21½	17½	20½	21½	20½	22½
*Reading R. R. shares,.....	59	64	70½	68½	77½	78½	76½	74½
*Hudson River R. R. shares,....	59	54½	63½	54½	66½	79	78½	74
Michigan Central R. R. shares,.	63½	78	84	78½	86	91½	89½	86
*Michigan Southern R. R. shares,.	81½	83	88½	88½	40½	48½	41½	39
Panama R. R. shares,.....	141	141	145½	148	148	154	155	154
Baltimore and Ohio R. R. shares,.	65	63	70	69	79	66	66	77
*Illinois Central R. R. shares,....	68	65	77½	65½	79½	81½	79½	76
*Cleveland and Toledo R. R.	54½	57½	62½	58½	69	70½	69	66½
*Chicago and Rock Island R. R.,.	67½	69½	80	70½	80½	89½	89	79½
Galena & Chicago R. R. shares,.	73½	74	83½	74½	86½	86	84½	81½
Chicago, Burlington & Quincy,.	86	90	100	90	104	116	89½	88½
Pacific Mail Steamship shares,.	111	119½	121	118	125	124½	119½	121½

The imports of foreign goods continue very large at this port; more than commensurate with the increased exports of domestic produce. The following table represents the foreign imports at New-York, the exports of domestic produce, and the revenue of each month in 1861 and 1862:

	Import of Foreign Goods.		Produce from New-York.		Customs Revenue at New-York.	
	1862.	1861.	1862.	1861.	1862.	1861.
January,.....	\$ 12,457,000 ..	\$ 19,565,000 ..	\$ 12,058,000 ..	\$ 10,278,000 ..	\$ 2,851,657 ..	\$ 3,059,202
February,.....	13,510,000 ..	14,068,000 ..	10,078,000 ..	10,387,000 ..	3,565,064 ..	2,523,736
March,.....	18,681,000 ..	12,658,000 ..	9,985,000 ..	10,551,000 ..	4,626,563 ..	2,489,936
April,.....	12,827,000 ..	12,938,000 ..	8,002,000 ..	9,256,000 ..	4,149,952 ..	1,643,261
May,.....	14,183,000 ..	11,462,000 ..	9,888,000 ..	10,856,000 ..	4,707,924 ..	979,145
June,.....	12,275,000 ..	7,268,000 ..	10,049,000 ..	10,270,000 ..	4,664,927 ..	855,068
July,.....	20,184,000 ..	7,942,000 ..	14,060,000 ..	9,558,000 ..	7,211,817 ..	2,069,590
August,.....	14,212,000 ..	7,886,000 ..	18,046,000 ..	9,662,000 ..	4,762,561 ..	1,583,824
September,....	18,027,000 ..	6,074,000 ..	14,735,000 ..	9,878,000 ..	5,289,045 ..	1,642,889
October,.....	23,157,000 ..	7,884,000 ..	19,477,000 ..	12,904,000 ..	4,809,419 ..	1,672,616
10 months, ..	\$ 160,648,000	\$ 107,965,000	\$ 120,818,000	\$ 102,965,000	\$ 46,591,245	\$ 17,523,744

The treasurer of the State of Michigan gives notice that he will be prepared, on the 1st of January next, to pay off \$37,100 of \$100 bonds, and \$10,400 of \$50 bonds, of the debt known as the "War Loan" of 1861. The interest on this portion of the debt will then cease. The State of Michigan, at the session of the legislature held in 1861, passed a law authorizing a loan of two millions dollars, six per cent. per annum, payable semi-annually in the city of New-York, to be negotiated at not less than par, and the proceeds to be applied solely to the payment of the indebtedness of the State, which will mature on the 1st of January, 1868. Under this authorization, it has been determined to make the following issue in six per cent. of \$1,000 each; \$75,000 payable at pleasure 20 years from Jan. 1, 1868; \$500,000 payable at pleasure 15 years from Jan. 1, 1868; \$500,000 payable at pleasure 10 years from Jan. 1, 1868; bids for portions of this loan are invited.

The rise in the prices of merchandise is somewhat indicated in that of coffee. Coffee, since the passage of the new tariff act, and the very material falling off of supplies, has materially advanced in price. One year ago Rio coffee could be bought at from fifteen to eighteen cents per pound. At the present time the price is thirty and thirty-one cents. The following figures will exhibit the price of coffee at the port of Philadelphia, on the 7th of November, in the following years:

	1842.		1852.		1862.	
Cuba, per pound,.....	7½ @ 9c.	..	8½ @ 9½c.	..	28 @ 30c.	
Havana,.....	10½ @ 12	..	9 @ 10	..	28 @ 30c.	
Java,.....	10½ @ 12	..	11 @ 11½	..	31 @ 34c.	
Laguayra,.....	8½ @ 12	..	9 @ 9½	..	29 @ 30c.	
Maracabo,.....	7½ @ 8½	..	9 @ 9½	..	30 @ 31c.	
Porto Rico,.....	9 @ 9½	..	8½ @ 9½	..	30 @ 31c.	
Rio,.....	7½ @ 10	..	8½ @ 9½	..	29 @ 31c.	
San Domingo,.....	6½ @ 7	..	8½ @ 8½	..	28 @ 30c.	

The Bank of England, on Thursday, October 30th, advanced the rate of discount from two to three per cent. The bank rate was reduced from 2½ to 2 per cent. on July 24th last, when the coin and bullion were £18,060,617, or £3,548,768 more than at the close of October; and the reserve of notes £9,652,160, or £1,831,780 more. Of the recent changes, the Money Market Review, of November 1st, says: "The drain of bullion continuing, chiefly to buy silver on the Continent, destined for remittance to India, in payment for cotton, but partly, likewise, through the natural tendency of capital to flow for employment to the Continental markets, in most of which the value of money is higher than here, the directors of the Bank of England have not hesitated to take unusually prompt action. The shock of the announcement being now over, the step is generally regarded with satisfaction, inasmuch as it will not interfere with legitimate trade or legitimate speculation, while it will exercise a protective action. The public having applied to the Bank of England discount-office on Wednesday, largely in excess of their actual requirements, in anticipation of a rise in the rate, the demand there has since been very moderate. In the general market to-day more ease was observable, and good bills were taken at 2½ to 3 per cent. In consequence of the alteration at the bank, the joint-stock banks have raised the rate allowed for deposits from 1 to 2 per cent. The terms of the London and Westminster Bank, however, remain at 1 per cent. for sums below £500. The discount establishments will henceforth give 2 per cent. (instead of 1) "at call," and 2½ (instead of 1½) "at notice."

DEATHS.

At VINCENTS, Indiana, October, 1862, J. F. BAYARD, Esq., Cashier of the Branch Bank of the State of Indiana at Vincennes.

At KESSEVILLE, N. Y., Nov. 10th, 1862, ANDREW THOMPSON, Esq., aged 76 years, Cashier of the Bank of Burlington thirty years ago.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII. NEW SERIES. JANUARY, 1863.

No. 7.

NEW VIEWS OF THE CURRENCY.

The advanced value of Gold, Suspended Specie Payments, Legal-tender Notes, Taxation and National Debt, investigated impartially. By A. B. JOHNSON, Esq., Utica, Oneida County, New-York, formerly President of the Ontario Bank.

ANALYTICAL SUMMARY OF ONLY A PORTION OF THE CONTENTS.

I. Government loans increase a nation's capital to the amount of the loans.

II. The annual productiveness of the new capital over the annual taxes it occasions, determines the pecuniary benefit of the increase.

III. The interest paid customarily, in any locality, for the use of borrowed capital is governed by the customary productiveness of capital in the given locality; but must always be less than the productiveness; and as governments can usually borrow at a less rate of interest than private persons, government loans constitute a more lucrative increase of a nation's capital than any increase by private borrowers.

IV. The interest paid for borrowed capital is borne only directly by the borrower, but indirectly by the public; and the benefit from the employment of borrowed capital is not limited to the borrower, but is shared by all persons connected, directly or indirectly, with the operations, proximate and remote, to which the borrowed capital is applied. The

industrial pursuits of a country, are usually limited by only the capital, natural and borrowed, possessed by the country.

V. Taxes are, on the contrary, impoverishing to a people to the extent that the taxes are imposed to defray the expenses of a war, or to provide a sinking fund for the extinguishment of a national debt. Taxes, to the extent that they are necessary to pay interest on a national debt, are a necessary evil.

VI. The repudiation of a national debt, instead of pecuniarily benefiting a country, impoverishes it to the extent of the magnitude of the repudiated capital. The repudiation would injure every member of the community, to the extent that the benefit from the debt derived to him annually in all his operations, direct and indirect, would exceed the amount he would save annually in taxation. No fallacy is more prevalent and false than that the larger a national debt, the greater is the motive for its repudiation. The converse of such an opinion is the truth. The public debt of Great Britain, the largest the world ever knew, constitutes the most instructive practical lesson of history; but one which mankind seem persistently determined to ignore, by fallaciously assimilating a national debt to the debt of a private individual, and thus disregarding the distinction between man, who soon, by disease, age or wealth, abandons the employment of capital, and a nation perennially young and vigorously employing all attainable capital.

VII. Why war disbursements, when liquidated by the creation of a public debt, should increase a nation's capital, is not obvious, but many persons who are drones in peace, become in war active producers of capital; even the destructiveness of war stimulates men to produce, in any given time, more capital than they produce during a like time in periods of peace. The conflagration of Moscow aroused a creative activity throughout Russia, that soon compensated for their destroyed capital, and has been in beneficial operation ever since. Men of invariable income, and men of no enterprise, who abstract themselves from all surrounding activities, are usually the only classes to whom a national debt is, by the taxes it creates, an unremunerative evil.

VIII. Legal tender notes being compulsorily receivable, as gold and silver, in payment of all debts, present and future, no limit can be assigned to the quantity of such notes, for which an ultimate use equivalent to gold and silver will not constantly exist; the aggregate of the use being at all times greater probably in amount than the aggregate of the existing notes. The French revolutionary assignats, and our own revolutionary continental money became worthless, by reason only of the uncommercial character of the people and the consequent non-existence among them of a sufficient volume of indebtedness, to serve as an adequate basis of the paper.

IX. The par value of legal tender notes is secured by the above principles, irrespective of any promised ultimate payment of them by government; still gold and silver are become more valuable than the notes, because the notes, available for a specie use on any given day, exceed in quantity the amount required for the given daily use. To make any paper money equal in value to gold, the paper must possess a present use, that it and gold can alone supply. The depreciation of legal tender notes,

as compared with gold, is shared equally by bank notes, and with all present *liquidatable** bonds, mortgages, and other securities, and is therefore not invidiously peculiar to the legal tender notes; and the said equality of all kinds of paper money must continue as long as the notes remain a legal tender.

X. The belief is fallacious that the present possessor of paper money, legal tender notes included, is injured to the extent that the paper is less in present value than gold. Banks are almost the sole possessors of the gold of the country, and by their suspension of specie payments they suddenly exclude the gold from all the accustomed uses therefor, and thus, by species of monopoly, produce an artificial scarcity of gold, and a consequent rise in its market value. Should all the wholesale holders of tea, coffee or sugar suspend, suddenly, the sale thereof, no person would be surprised at a sudden rise in the price of those articles. For these reasons, an advance in specie has always followed immediately every suspension of specie payments, and it would follow, were the suspension limited by agreement to a single week. The Dutch once had a monopoly of the country that produced nutmegs, and they are accused of having occasionally destroyed a portion of the annual crop, to enhance the price of the remainder; but banks improve on this scheme by only withholding the supply of gold, instead of destroying any part of it.

XI. The equivalence in value between paper and specie is, at all times, only artificial. The equivalence is produced by limiting the creation of paper money to an amount that the specie which is procurable can liquidate. Independently of this artificial equivalence, paper money and specie are severally subject, in their relative value, to the common commercial principle of supply and demand; paper money being more valuable than gold when the supply of paper money is more deficient in quantity to the demand therefor, than the supply of gold; and so, *vice versa*, we may say of gold.

XII. When paper and gold are of an equal value to each other, money is not at all times of an invariable value; indeed few commodities are more fluctuating in value than money. Gold and paper together obey the laws of supply and demand, as certainly as gold and paper separately; and accordingly nothing is more common than to say money is cheap or money is dear.

XIII. The measure of the cheapness of money is the advance in price of other commodities; and the measure of the dearness of money is the decline in price of other commodities.

XIV. The cheapness of money is consequent to its existence in temporary excess of the present uses therefor; and the dearness of money proceeds from an opposite condition. The permanent excess in quantity of money, or any other object of value, is unattainable, men ultimately conforming their operations therewith to the attainable quantity. The like may be said conversely of any permanent deficiency of any article.

* We do not find this word in the dictionaries of WEBSTER, WORCESTER or RICHARDSON. We may therefore infer that it is for the first time in JOHNSON.—*Editor*.

The disturbances in the price of any article are the natural means by which an equilibrium is produced between supply and demand.

XV. Legal tender notes are, in their effect, a forced loan without interest; but taxes are a forced gift, coupled with an injury in addition, when the taxes are to diminish a national debt.

XVI. A sinking fund operates as a continuously increasing bonus to the owners of government stocks, at the expense of all other classes of persons; hence the owners of public stocks are the greatest advocates of a sinking fund, and the worst advisers thereon a government can consult.

XVII. A sinking fund created by taxation, injures every tax-payer to not only the extent of his tax, but indirectly by the diminution of the national capital. A sinking fund differs in its economical effect from repudiation, by only cancelling a national debt at the expense of all tax-payers, instead of cancelling it at the expense of fund holders alone.

XVIII. Whatever diminishes the uses of gold over paper money, legal tender notes included, enhances the relative value of gold over paper money, and *vice versa*; hence paper money is not unfrequently more than equal in value to gold.

XIX. The policy and expediency considered of several proposed measures to lessen the existing difference in value between gold and legal tender notes; as, for instance, the policy of restraining banks from issuing bank notes and of hoarding gold when the banks suspend payments, and the policy of allowing the exportation of specie.

XX. The policy and expediency considered of some existing measures; as, for instance, the discrimination by government in favor of gold and against legal tender notes, in payment of import duties, and in payment of interest on the public debt; the first discrimination is a necessary consequence of the second, and is just what fund holders would have dictated had they possessed the ordering thereof; but just what the rest of the community would have deprecated; every per centage of increase in the value of gold becoming a ratable increase in the tariff of duties at the expense of all consumers, and a ratable increase in the interest of the public debt, at the expense of all tax-payers.

XXI. The payment of interest by the government on deposits of gold, increases the uses of gold, and necessarily enhances its value. The measure is another legitimate consequence of the bonus given to fund holders in paying them their interest in gold; government having to procure gold by purchase or other enhancing expedients.

From a Massachusetts Bank President.

To the Editor of the BANKERS' MAGAZINE:

I have had so little experience in matters of currency and finance that I cannot regard as of value any opinion I might express upon those questions, now of such momentous importance to the welfare of the country.

But first, *of the export of gold.* I am unable to conjecture what law could be passed that would work an effectual prohibition upon the export

tation of gold, even if it was desirable to prohibit it. But I should as soon think of prohibiting the exportation of WHEAT as of gold; such prohibition, it seems to me, would be a wrongful constraint upon the freedom of industry and of trade, which, to be successful, must have a wide field for their operations, and a large liberty to buy and sell and exchange. If we would sell and export to other nations what they need of our productions, we must buy and import what they produce—cancelling balances with gold and silver—otherwise our own production must stop in a great degree, our trade be seriously affected, our revenue from customs cease, and the great body of the people lose much of their buoyancy and earnestness of spirit in their support of their government. Gold, as a measure of value, has something of the nature of water; it goes where it is wanted most, and a prohibition upon its following the law of its nature, as a measure of value, seems to me an absurdity; like that of a paper edict, that tide-water shall not flow in and out of one creek while it is allowed a free run in and out of another creek near by.

Persons who have made the currency a subject of study more than I have had the opportunity or means of doing, can probably give a more satisfactory conjecture than I am able to give, of the effect upon the currency of the tremendous augmentation of the precious metals that has been going on in the quantity of gold produced in the last fourteen years.

2d. *The Expansion of our Currency.*—It is at this moment an alarming evil, and must be arrested by a strong arm, or the government may find itself, before many months, embarrassed in carrying on the war. We have too many currency makers, who are without any effective restraint upon their temptations to extend their operations. Gold is crowded out of circulation by a rabble of professed representatives, of all degrees of respectability, from the government demand notes down to bank notes, postage currency, postage stamps, “shinplasters,” and “Parker House” promises of dinner not yet cooked. In view of this debasement of the circulating medium, and of the entire absence of all ordinary power to restrain the expansion that is hurrying the currency, and with it the finances, to what seems to me their inevitable ruin, I see but one way of escape. It is for the government, with a bold hand, to seize the control of the whole currency of the country as a war measure.

With the views I have long entertained of State sovereignty and rights, under the superior sovereignty and rights of the national government, and with the fact that the Constitution limits that government to the power “to coin money, and regulate the value thereof,” I should be unable to justify such a seizure, except upon the ground of military necessity. It seems to me, that this necessity is not only ample but imperious.

If such seizure were proposed, the banks of the States should have no controversy with the general government about it, but should not only submit to it as the means of their own salvation, but should co-operate in carrying the measure into effect. All solid and substantial banks, (and those of a different character cannot go out of existence too quick,) as a consideration for withdrawing their own notes from circulation, should be constituted FISCAL AGENTS of the general government, and be furnished with government notes to a limited amount, registered and countersigned for their own use.

If some such plan as this could be speedily adopted, it might save the country from the financial explosion which seems to me to be in our immediate future. It would check the fearful expansion that is going on in our paper currency; it would bring the currency of the country under a power competent to control it; it would induce gold and silver to come back and resume and maintain their place as a part of the circulating medium of the nation.

From a New-England Member of Congress.

OCTOBER 31, 1862.

To the Editor of the BANKERS' MAGAZINE :

I am much obliged to you for your interesting communication of the 23d instant. The statistics you present are instructive, and lead to conclusions of great practical importance. They explain quite satisfactorily the decline of paper, or, in other words, the rise of gold. I was well aware of the general facts, but had not at my command the details you have given. The cause of the depreciation of our currency is now, to my mind, apparent, and the remedy is equally so. There has been an unnatural expansion; there must be a corresponding contraction. The standard of value has been impaired; it must be restored; nothing else is of any avail in the premises.

These are "the conclusions I have arrived at." You inquire "how much further shall we go in values?" If I understand the question, I reply, not another step. No time should be lost in applying a remedy for the evils we suffer, and which are sure to increase with every day's delay.

You ask, "may we not, with more economy in the future, get comparatively out of debt abroad than (by balance of trade in our favor) put a stop to the export of gold? If by "economy in the future," you mean that we may consume so much less of foreign merchandise, that the balance of trade will be in our favor, then, of course, the export of gold to pay foreign balances will cease; but all our past experience shows that when the currency is most expanded, the consumption of foreign goods is always greatest. A great expansion causes a larger importation to meet increased consumption. I have tables, and a diagram, showing the truth of this, and such results in perfect accordance with the law of values. We shall never get out of debt, or keep out, by depreciating the standard of value; there is no tendency in that direction.

"Would a prohibition against the export of gold do any good or lessen the evil?"

Not at all. Such laws are not only futile but pernicious. They increase, rather than diminish, the evil, and would be a disgrace to the legislation of the country and the civilization of the age. There is no remedy except by reducing the circulation to its legitimate dimensions, and this can never be done, while the government, on one hand, and some fifteen hundred banks on the other, are issuing all the credit currency they can get out. This competition for the circulation must be stopped, or the currency will certainly go to ruin. Were the circulation as it

ought to be, and might be, entirely in the hands of the government, there need be no difficulty; the amount issued might be readily controlled, and the currency kept on a par, or nearly so, with gold, if that were thought desirable. This seems to me to be of immense importance to the banks, the government and the people.

To the banks, because, if the present system of inflation is continued, the terrible revulsion which must sooner or later come, an inevitable consequence, will involve the commercial community in such wide-spread bankruptcy and ruin, that the banks, which are the greatest creditors of business men, must lose a great part of their capital, if not become bankrupt themselves.

To the general government, because all its purchases or contracts being made in a currency depreciated, say twenty-five per cent., it has to pay a third more for all it consumes than it would otherwise do, yet its final payment for the whole must be in gold.

To the people, because the enormous increase in the price of all commodities which they require, while their labor does not, and will not, advance proportionately, operates to reduce their means of living to a low point, and so low will it become, if the present policy is pursued, and so great will be the sufferings of the laboring classes, that there will be danger of such popular dissatisfaction as will threaten the stability of the government itself. If I were asked how the remedy could be advantageously applied, I would say:

Let a tax be levied by Congress of one-half of one per cent. *per month* on the circulation of every bank. This would induce them to call in their own notes, leaving the currency to consist of government issues. There can be no doubt of the power of Congress to tax the manufacturers of credit money, any more than the manufacturers of broadcloth and calico. The end must be attained in the same way. I think of none more just or feasible; but, however accomplished, there must be no delay or hesitation in the exclusion of all credit money from circulation except that issued by the government.

Like emancipation, it is a stern military necessity, from which we cannot escape.

There can be no enlightened opposition to the measure. The soundest and best banks will rejoice in it, for it will defend them, as they will see, from great injury, and I feel assured that all men of true patriotism, who understand this subject, will give it their cordial and earnest support.

I have endeavored thus briefly, but explicitly, to answer your inquiries, and shall be happy to furnish any further aid or information in my power.

From a New-York Subscriber.

NEW-YORK, October 29th, 1862.

To the Editor of the BANKERS' MAGAZINE:

Sir,—Your favor of the 23d inst., concerning the present rapid expansion of our paper circulation by the banks, and asking my views on that and correlative subjects, reached me this week.

It is much easier to foresee than to escape the effects of this ruinous

policy. It will double the money-cost of production, disable our manufacturers and producers in general from selling at a profit to foreign nations, and operate as a bounty on foreign manufactures or imports.

It will enable foreign producers to sell their wares here at (say) twice the natural price, and to get our gold at half its value, until general bankruptcy shall bring our trade and industry to a stand.

The final explosion will, in my judgment, shake our whole social system to its foundation. It will certainly prove more destructive than any revulsion that we have experienced hitherto, and may lead to a radical change in the relations of labor and capital. But my views on this latter point would as yet be deemed rather speculative than practical; I therefore hold them in reserve.

The chief *cause* of the present inchoate "expansion," so far as the banks are concerned, I take to be this: Congress, by making government notes a legal tender, has created a substitute for specie, which, so long as our war continues, must increase in supply and grow cheaper and cheaper. Bank notes are now payable in this substitute; they are virtual sales of government paper on time; and the more notes the banks put out on good security, or in exchange for permanent intrinsic values, the more profit they will make on the growing depreciation of government paper.

This action of the banks cannot easily be checked so long as the governmental inducement shall continue (no matter how unintentional) to be held out to them.

A word as to the efflux of gold and the idea of checking it by arbitrary measures. No arbitrary cure can reach the evil. To dam a stream does not prevent water from running down hill, except for a little time, and within a narrow enclosure. The highest dam can only give stagnation to a very limited amount of water, leaving the stream as a permanent thing to run on as before. Gold kept inactive by arbitrary enactments might just as well be embedded in the rocks, and is of no more use to the body politic than an artificially supported clock-weight is to the running of the clock.

Another point. The gold that I have earned is *mine*—not that of my hired watchman or governmental protector—not that of my neighbors or any set of lookers on;—and while I get and use it *honestly*, I have a perfect right to spend it upon any work or workman in the whole world that I please—which *perfect right* government has no more right to restrict or violate than it has to murder me in my sleep.

I might say more on the very important subjects you have broached, but am deterred by the belief that it would, under present circumstances, be useless. We have taken our course, and now we must take the consequences. We have power to determine what our action shall be—whether it shall be wise or passionate, good or evil; but we cannot determine what rewards an act once done or a policy once entered on shall bring us. *They* will depend upon the goodness and justice of the policy or the act. *They* are infallibly regulated by the laws of nature, or of God.

Very respectfully, yours, &c.

From a Boston Merchant.

BOSTON, Nov. 15, 1862.

To the Editor of the BANKERS' MAGAZINE :

I doubt if it is in my power to give you a single idea in response to your request made under date of 12th inst., that will be either new or useful, but, in view of the last line in your letter, I do not feel at liberty to refrain from giving you my opinions on the topics suggested.

There is no doubt in my mind that the banks have done decidedly more to cause the rise in the price of gold than government paper has effected. The government issues have merely increased the circulating medium to a certain extent, not yet sufficient to supply the deficiency caused by the loss of gold as currency, and therefore supposing the same amount of circulating medium to be required now as three years ago, which I think is true, the issue of Treasury notes alone to the extent now in circulation, would have no effect whatever on the price of gold. But the increase of bank notes and loans, highly injudicious under present conditions, has furnished speculators with the means to purchase gold and hold it for a rise, while it has at the same time, and in the same manner, encouraged the imports of foreign merchandise, and caused a greater demand for gold for export.

If the question had been put to me 18 months ago, whether it would be wise to prohibit the exportation of gold, I should have said, yes. To-day I say, no. That action as a war measure, then, would have been considered merely as a wise precaution to be adhered to, or dispensed with, as following circumstances might dictate. Adopted now, it would be worked upon in all quarters as an acknowledgment of weakness, and in some, as an attempt to withhold payment from our foreign creditors. Beyond all this, I do not look upon this gold question as a thing of much importance. When gold ceases to be a currency, it subsides into the classification of merchandise, and, as such, is governed in price by the law of supply and demand. It is no longer the standard of value, except between ourselves and those countries who still use it as currency. For example, if to-day we could pay all our foreign debt, and if from this day onward our exports should exceed our imports, the demand for gold to go abroad would cease, and, with limited exceptions, so would all other demands for it. Can it be believed that under such circumstances gold would be worth 20 to 30 per cent., more or less, over legal tender notes? The demand for it having ceased, speculation in it would cease, hoarding would cease, and being no longer useful as merchandise, it would revert back to its former position of currency, not quite so useful, therefore, nor quite so valuable as United States notes.

In my view the price of gold merely indicates the greater or less balance of our imports over our exports. Then, consumers have to pay this premium of 30 per cent. on the cost of foreign merchandise, but it is also true that it operates like a protective duty for the encouragement of home manufactures, and so in time to a greater equality between our exports and imports. Then on our exports we get the same premium, and in a

broad view, the loss in exchange, if it be a loss, is only on the difference between our imports and exports.

Clearly, if our people would resort to "strict economy" in the consumption of foreign products, this matter would soon regulate itself; but that is not to be hoped for, so long as they are not compelled to it by necessity, and I trust that time may never come again. The time will come, the stability of our government being assured, when foreigners will see the advantage of importing their capital, labor, machinery, &c., into this country, instead of doing their business at arms' length, as they now do; or, if they fail to see the real advantage of such a course, their manufactures will be superseded by home productions, whereby the demand for gold to go abroad will be so much diminished as to be entirely within our means of supply, even with gold restored as a currency.

You state the amount of the public debt as 660 millions, of which the legal tender notes form 200 millions, and that of these notes 50 millions are on hand, which would reduce the debt to 610 millions. If this be so, it should be so stated, for the public mind is very sensitive on this point; and while our enemies at home and abroad, as well as timid money lenders, are constantly exaggerating the amount of the debt, it is important to counteract these efforts and this timidity by presenting the lowest figures we honestly can. These exaggerations, repeated over and over, have had an effect upon the financial operations of the government by preventing investment in the 500 million loan, because money lenders are made to believe that right behind it is another 500 millions, and a year hence, perhaps twice as much more. The forthcoming report of the Secretary of the Treasury will do much to weaken or strengthen these statements, and, of course, to weaken or strengthen the national credit. Its effect can hardly be over-estimated. I have heard it said, as coming from Mr. BOUTWELL, that the revenue from internal taxes indicates 30 millions a month; as coming from the Treasury department, that the customs revenue will be 65 millions, while the expenditures for the next year will not exceed 400 millions. If something near these statements can be pretty fairly indicated, it will follow that when the loans now authorized are taken up, the Treasury will need nothing more in permanent loans, and government securities will become the popular hobby.

A word about legal tender notes, and I will not trespass further on your patience. I take it for granted, that in "providing for the general welfare," Congress has the power to authorize and establish such a currency as will best serve that purpose. I believe it to be true that a Treasury note currency, limited to the actual wants of the country, like that we have now, will be more useful and more popular than any other. I believe that \$300,000,000, in the present state of the country, will be gradually absorbed in legitimate operations, and may be kept afloat all the time, even after specie payments are restored, provided that the circulation of bank notes can be curtailed and restrained; and I am quite sure that the great mass of the people will gladly see a substitution of one for the other. Why should not bank notes be gradually driven from circulation by a tax on them? And why should not the people have their own currency without cost, instead of paying millions a year for theirs, which in safety and usefulness bears no comparison with it?

In other words, the people are willing to lend the government three hundred millions without interest, for the purpose of establishing a National Currency, on condition that government shall do what it fairly can to set aside the bank note system. It is a very liberal proposition, and I can see no good reason for not accepting it.

Very respectfully, yours, &c.

From a New-York Merchant.

NEW-YORK, November 18th, 1862.

To the Editor of the BANKERS' MAGAZINE:

* * * It appears to me that the increase in bank circulation is excessive, if the calculation of the per centage is right. This must proceed from two causes: 1. The hoarding of the bills of banks in high repute, by individuals, under the idea that the banks which have issued them could be forced to redeem in specie, if sued upon them. 2. The increase in the use of small bills, (under \$5,) consequent upon the withdrawal of the small gold coins, and the silver half and quarter dollars; these small bills are kept in circulation and not returned to the banks, either on deposit or for conversion. Very large amounts may thus be kept out, without any desire on the part of the banks that they should be. The 200 millions of legal tender Treasury notes do not appear to be too many, as whenever there is a call for an amount of several millions, there is a momentary difficulty to collect them in sufficient quantity.

The increase in deposits may be accounted for, that a large capital has been withdrawn from the southern and foreign trade, which used to lock it up for about twelve months, and a large portion of which lies idle in banks, and swells the deposits. The increase of loans is caused by the rise in stocks, and which induced many people of small means, or without means, to speculate in them, and take loans from banks upon them, the money being furnished by the surplus deposits. The money thus obtained is, under our system of business, again deposited in bank, (at least as long as we deal among ourselves,) and thus deposits are kept up while loans increase at the same time. The banks should not be blamed for loaning out some of the money on deposit with them, for if they did not, the clamor of borrowers would be so great, and the rates offered so large, that the depositors would be induced to withdraw the money from bank and loan it themselves. Before we blame the banks or the issues of government paper, for all the derangement of the currency, let us ask ourselves whether, if the government spent every day one and a quarter millions in *gold coin*, it would not cause a great inflation in all values; and that a great portion of our financial derangement is the result of the war, which distributes large sums among us, (most of our expenditures being at home,) and not the fault of any one. The great rise in the price of gold and foreign exchange was first induced by considerable orders from government for foreign war supplies, which had to be paid in gold or foreign bills, stimulated afterwards by large amounts of American stocks, returned at low prices by frightened foreign holders, and brought

to its climax by *speculation*, and the peculiar trait of Americans to discount probable or possible events or results beforehand; so that, at this moment, gold is here at a premium, which it might or should have reached after years of war, but which finds no warrant in what has as yet occurred. The balance of trade cannot be largely against us, for in spite of the high rates of exchange on Europe, our exports of gold from all the United States do not largely exceed the production of gold in California.

The cure for this speculation is time; a prohibition of the export of gold now, can do good; the first consequence of such a prohibition would be, that foreign exchange would rise still higher, being unchecked by the export of gold. The profit would be so large, that gold would be smuggled out of the country, and the only effect would be to transfer the business of exporting gold from the honest banker to the dishonest dealer, while it would destroy confidence in American good faith and fair dealing abroad.

It might help the legal tender notes, if they were made receivable for duties; also it would be cheaper to the government in the end, to have purchased the gold required for payment of interest, than to have debited in part its own Treasury issues.

I have dotted down a few ideas in answer to your questions: Should you be able to use them, or any of them, do so.

I am, very truly,

Dear sir, your ob't serv't.

From a Pennsylvania Bank President.

PHILADELPHIA, Oct. 28, 1862.

To the Editor of the BANKERS' MAGAZINE:

The subject matter of yours of the 23d is one of such difficult solution that I feel unable to give you any satisfactory conclusions to which you may suppose I have arrived, for I feel like one walking in the dark.

I do agree with you in the opinion that the large issues of the government are not the sole cause of the rise in prices. I am not sure that they are the cause to any appreciable degree. I do not agree in opinion with you that the banks "contributed largely" to that result.

1st. You speak of circulation. A considerable proportion of the increase of circulation by the banks of Philadelphia is owing to two causes: 1st. About the first of this year the amount had been greatly reduced, in consequence of the general suspension of specie payments; and 2d, during this year our banks generally have issued notes of one, two and three dollars, which have taken the place of specie in payments below five dollars. The amount of small notes issued is now \$1,533,000. It is probable that in other cities a large addition has been made to the small note circulation. I do not think that the issues of these notes has had any effect on prices, as they have only taken the place of a specie currency which has disappeared. Our circulation would have been much higher if we had not checked it at times by using the United States demand notes. In this way it has been reduced \$50,000 in a few days.

2d. Deposits. An increase of deposits does not necessarily lead to an expansion. The large payments by the government to contractors is the principal cause of the large increase of deposits.

3d. Loans. These are the surest test as to an expansion.

The great increase has been caused by our disposition to do everything in our power to aid the government. If their issues had not been thrown upon us, we would make a very different show of loans.

The government, and it alone, is responsible for the effects which have been or may be produced. In saying this, it must not be understood as a complaint against the government. Let those who choose to find fault point out a better mode of carrying on its financial operations, or be silent.

You may see that the banks in Philadelphia hold \$6,000,000 United States demand notes, besides those on deposit in the Treasury.

Our total circulation is \$5,000,000. If our notes were withdrawn, an equal amount of United States notes would be put in circulation.

Do you suppose such a change would have any effect on prices?

You will also see that our circulation has been steadily decreasing since 8th September.

Several causes have conspired to produce the recent speculation in gold in New-York. The persistent tone of the English press in depreciating the North and predicting success to the South has, in my opinion, much to do with it. Englishmen at home and in this country have no doubt been much influenced by this means, and have been led to transfer their effects to the other side. Orders have come from Europe to sell stocks and remit proceeds at any cost, even if sterling bills were 50 per cent. advance. Not a few Americans are doubtful as to the final result of the rebellion, and have laid gold away. Many real patriots, friends of the government, ask themselves, and sometimes ask a friend, "when will the war cease?" If it should be continued from year to year, how are the expenses to be met? And these questions are hard to answer. The only sure remedy which occurs to me is speedy and decided success by land and sea, which will convince the people that the government can be maintained in its integrity. To this end its utmost energies should be put forth. This accomplished, our difficulties will vanish.

On the question of prohibiting the exports of gold, I feel a backwardness in expressing an opinion. In times of peace such a measure should not be thought of, but war changes all. If, in the judgment of those better qualified to decide the question, it is clearly seen that the prohibition would accomplish great and decided good, let it be done. In my opinion, which is not worth much on that question, an export duty of say 25 per cent. would be preferable, especially as a large revenue would accrue, should the export continue to be heavy. Let this duty, if laid, be paid in coin.

I indulge the idea that there is a prevailing disposition among the community to practice economy. Have not the large importations in New-York been caused, in a considerable degree, by government imports of arms, &c.?

I have always advocated the issue of demand notes by the government, and am persuaded the country would sustain and be benefited by the

issue of an additional amount equal to that now out, especially if notes of five dollars and under could be furnished.

There should be no war on the banks. One of the evils of the past was, a constant feeling of opposition between the government and the banks. I confidently hoped and believed that the conduct of the banks in the most trying hour of our history would be productive of a friendly intercourse for a long time to come. I cannot suppose that that hour is so soon forgotten. It will be long remembered by those of us who were called to place our institutions in such a relation to the government, that our very existence would depend on the success of that government. We have now more than double the amount of our capital invested in its securities. We are not surprised at this result—it was expected. But in such circumstances, may we not expect the most friendly treatment from that government? Yours, very respectfully.

From D. WEBSTER'S Speech on Currency, delivered at the Merchants' Exchange, Wall-street, New-York, September 28, 1840.

I hold that the regulation of the currency, whether metallic or paper,—that a just and safe supervision over that which virtually performs the office of money, and constituting the medium of exchange, whatever it may be—necessarily pertains to government; that it is one of the necessary and indispensable prerogatives of government.

Every bank, as banks are now constituted in this country, performs two distinct offices or functions. First, it discounts bills or notes.

This is merely the lending of money, and may be performed by corporations, by individuals, or by banks without circulation, acting as banks of discount merely. In this country, our banks are all banks of circulation, issuing paper with an express view to circulation. When such a bank discounts notes, it pays the amount of discount in its own bills, and thereby adds so much to the actual amount of circulation, every such operation being, by so much, an increase of the circulating medium of the country. Hence it is true, that, in the absence of all government control and supervision, the wisdom and discretion regulating the amount of money afloat at any time in the community are but the aggregate of the wisdom and discretion of all the banks collectively considered; each individual bank acting from the promptings of its own interest, without concert with others, and not from any sense of public duty. In my judgment, such a regulator, or such a mode of regulating the currency, and of directing what shall be the amount of money at any time existing in the community, is unsafe and untrustworthy, and is one to which we never can look to guard us against those excessive expansions and contractions which have produced such injurious consequences. Hence arises my view of the duty of government to take the care and control of the issues of these local institutions, and thereby to guard the community against the evils of our excessive circulation.

What we need, and what we must have, is some currency which shall be equally acceptable in the Gulf of Mexico, in the valley of the Missis-

issippi, on the Canada frontier, on the Atlantic Ocean, and in every town, village and hamlet of our extended land. The question is how to get this.

Now, it seems to me that this question is to be answered by a plain reference to the condition of the country, to the form of its government, and to the objects for which the general government was constituted. Why is it that no State bank paper, however secure, under institutions however respectable, in cities however wealthy, and with a capital however ample, has ever succeeded, but has uniformly failed to give a national character to currency?

If you take a note of one of the best banks in the city of New-York, rich as this city is, and place upon it forty endorsements of the most substantial mercantile houses, and then carry that note to the frontier, and read it to the people there, such is the nature of man, and such is his habit of looking to the nation for that medium which is to circulate through the nation, that you cannot get that New-York note, with all its endorsements, to circulate there as national money.

Can I give a stronger proof of this assertion than is found in a fact which you all know?

Your city banks pay specie; the banks of Philadelphia do not pay specie, and their paper is consequently at a discount here of three, and I believe of five, per cent. But how is it on the frontier?

I undertake to say, that you may go to Arkansas, or Missouri, with a note of the specie-paying banks of New-York, and with another of the non-specie paying Bank of the United States, and the latter shall be preferred. And why? Because it is in the name of its national predecessor. There is an odor of nationality which hangs around it, and clings to it, and is long in being separated from it.

Now, gentlemen, I do not at all mean to say that there is only one mode, or two modes, of accomplishing this great national object. I do not say that a National Bank is the only means to effect it; but, in my judgment, it is indisputably true that the currency should, in some degree, or in some portion of it, be *nationalized* in its character.

This is indispensable to the great ends of circulation and business in these United States.

Extract from a Speech delivered by DANIEL WEBSTER, at Madison, Indiana, 1st June, 1837.

During the forty years that the National Bank existed, under the two charters, we had no general suspension of specie payments as at present.

State currency has produced all this distress. It has caused such powerful invasions of bank paper, like sudden and succeeding flights of birds of prey and passage, and the rapid disappearance of specie at its approach.

Extract from a Speech delivered by DANIEL WEBSTER, in Faneuil Hall, on 24th July, 1838.

I maintain that Congress is bound to take care, by some proper means, to secure a good currency for the people; and that, while this duty re-

mains unperformed, one great object of the Constitution is not attained. If we are to have as many different currencies as there are States, and these currencies are to be liable to perpetual fluctuations, it would be folly to say that we had reached that security and uniformity, in commercial regulations, which we know it was the purpose of the Constitution to establish.

LONDON JOINT-STOCK BANKS.

	Par.	Offered.	Asked.
100 Agra and United Service, (Limited),...	50	85	87
100 Alliance Bank of Lond. & Liv., (Limit.)	7	5½	6½ per.
40 Australasia,	all	69	71
25 Bank of Egypt,	all	23	24
100 Bank of London,	50	85	86
50 British North America,	all	..	..
20 Chartered Bank of British Columbia,...	10	½	½ dia.
20 Chartered Bank of Ind., Aust. & China, all	..	19½	20½
25 Chart'd Merc. of India, Lond. & China, all	..	33	35
100 City,	50	89	91
100 Colonial,	25	40	42
20.11 Commercial Bank of Canada,	all	..	..
20 English, Scottish and Austln. Chartered, all	..	18½	19
100 Imperial Bank, (Limited),	7	½ dia.	par
100 London and Brazilian Bank,	5	par	½ per.
20 London Chartered Bank of Australia, ..	all	26½	27½
50 London and County,	20	36	37
50 London Joint Stock,	10	38½	34½
20 London and South African,	14	3½	4
100 London and Westminster,	20	77	78
100 Metropolitan & Provincial Bank, Lim.,	10	½ dia.	par.
100 National Provincial of England,	42	..	..
20 do. New,	12	..	..
50 National Bank,	30	..	..
20 New South Wales Bank,	all	42	44
25 Oriental Bank Corporation,	all	53½	54½
20 Ottoman Bank,	all	24	25 r all.
20 do. New,	2	1½	1½ per.
100 Provincial of Ireland,	25	87	89
10 do. New,	all	..	..
25 Union Bank of Australia,	all	45	46
100 Union Bank of Ireland, (Limited),	2	2	1½ dia.
50 Union Bank of London,	12	32	33

THE CURRENCY.—MR. ALEXANDER B. JOHNSON, of Utica, formerly President of the Ontario Bank, Utica, New-York, has published a pamphlet of thirty-two pages, octavo, entitled "*The Advanced Value of Gold, Suspended Specie Payments, Legal Tender Notes, Taxation and National Debt, investigated impartially,*" the introduction to which forms the early portion of this number. Copies may be had, gratis, of the author at Utica, New-York, or on application to the publisher of the *BANKERS' MAGAZINE*, 63 William-street, New-York. Copies will be mailed to order on receipt of six cents in postage stamps.

THE HISTORY
OF
THE BANK OF ENGLAND,

FROM THE NEW CHARTER (1844) TO THE YEAR 1861.

CHAPTER I.

GENERAL REMARKS—SIR ROBERT PEEL—DEPRESSION OF ENGLISH TRADE, 1841-1843—THE IMPORTANCE OF THE UNITED STATES AS A MARKET ADMITTED BY ENGLISH STATESMEN—SIR ROBERT PEEL'S SPEECH—LORD JOHN RUSSELL IN OPPOSITION—SIR ARCHIBALD ALIBON'S VIEWS—LORD PALMERSTON.

THE sixteen years which followed the last charter of the bank have been pregnant with important events of a financial character; the most important, perhaps, during the whole history of the institution. The bank has twice, during this short period, been on the brink of suspension, and was relieved only by the interference of government. The second instance occurred after new gold, to the extent of one hundred millions sterling, or more, had been poured into Western Europe from California and Australia. The Bank of France had, during the same period, suspended specie payment. Two financial revulsions have occurred in the United States, when, with few exceptions, the banks of the whole country suspended specie payments. The production of gold and silver throughout the world, which, up to 1844, was annually about six or eight millions sterling, has recently advanced from twenty-five to thirty millions sterling per annum, thus stimulating industry and production largely throughout Europe and America. Sir ROBERT PEEL, the author of the new charter of the bank, has left the world's stage, after witnessing the failure of the charter to fully accomplish the end promised; Europe and America, Asia and Europe, have been knit together by a wire cord, and capital is now subscribed to

"Put a girdle round about the earth,"

whereby London may speak to San Francisco (the prospective commercial centre of the world) in less than "*forty minutes*." During the same short space of sixteen years the suspended States of this Union (five at

least) have resumed payment of their obligations; two violent wars, with sundry revolutions, have occurred in Europe; the ancient city of the Cortes has been conquered by the "hordes of the North," and magnanimously given up by the captors to the possession of their weaker enemy, and millions were paid to the latter for portions of their territory; the northwest passage of the American continent has been discovered; steam has accomplished wonders between Europe and America, and between Europe and their distant colonies of Asia, Africa and Australia; Ireland has been on the verge of starvation,* when 600,000 of her people died from hunger alone, and its effects, and her population was reduced two millions by emigration and privation; England's minister has been expelled from the capital of the United States; speculation has been rife in Europe and America, and its inevitable effects, revulsion and bankruptcy, have followed in its train; the railway and the telegraph have brought remote regions together; China, with her four hundred millions of people, has been conquered by the united forces of the English and the French.

The Bank of England, instead of pursuing one even course, with a view to permanent commercial interests, has unfortunately, and, we fear, from selfish and individual views, fostered speculation by reducing her rate of discount to 2 per cent., and soon after, but too late, discovered the error, and forced her borrowers to pay from 6 to 10 per cent.

We propose to give the leading events of each year, from 1844 to 1861, referring the reader to authorities where more copious information can be gained by those who wish to study the invariable connection between commerce and money.

The bank shares in the depressed period of 1847-8 fell to 180, after having reached, in the flattering times of 1844-5, 215 per share, or 115 per cent. advance. Consols, at the same depressed period, fell to 78½, when starvation stared Ireland in its face, and the bank simultaneously sought protection from the Cabinet.

1844-1846.—It may be well to add to Mr. FRANCIS' history some materials relating to the charter of 1844, and the leading part taken by Sir ROBERT PEEL previous to and in that act. Of this distinguished statesman, ALISON† says:

The truth appears to be, that he was throughout, and in all his changes, actuated by a sincere and disinterested desire for the good of his country; but that one unhappy mistake, into which he had been led, in the outset of his career, by his adoption of the views of others, rendered him, on the most momentous occasions, either blind to what that good really was, or timorous in asserting his own views regarding it. Without the advantages of ancient descent or aristocratic connections, and the son of one who had been the architect of his own fortune, he was naturally inclined to regard with favor that mercantile interest to which his greatness had been owing.

* "The scenes exhibited far exceeded in horror any thing yet recorded in European history."—(ALISON.) America, in her own fullness, sent succor to famished Ireland, in 1847, and when her own day of travail came near, England volunteered no helping hand to her kindred.

† ALISON'S *Europe*, vol. 8, pp. 4-6, published by HARPER & BROTHERS, N. Y.

It would be going too far to assert, as GIBSON did of Mr. FOX, that "his inmost soul was tinged with democracy;" for no man was inspired from principle with a more profound respect for the civil institutions of his country. But this was the conviction of reason; it was not the bent of inclination. It is certain that from early youth he was inclined to liberal opinions, and that it was a knowledge of that which induced his father, who was a staunch Tory of the old school, to throw him so early into public life, in hopes that, when in harness, he would wax warm in the contest on his own side. This tendency, unavoidable in one situated as he was, was unfortunately greatly increased by his early connection with the rising school of the political economists, whose opinions on the all-important matter of monetary policy had been recorded in the memorable Bullion Report of 1810. The leaders of this school, MR. HORNBY and MR. RICARDO, obtained on these subjects the entire direction of his mind; and it is to their influence that the parts of his career, which otherwise would seem inexplicable, are chiefly to be ascribed. For good or for evil, they stamped their impress upon his mind; and his subsequent career bore indelible marks of their influence.

His views on the Currency.—He had been nominated chairman of the Bullion Committee of 1819 by Lord LIVERPOOL, to form a check upon the extreme views of MR. RICARDO and the economists; but he soon was either convinced by their arguments, or fell a prey to their seductions. He disdained lucre for himself or his relations, but he worshiped it with devout devotion to his country. He thought the country never could be in danger when its monetary state was sound, and that that depended entirely on the retention of gold by the Bank of England. He measured the public strength by the number of sovereigns in its vaults; private influence, in a great degree, by the magnitude of balances with bankers. In gold he saw the only solid and imperishable condensation of wealth; in realized capital the only secure foundation for future progress or accumulation. He never could believe that the nation was other than prosperous if the bank had fifteen millions' worth of gold in its coffers. He deemed every attempt to create or augment wealth hazardous and delusive, which was not based upon the interest of its moneyed capital; every measure expedient, which went to augment the solid metallic treasures of the nation. To that unhappy conviction the most fatal errors of his career may be distinctly traced. He lived in the perpetual dread of the nation being broken down, and public ruin induced, either by the draining away the gold, which would starve industry, or by the issue of assignats to supply their place, which would extinguish capital. The memory of 1825, when the bullion in the bank was reduced to a million, and public bankruptcy was avoided only by the issue of two millions of old notes; of the dreary years from 1838 to 1842, when suffering met him on every side, and the memory of which, he himself said, "would never be erased from his mind," were perpetually present to his recollection. The cry "To stop the Duke, go for gold," continually resounded in his ears.

When once this key to his political conduct is seized, it affords a satisfactory explanation of his whole political career. He was truly and sincerely patriotic, and actuated on every occasion by nothing but a regard for what he deemed the public good; but he, nevertheless, acted on many

in direct opposition to it, from the unhappy delusion under which he labored in regard to guarding the treasures of the Bank of England. He was courageous, both personally and politically, for himself, but timorous for his country. It is no wonder he was so; for he had placed it on an unstable equilibrium, and any considerable concussion might overturn at once the whole fabric. His practical sagacity led him clearly to see that any serious internal convulsion, and even the most inconsiderable foreign war, would lead to such a run on the bank as would, in all probability, prove fatal to that establishment, and with it entirely un hinge the public credit, and render destitute millions of starving workmen. It was to avert this catastrophe that all his measures were directed. For this it was that he emancipated the Catholics, in 1829, to postpone rebellion in Ireland; and surrendered Maine, by the *ASHBURTON* capitulation, in 1842, to avoid a rupture with America; and abandoned the corn laws, in 1846, to render England the great emporium of corn throughout the world, and thereby prevent the drain which so nearly proved fatal to the bank in 1839. His monetary bill of 1844 was intended to lay speculation in irons, and so prevent the drain upon the metallic treasures of the nation, which indulgence in it to excess never failed to occasion. That his apprehensions were well founded, the event has decisively proved; the only thing to be wondered at, is that he did not perceive that the danger was entirely of his own creation, by having rendered public credit dependent on the retention of gold, and that the measures he intended to avert were the greatest possible aggravation of the evil. * * *

Owing to the falling off in the American orders for English goods, and other causes, from 1838 to 1843, power-loom weavers and combers, who ten years before had been making 18s. a week, could now only make 6s., and that by the most exhausting and incessant toil. Colliers and iron miners, who four years before had earned 5s. a day, were now at 2s. 6d., while wheat was nearly doubled in price; and weavers by the hand-loom could with difficulty make 3d. a day. A hopeless paralysis seemed to have fallen upon the enterprise and activity of the country; the depression was universal and extreme, and continued without abatement during the whole of 1842 and the first half of 1843. The winters of 1841-2 and 1842-3 were the most melancholy ever known in English history; and the only comforting feature in the case was the noble patience and resignation with which their sufferings were borne by the poor. Yet such was their intensity, that the only surprising thing is how a great proportion of them contrived to prolong existence at all during such a terrible and protracted period of suffering. The distress was so universal that it had ceased to be matter of dispute; the deplorable fact was felt and lamented in silence. The national income sunk £1,200,000 from 1841 to 1842; while the current expenses were simultaneously increased by a similar amount, leaving a deficiency of £2,500,000, which had to be made up by loan. The exports and imports of the nation exhibited a similar and still more alarming change: the former had *sunk* from £53,000,000, in 1839, to £47,000,000, in 1842; the latter *increased* from £62,000,000, in 1839, to £70,000,000, in 1843; the large balance, of course, having to be paid in gold or silver, to the entire destruction, under the existing monetary system, of all credit and commercial industry

in the country. It was easy to see to what this large and increasing balance of imports over exports was owing. It arose from the great importation of grain during these years, in consequence of the continued unfavorable harvests and high prices, which had swelled from nothing at all in 1835 and 1836, to 3,000,000 quarters in 1842. This great import of grain cost the nation, almost all in gold and silver—wheat being, on an average, at 64s.—no less than £10,000,000 sterling in one year. This state of things was sufficiently calamitous in itself; but when its effect upon the currency, and, through it, on the whole credit and industry of the country, is taken into view, the effect became beyond measure disastrous. The gold and silver held by the Bank of England, which in 1838 had been above £10,000,000, had sunk, on 15th October, 1839, to £2,545,000, and even in February, 1842, had only risen to £5,600,000; as a necessary consequence of which, the notes of the bank in circulation, which in 1818 had been £27,771,000, with a population little more than half, and transactions not a third of the present, and in 1835 and 1836 had been £19,147,000 and £18,154,000, respectively, had sunk, at the first period, to £16,732,000, and at the second to £17,500,000. Whoever will consider these figures with attention will at once perceive what was the cause of the universal distress, and how, under the existing monetary system, five bad seasons in succession had come to tell with decisive and ruinous effect upon the whole commercial and manufacturing interests of the country. Nor will it appear surprising that, in England and Wales alone, the paupers had risen in the latter year to 1,427,000, of whom 85,000 were able-bodied, being about one-eleventh of the entire population.*

Even at that period English statesmen and merchants had avowed the dependence of England upon the American market. Lord JOHN RUSSELL and Lord PALMERSTON † said in Parliament, in 1842: "*We are not, we cannot be, independent of foreign nations, any more than they can of us.* It is admitted that, for the last four years, 2,300,000 quarters of foreign corn have been imported; that is to say, two millions of our people have been dependent on foreign countries for their daily food. *At least five millions of our people are dependent on the supplies of cotton from America, of foreign wool, or foreign silk. Independence of other countries, therefore, is a chimera which it is in vain for a great commercial nation to pursue; and even were it reached, it would be attended with no visible benefit.* It is impossible that the time should ever arise when you might not find some part of the world from which you might derive your supplies. The true independence of a great commercial nation is to be found, not in raising all the produce it requires within its own bounds, but in attaining such a pre-eminence in commerce that the time can never arise when other nations will not be compelled, for their own sakes, to minister to its wants. The duties proposed to be levied by the new scale are in the highest degree prohibitory. 20s. are to be levied on wheat when the price is 51s. Now, it appears from the consular returns, that the usual

* ALBION'S *Europe*, vol. viii. TOOKE'S *History of Prices*, vols. ii. p. 386; iii. 78; iv. 473, 489. PORTER'S *Progress of the Nation*, pp. 94, 146, 356, 475.

† ALBION'S *Europe*, vol. viii. pp. 12-14.

price of wheat free on board at Dantzic is 40s., to which, if 10s. 6d. be added for the price of the transit, we have 50s. 6d. as the price at which Dantzic wheat can be sold in this country. If to this you add 20s. duty, you raise the price of imported wheat at once to 70s., a price at which it never can be imported with profit, unless prices have reached famine levels. Indeed, the new scale will exclude all importation till prices are above 61s.; and when it does begin, owing to the prices having risen, and the harbors being practically opened, the result will be, a great import of foreign grain, a great consequent drain on the bank for gold to pay for it, an immediate contraction of issues, and wide-spread commercial distress. Many millions must be paid, and you have no means of doing so by sending out goods, because you have no regular trade. *There is nothing of such importance to this country as to extend its commercial relations with the United States of America.* There are to be found nations rapidly increasing in population and resources, which could furnish you to any extent with the means of subsistence, and take in return any conceivable amount of your manufactures. Around the great inland seas, formed in its progress to the ocean by the St. Lawrence, is a cluster of five nations arising, extending from the lakes, on the north, to the Ohio on the south. The territory they inhabit is twice as large as France, and six times as large as England. It contains 180,000,000 of acres, a large portion of which is of surpassing fertility. The population of this cluster of States already exceeds 300,000; if the same rate of progress shall be maintained for the next twelve years, it will contain 12,000,000. Yet are they at such a distance from this country that they can never be formidable competitors to our farmers; for even without a duty, wheat can never be sent from thence to Britain for less than 43s. to 47s. They would be glad to receive your manufactures in exchange for the food which they send you; but how can they do so if you refuse to receive their grain, or do what is the same thing, load it with such duties as make it not worth their while to send it? Were it otherwise—*were a free commercial intercourse established with them, there is no saying how long you might continue to furnish them with manufactured goods, or how extensive and lucrative might be the commerce you might carry on with them. However rising may be the manufactures of the United States, there is not enough of that species of industry, and probably there will not be for a very long time, to furnish with clothes and other articles of rude comfort this great population.***

In this stage of the country Sir ROBERT PEEL brought forward his speech on the finances, and said:

“What, then, is to be done in this emergency, when remedies of no ordinary kind must be resorted to, if power is to be maintained or bankruptcy avoided? Indirect taxation has reached its limits, and can no longer be relied on. Last year the addition of five per cent. on the cus-

* These eminent statesmen mistook the powers of the United States as a manufacturing country; while more recent events have more strongly demonstrated the dependence of Great Britain upon the United States both for a supply of cotton, with which to keep England's operatives employed, and as the most important foreign market for England's goods.

taxes and excise, instead of producing £5 per cent, as was expected, produced only 10s.; while the per centage of ten per cent. on the assessed taxes produced considerably more than was expected. Are we, then, to go back to the old taxes? Shall we restore the postage duties? At present, the new packet service being added, *the post-office produces no revenue at all, but is rather a charge*; but the penny postage has not been long enough in operation to justify us in proposing an alteration upon it. Are the taxes to be restored upon wool, salt and leather? That would be adding to the burdens of the already suffering portion of the community, to the relief of that which is in affluence; and in addition, many new contracts have been entered into upon the faith of their abolition, and salt, in particular, has been applied to many new purposes. A nation's revenue may sometimes be, in the end, increased by reduced taxation; but, in the first instance, it is always followed by a great diminution, and a very long time is always required to restore the amount. This principle is illustrated by what has happened with respect to the reduced duties on wine, tobacco, sugar, coffee, hemp, rum, and other articles. A mere reduction of duties, therefore, will not present a resource to meet the present emergency; and my settled opinion, my deep conviction is, that it has become necessary to make a great appeal to the holders of property.

"My plan* is this: to levy an income tax not exceeding 7d. in the pound, or about three per cent, on all incomes above £150, including all funded property, whether in the hands of natives or foreigners. I estimate the incomes of lands in Great Britain at £39,400,000; houses, £25,000,000; mines, rail-roads, etc., £8,400,000; in all, £72,800,000. The total produce of this tax, excluding Ireland, I estimate at £3,771,000. As Ireland is to be withdrawn from the tax, I propose to add 1s. a gallon to the tax on spirits, the consumption of which is again increased, from the decline of the influence of the temperance pledge. From this source I expect £250,000 a year; and, from the equalization of the stamp-duty in that country with that in England, £160,000 more. Four shillings a ton is to be laid on *exported* coals, from which I expect £200,000; in all, £4,380,000, which will cause a considerable surplus after covering the whole deficiency for the year, which I estimate at £2,500,000. And then the question remains, In what way can this surplus be best applied to improve the resources or lighten the industry of the nation? This surplus I propose to apply in the reduction of the import duties in our commercial tariff."

Lord JOHN RUSSELL and Lord BROUGHAM.—Against the tax it was urged by Lord JOHN RUSSELL in the Commons, and Lord BROUGHAM in the Lords: "A direct tax on income ought never to be resorted to unless in some great emergency of public affairs—when an extraordinary expenditure has become necessary for a time, or in some pressure upon

* "In Denmark the property-tax is on a graduated scale in proportion to the amount of the income enjoyed by the persons taxed, from whatever source derived. It may well be doubted whether this is not confiscation of the fortunes above the line where the heavier burden begins. But the curious thing is, that in the popular community, the injustice perpetrated was on the middle class; in the despotic monarchy, on the nobility and rich."—DOUGLEDAY'S *Life of PERK*, II. 347.

the finances of the country, which can be sustained by no other means. Such a tax ought on no account to form part of the ordinary revenue of the State, but should cease with the necessity which could alone justify its adoption; inasmuch as, besides all the other objections to which it is liable, its inquisitorial character is such as must always render it odious, however trifling may be the amount abstracted. The facility with which it is collected offers a constant temptation to extravagance on the part of government, removes the most important check upon expenditure, and dispenses with the necessity of seeking for an equality between income and expenditure in economy."

Lord JOHN RUSSELL's amendment was rejected, on the 13th April, by a majority of 308 to 202, and on the 30th May the third reading was carried by a majority of 180. In the Lords, the bill passed by a majority of 71. Notwithstanding these large majorities in both houses, however, the change introduced great alarm into the country, especially the grazing districts, which were most threatened by the changes in the tariff. * * * Impartial consideration, now that their effect has been tested by experience, must lead to the conclusion that these changes in the tariff introduced by Sir R. PEEL were expedient, and required by the circumstances of society. * * *

This leads to a very curious reflection. The financial situation of the nation had become so serious, and the deficit so alarming, that it had overturned one administration, and forced an entire change of commercial policy on another. The nation was steeped in misery, and indirect taxation had reached its limits: yet foreign affairs had become so threatening that a great increase of the national armaments had become indispensable. The whole experience and talent of the legislature were taxed to the uttermost to discover a remedy for these manifold evils, and none could be thought of but recurring, in a period of profound European peace, to the grinding tax heretofore reserved as a last resource for the exigencies and dangers of war. Yet was the remedy easy, cheap, certain, injurious to no one, profitable to all. Nothing was required but to send a letter from the first lord of the treasury and the chancellor of the exchequer to the governors of the Bank of England, authorizing the notes issued on securities to be raised from £14,000,000 to £21,000,000. Instantly despondency would have been succeeded by hope, poverty by comfort, compulsory idleness by willing industry, financial embarrassment by an overflowing treasury. Nothing but to confess a gigantic error was wanting to repair boundless calamities, to restore happiness to a suffering realm. But to have done so required, in some, the magnanimous confession of former mistakes; in others, a surrender of, to them, a most profitable usurpation; in all, a close attention to a subject of universal interest, and but very partial comprehension. The proof of this, however, is now decisive. Sir ROBERT PEEL's subsequent change, in 1844, without his designing it, induced such an extension of the currency as was required, though on the most perilous footing, and two years of prosperity, followed by a frightful commercial crisis, ensued. Nature gave a lasting extension on a solid foundation, by opening her reserves of gold in 1851, and unbroken prosperity has been the consequence.*

* ALISON's *Europe*, vol. viii.

Sir R. PEEL'S *Speech of 1844 on the Bank Bill.*—"By these means the circulation of the whole of England issuing on securities will be about £22,000,000, £9,000,000 being the proportion of the country banks to £14,000,000 of the Bank of England. The circulation of the country, however, is, and requires to be, £30,000,000, and it is the additional £8,000,000 that requires to be provided for. This portion of our currency must be based on gold, for it is the portion required for foreign commerce, in which national securities are of no avail. The gold wanted for this portion of our commerce *may be assumed to be at the utmost* £8,000,000; for, before any thing like that quantity could have been drained out of the country, prices must have fallen so low as to have caused a large exportation of goods and return of gold. As the provision of this act is, that gold is always to be in store beyond the £22,000,000 based on national securities, there can be no fluctuation in the amount of paper money otherwise than in proportion to the amount of gold brought for sale to the Bank of England; and as the bank is obliged to buy with its notes all the gold brought to it, the gold bought in will be surely replaced by an equal amount of paper. When gold, on the other hand, is drawn out, the paper that comes in will be canceled—a necessity, as the bank has hitherto immediately re-issued the notes brought in, thus increasing the drain upon itself, at the very moment when a severe drain has set in of itself."*

Such were the views entertained by Sir R. PEEL and the great majority in both houses of Parliament, which agreed with him on this all-important subject, and such the arguments by which their views were supported. So general was the concurrence in these views, that no one ventured to oppose them in either house on principle, and the second reading passed without a division. The only serious opposition which showed itself was to that portion of the bill which went to affect the interests of the country bankers, and the restrictions about to be imposed on their issues. Mr. HAWES was the exponent of their views, and he moved an amendment on the 13th June to the effect, "That no sufficient evidence has been laid before this house to justify the proposed interference with banks of issue in the management of their issues." "The object," said he, "of the present bill is to make the paper circulation conform more closely to the gold circulation, which is declared to be prevented by the unlimited competition in the issue of paper. I deny that unlimited competition; for the convertibility of each note into gold at the will of the holder is a natural and sufficient check on an over-issue of paper. There is no foundation for the doctrine advanced by the bullion committee, that the difference between the mint and the market price of gold is the measure of the depreciation of the currency. That difference is entirely owing to the political causes which create a greater demand for gold, and therefore render it more valuable in one part of the world than another. It is a mere gratuitous assumption, wholly unsupported either by reason or evidence, to say that the difference is owing to over-issues. As little is the rise of prices during the war to be ascribed to that cause. On the contrary, England was in many articles,

* *Parl. Deb.* lxxiv. 720, 755, 1846; lxxvi. 1061; *Ann. Reg.* 1844, 191, 196.

especially sugar and colonial produce, the cheapest country in the world at the very time when the market price of gold was 25 per cent. above the mint price.*

"The effect of the government plan will be to substitute small bills of exchange for promissory notes, thus establishing a currency more easy of issue and more dangerous than that which now exists, while any commercial crisis pressing upon securities will compel the bank to draw in its notes by whatever means and at whatever ruin to private credit, and thus lead to commercial difficulties unprecedented even in 1825 and 1839. A drain of bullion like that produced by the bad harvests of 1838 and 1839 might close the banking department of the bank, and lead to such distress as would force on the repeal of the corn-laws. If all restrictions were removed on the issue of paper save the one important one of its being convertible into gold, no banker could commit an over-issue, for it would come back upon him instantly if it exceeded the wants of the country. The notes in circulation now are little more than half of what they were some years ago, and no proof whatever has been adduced to justify the proposed restrictions. It is the most palpable injustice to lay the whole blame of over-issue on the private bankers, and restrict them in future to their present amount of issue, without saying any thing of the Bank of England, with whom the system of over-issue always began."

Upon this debate, which went only to a subordinate part of the bill, and left untouched its leading principles, the majority for the government was 155, the numbers being 185 to 30. A few small alterations in detail were afterwards adopted, but an attempt on the part of Mr. MURTZ, the member for Birmingham, to throw it out on the third reading, was defeated by a still larger majority, the numbers then being 205 to 18. In the House of Lords the bill excited very little discussion, and passed on 12th July without a division; so little was its paramount importance to all classes of the community understood in either house, save by its immediate authors and promoters. It received the royal assent on the 19th of the same month.

In announcing his measure regarding the currency, which extended only to England, Sir R. PEEL declared his intention of introducing, in the next session of Parliament, a similar measure applicable to Scotland and Ireland. Early in the session of 1845 he proceeded to redeem his pledge, and the country was at that period eminently prosperous; and as no bad effects had as yet been experienced, so far as present appearances went, from the bill of the preceding year relating to England, the bill passed with very little discussion and scarcely any opposition. Sir R. PEEL boasted, and apparently with reason, in bringing it forward, that "thus far experience was in favor of that act; there had since been a period of extraordinary commercial activity and speculation, especially in manufactures and railways, and a great demand for capital; and the amount of gold and silver in the Bank of England was now £15,842,000." In pursuance of the principle of the English act, it was proposed to withdraw all the present exclusive privileges enjoyed by the Bank of Ireland,

* *Parl. Deb.* lxxvi. 1061; *Ann. Reg.* 1844, 205, 206; *ALCOCK'S Europe.*

and to oblige that bank, like all the other banks of issue in the country, to make weekly returns of the state of its business. In Ireland, equally as in Scotland, the power at present enjoyed by the banks issuing notes was to be continued to them even below £5; but the amount to be issued by them was in future to be limited, so far as issuing on securities went, to the average of their note circulation for thirteen lunar months since 27th April, 1844. Any excess of issue beyond these sums would require in both countries to be based on bullion. No bank established after the date of this act was to have the power of issuing notes; and Bank of England notes were declared *not* a legal tender in Scotland. The amount of notes which under this act might be issued on securities in Scotland would be £3,041,000, and in Ireland, £6,271,000; the whole circulation beyond which was to be based on bullion. Thus was Sir R. PEEL's banking system finally established with almost universal concurrence in both islands, and the amount of circulation in the two, taken together, that might be issued on securities, was fixed at somewhat above £31,000,000, being little more than a *half* of what it had been at the close of the war.*

It is difficult to say, whether what was said or what was left unsaid in these all-important debates on the currency, which ended in the entire establishment of Sir R. PEEL's system, is the more calculated to awaken surprise and suggest reflection. The avowed object of the system was to check undue extension of the circulation, in periods of speculation and excitement, by the over-issue of bankers, and to provide a solid basis for any extension of the currency beyond what was deemed reasonable, by compelling it to be based, whether issued by the Bank of England or private bankers, on bullion alone. To effect this object, it was deemed essential to compel the Bank of England to take all the gold which might be brought to it at a trifle below the mint price.

* The notes now issuable on securities in the British empire were:

Bank of England,	£ 14,000,000
English country banks,	8,000,000
Bank of Ireland,	2,706,000
Irish country banks,	3,565,000
Scotch banks,	3,041,000
Total,	£ 31,312,000

In 1815 the notes in circulation on securities were:

Bank of England,	£ 27,261,000
English country banks,	19,010,000
Scotch and Irish banks (estimated),	13,500,000
Total,	£ 59,771,000

—*Ann. Reg.* 1845, p. 204; ALISON'S *Europ.*

CHAPTER II.

FROM THE PASSING OF THE BANK CHARTER ACT IN 1844, TO THE FALL OF SIR ROBERT PEEL'S MINISTRY IN JUNE, 1846—VIEWS OF SIR A. ALISON—RAILWAY MANIA OF 1845—RAILWAY FRAUDS—EFFECTS OF OVERTRADING—COMMERCIAL POLICY OF SIR ROBERT PEEL.

SIR ROBERT PEEL frequently referred to the Bank Charter Act of 1844, and the adoption of free trade, as the main causes of the flood of prosperity which overspread the country during the two succeeding years; and there can be no doubt that he was so far right that the immense increase in railway and other speculations which then took place, is in a great degree to be ascribed to the facilities for carrying them on which that act afforded. The bank, now laid in chains by government, had but one thing to do, and that was, to attend closely to the state of the exchanges and the stock of bullion in its coffers; to expand its issues when the former was favorable, the latter large; to contract them when the reverse took place. Circumstances, immediately after the passing of the act, were eminently favorable to the retention of bullion. The supplies from South America, in consequence of the cessation of the desolating war of independence, had become much more abundant, and the drain, from the fineness of the harvests, had become very inconsiderable. The produce of gold in Russia had now become so considerable* as to exercise a sensible influence on the money market. The import of wheat in the years 1843, 1844 and 1845 was very small; in the latter of these years it was only 313,000 quarters.† The consequence was, that the bank coffers were overflowing, and Sir R. PEEL boasted, in the pride of his heart, as already mentioned in noticing the Scotch Banking Act in 1845, that it had bullion to the amount of £15,842,000. The necessary effect of this state of things, according to the existing law, was a very great issue of bank-notes by that establishment, which was obliged to give them for all the gold brought to its doors, and of course a corresponding increase

* PRODUCE OF GOLD IN RUSSIA.

1837,.....	£ 900,000	1842,.....	£ 1,848,000
1838,.....	1,004,000	1843,.....	2,635,000
1839,.....	1,003,000	1844,.....	2,730,000
1840,.....	1,125,000	1845,.....	2,792,000
1841,.....	1,316,000	1846,.....	3,414,000

—*Parl. Papers*, Dec. 3, 1847; *TOOKE'S History of Prices*, v. 537.

† IMPORTS OF WHEAT INTO GREAT BRITAIN.

Years.	Quarters.	Years.	Quarters.
1842,.....	2,997,302	1844,.....	1,021,245
1843,.....	982,287	1845,.....	313,245

—*FORSTER'S Progress of the Nation*, p. 140, 2d edit.

in the issue of all other banks, which are all entirely regulated by the proceedings of the Bank of England. During the last half of 1844 and the next two years the average bullion in the bank was from £15,000,000 to £16,000,000, and the paper in circulation from £21,000,000 to £23,300,000. The entire circulation of the empire during these years was from £40,000,000 to £42,000,000, while the gold and silver was about £30,000,000. True to the principle of the Bank Charter Act, the bank directors no sooner perceived this favorable state of things than they lowered the rate of their discount from 4 to 2½ per cent. ; and it did not exceed 3½ per cent. till the beginning of 1847,* when the monetary crisis was commencing which terminated so fatally in the close of that year. It was impossible that so great a fall in the rate of discount, and so great an increase in the circulating medium, could take place without a corresponding rise of prices in every thing except food, which was kept down by the fine harvests; the state of things of all others most favorable to commercial enterprise and speculation of every kind.†

The first effect of this state of things, as auspicious in the outset as it was perilous in the end, was a vast increase in railway speculation, and the growth of what has been not inaptly called the Railway Mania. It was during the years 1844, 1845 and 1846 that this system received its full development, and it was then pushed to a degree of extravagance which would not be credited by future times if not attested by a host of contemporary witnesses, and evinced by lasting effects upon the face and fortunes of the country. Compared with the fever which then seized the public mind, and the magnitude of the speculations in consequence set on foot, the famous South Sea Bubble, and the corresponding fervor of England in 1824-'25 and 1836-'37, sink into insignificance. The progressive rise in the price of the chief articles of commerce was such as to render speculation of every kind for a considerable time a source of profit, and to diminish, to an extraordinary degree, the unfortunate ones which terminated in bankruptcy. The result of this, as usual, was, that people thought that the prosperity which had now set in would never cease; that the rise of prices, which had proved so profitable to many, would continue forever. It must be confessed, that for a considerable time appearances seemed to justify the anticipation. The few fortunate speculators, who set on foot some of the favorite lines, soon sold their shares at such prices as in a few days enabled them to realize large fortunes. The knowledge of this so increased the public anxiety to share in these profitable investments, that these shares rose every day higher, and scarcely any one who bought

* RATES OF DISCOUNT CHARGED AT THE BANK, AND BULLION IN CIRCULATION.

YEARS.	Rate of Interest.	Bullion.	Bills under Discount.	Paper Out.
1844—Sep. 5,.....	2½ ..	£ 15,210,000 ..	£ 7,280,000 ..	£ 21,210,000
1845—Oct. 16,.....	3 ..	14,190,000 ..	13,500,000 ..	23,380,000
" —Nov. 6,.....	3½ ..	13,720,000 ..	13,620,000 ..	22,890,000
1846—Aug. 27,.....	3 ..	16,860,000 ..	11,840,000 ..	21,810,000

—TOOKE on Prices, v. 565.

† ALBSON'S Europe, vol. viii. ; TOOKE, v. 563, 565 ; Ann. Reg. 1845, 1, 3 ; MART. II. 627, 629 ; DOUBLEDAY, II. 387, 388.

had not an opportunity of selling in a few days to advantage. Such was the effect of this, that in a short time the nation seemed to have lost its senses.

The effect of this universal mania appeared in a thousand different ways. The passion for gain, now thoroughly awakened, seized upon all classes, pervaded both sexes, swept away all understandings. The grave and the gay, the old and the young, the studious and the volatile, were alike involved in the vortex. The few who ventured to withstand the torrent, and to suggest that the currency and capital of the country were alike inadequate to bear the strain which would soon be brought upon them, were put aside as mere alarmists, whose opinions were entitled to no consideration. It was said the money never left the country, that it only circulated from hand to hand with more rapidity, and that there was enough and to spare. Every one concerned, however remotely, in the great work of forming the net-work of railways which was to overspread the country, was worked to death, so great was the universal anxiety to get the lines forward. Surveyors, with theodolites and chains, were incessantly traveling the country in every direction; and when the proprietor refused his consent to their entry, it was stealthily obtained at night, or openly asserted in daylight by large bodies of men. Nothing could resist the universal mania. Park walls were to be perforated, shady dells penetrated, gardens pierced through, stately mansions leveled with the ground, villages ruined, streets effaced, to make way for these gigantic precursors of human improvement. As the season passed on, and the 30th November, the last day for lodging plans with the Board of Trade approached, the pressure and excitement became unparalleled. Lithographers by hundreds were brought over from Belgium and France to aid in making the plans; the engineers and their clerks sat up all night, and several of them in two years made large fortunes. On the evening of the closing day the doors of the Board of Trade were besieged by a clamorous crowd contending for admission, as at the pit doors of the opera when a popular actress is to perform; above six hundred plans were thrust in before the doors closed at midnight on the 30th November, 1845. The capital required for their construction was £270,950,000, and above £23,000,000 required to be deposited before the acts could be applied for!

It may easily be conceived that so prodigious and universal a ferment in society did not take place without unhinging in a great degree the public mind, and bringing forward in the most dangerous way many of the worst qualities of human nature. The same effects on all classes which had been observed in France during the Mississippi Bubble, reappeared in Great Britain, but on a much greater scale, and pervading more universally all gradations of society. The passion for gain, deemed by all to be within their reach, seized upon all classes. Not a doubt was entertained, save by the thinking few, who were derided as alarmists and croakers, of the possibility, nay certainty, of reaching the goal. All classes joined in it; country clergymen and curates hastened to invest the savings of their scanty incomes in the golden investments; traders and shop-keepers in towns almost universally expended their all in similar undertakings; servants, both in affluent and humble families, were to be

seen on all sides crowding to the agents' offices in the nearest towns, to throw their little savings into the crucible from whence a golden image was expected to start forth. It was painful to behold the extent of the delusion, mournful to contemplate its certain consequences. No class, not even the very highest, was exempt from it. Ladies of rank and fashion hastened from their splendid West End mansions into the city to besiege the doors of the fortunate speculators, whose abodes were deemed a certain entrance to fabled wealth; the palaces of the exclusives were thrown open to vulgar manners and grotesque habits to facilitate an entrance into these magician's dens.

Its immediate benefits to some classes.—Doubtless some classes gained, and that enormously, by this universal insanity. The legislatorial attorneys, the engineers in chief employment, and the surveyors, rapidly made fortunes. It must be confessed they gave the public something very tempting in appearance, at least, for their money. There was not a line proposed that was not supported by the opinion of professional men of the highest character, to the effect that at least *ten per cent.*, probably much more, would be the certain returns to the fortunate shareholders. Experience ere long proved that by doubling the estimated costs, and halving the estimated profits, a much nearer approximation to the truth would be obtained. Under the influence of such powerful excitements it may be believed that, without imputing to any one deliberate and intentional falsehood, great exaggeration prevailed; most erroneous views were successfully palmed off upon the committees, and a vast amount of solid wealth was forever thrown away, to the utter ruin of great numbers of innocent persons. These truths were ere long too clearly demonstrated by the result. It was computed that no less than £16,000,000 was expended in surveys, legislation, or litigation connected with the bills got up during the railway mania before they got through Parliament; of the £300,000,000,* in round numbers, which the lines were computed to cost, nearly a third has never paid any thing in the shape of dividend, and on the remaining two-thirds the net receipts, after deducting the working expenses, would not, on an average, exceed three per cent.†

Great effect of these speculations in the country.—It would be well if the historian had only to record the immediate losses which arose to the parties concerned in them from these gigantic undertakings. But unfortunately the evil did not stop here; but, on the contrary, has impressed its mark in a lasting way on the national character and on the estimation in which the legislature is held. From the extravagant speculations and

* The sums authorized to be expended by Acts of Parliament on railways in the United Kingdom were as follows in the undermentioned years:

1843.....	£ 3,861,285	1848.....	£ 14,620,471
1844.....	17,870,361	1849.....	8,155,332
1845.....	60,824,088		
1846.....	162,036,224	In 7 years.....	£ 302,755,221
1847.....	40,397,395		

† ALISON'S *Europe*, vol. viii.; PORTER, 2d edit., 324, 326; MARR, ii. 681; DOUBLEDAY, ii. 398, 399.

unbounded gains and losses of the years during which the mania lasted, may be dated a great change, and one materially for the worse, in the mercantile character of the country. The old English merchant, cautious, upright, honorable, lavish in his charities, economical in his household, liberal to others, saving upon himself, has disappeared. "Namque avaritia fidem, probitatem ceterasque artis bonas subvertit; pro his superbiam, crudelitatem, deos negligere, *omnia venalia habere* edocuit. Hæc primo paullatim crescere, interdum vindicari. Post, ubi contagio quasi pestilentia invasit, civitas immutata." In the joint-stock companies which succeeded the individual direction of the old English merchant, facilities to fraud were multiplied, inducements to probity taken away. Forgery and embezzlement hoped for evasion in the careless management of the many; honesty and integrity lost their appropriate reward by their fruits being shared by numbers. Every species of fraud—false balance-sheets, false dividends, cooked accounts—were perpetrated, in some cases with long-continued concealment and immense profits. When, at length, the perpetrators of the iniquity had in general escaped, aware of what was coming, they had in time disposed of their shares to the widow and the orphan, who, deceived by their representations, bore the penalty of their sins. The *transferable* nature of the shares in these public companies added immensely to the facilities of fraud, for the shares could be disposed of before the fraud was discovered. Unfortunately, the legislature itself did not, in the general whirl, escape, at least in general estimation, unscathed; and the railway committees, pressed with business and distracted by opposite opinions from witnesses of equal respectability and skill, gave such various and contradictory decisions, that the public confidence in the wisdom and disinterestedness of their legislation was, for the time, at least, seriously impaired.*

Another consequence, of a very curious and unexpected kind, arose from the rise and extraordinary extension of railway speculation in Great Britain at this time, and this was, the division on a vital question which it occasioned in the landed interest. The first step taken by every railway company, when any new line was to be set on foot, was to endeavor to conciliate the landed proprietors through whose estates it was to pass, and this they did by offering them shares of the new undertaking, and ample sums in name of damages for the ground taken. If neither bait took, and a squire proved obdurate, he generally got such ample damages from the juries, who deemed the railway funds inexhaustible, as entirely opened his eyes and altered his views as to the comparative merit of the railway and landed interest. In this way a most important object was gained, attended with decisive effects in the great contest which immediately after ensued. The landed interest, hitherto so united, was *divided*; a considerable portion of it came to regard its interests as more identified with the railways—that is, the commercial interest, rather than with the fields—that is, the agricultural. It was the constant argument of the anti-corn-law league that the repeal of the laws protecting agriculture would immensely augment the internal traffic of the country, and that between the effects of large quantities of grain coming in, and still larger.

* ALISON'S *Europe*, vol. viii.

of minerals and manufactures going out, an unlimited amount of carriage on the railways might with confidence be anticipated. There can be no question that these views were, in fact, at least well founded; and being presented to a generation heated by the railway mania, and the very persons most likely, in the first instance, to profit by it, they proved, with many landed proprietors, extremely serviceable. Their interests as claimants on railways or owners of their shares overbalanced their interests as proprietors of the soil. Thus, as the very time when the universal distress arising from five bad seasons in succession had engendered a powerful league, which was making unheard-of efforts to abolish every remnant of protection to agriculture, an element to seduction was thrown among its defenders, which caused many of them, at the decisive moment, to disappear from the ranks in which they had hitherto been found.*

Good effects of the railway mania on the laboring classes.—The immediate effect of the vast expenditure of capital upon domestic undertakings, which the railway mania occasioned, was immense. The demand for laborers was such, that even the multitudes of workmen who came over from the neighboring island, to the number, at one time, of nearly a million, were unable to satisfy it. Wages of all kinds rose to nearly double their former amount. Common day-laborers, instead of eighteen pence, were getting half a crown and three shillings a day; colliers and ironminers six or seven shillings, instead of three shillings and sixpence or four shillings.† The price of all the materials used in railways, especially iron, rose to an extravagant height; in December, 1846, it was at £12 a ton, more than double its former price. The immense sums circulated in wages augmented to a very great degree the consumption of butcher-meat, beer, tea, sugar and all articles of wearing apparel, which diffused prosperity through the dealers in these articles. The shuttle and the hammer rang merrily; joy and gladness, for a brief space, pervaded the land. This state of general prosperity was attended, as is always the case, with one result, at which every friend of mankind must rejoice, a sensible diminution of crime. This is generally, it may be said always,

* ALISON'S *Europe*, vol. viii.

† The following figures, quoted by Sir R. PEEL in his address to the electors of Tamworth, prove the great effect of the railway expenditure in ameliorating the condition and enlarging the consumption of the people:

ARTICLES CONSUMED.	1841.	1846.
Cocoa, lbs.	1,930,764	2,962,327
Coffee, "	28,420,980	36,781,391
Currants, cwt.	190,071	359,315
Rice, "	245,887	466,961
Pepper, lbs.	2,750,790	3,297,431
Sugar, cwt.	4,065,971	5,231,845
Molasses, "	402,422	582,665
Tea, lbs.	36,681,877	46,728,208
Tobacco and snuff, "	22,308,385	27,001,908
Brandy, galls.	1,165,137	1,515,954
Geneva, "	15,404	40,211
British spirits, "	20,642,333	23,122,581
Malt charged with duty, bush.	86,164,446	41,979,000

—Sir R. PEEL to electors of Tamworth, July, 1847.—PEEL'S *Memoirs*, ii. p. 104.

the consequence of a state of prosperity and a general increase in the demand for labor. It arises in some degree, without doubt, from the lessening of the number of those unhappy persons who are forced, by actual want and suffering, into the commission of crime. But in many more instances it is to be ascribed to the giving the working classes, generally speaking, *full occupation*; a more effectual antidote against crime, in all ranks of society, than any other which human wisdom has ever yet devised.*

Effects of the railway system on commerce and manufactures.—In one respect, the general adoption of the railway system in the British islands has proved a lasting benefit, especially to the commercial and manufacturing classes. It has in a manner brought the different workshops of the empire together, and enabled each to obtain, in an incredibly short space of time, and at a comparatively trifling expense, what it requires from the other. Immense is the advantage thence accruing to all the branches of manufacture; so great, indeed, as to have lengthened the start, already sufficiently great, which Great Britain had acquired over other nations in these respects. To the agriculturists also, especially in distant localities, it has proved a very great benefit, by bringing them, in a manner, much nearer their principal markets, and enabling butcher-meat and dairy produce of every kind to be brought even from the most distant places to the metropolis and great towns; while the inhabitants there have been equally benefited, by the lessened price at which these articles can be purchased. In one respect, however, it has been attended by a consequence by no means equally satisfactory, and which has already come to exercise an important influence upon the political balance and future destinies of the state. It has enormously increased the inhabitants and wealth, and in a proportional degree augmented the political preponderance, of the great towns. The metropolis and the great commercial and manufacturing towns having become so easy of access, the concourse of the inhabitants of the country to the vast emporiums of industry, wealth and pleasure, has been increased to an unprecedented degree. The chief purchases, even by the inhabitants of the most distant counties, are now made in them. Their wealth and population, in consequence, are rapidly augmenting, while the small towns are declining, and in many of the rural districts the numbers of the people are rapidly diminishing. London is now adding 60,000 souls annually to its numbers; Glasgow, Liverpool and Manchester, from 10,000 to 12,000 each; while from the agricultural districts of Ireland 2,000,000 human beings have emigrated during the last twelve years. This is a most serious consideration, for it augments the resemblance, in many respects so close, between the state and prospects of society in the British islands and that which characterized Italy and Greece in the declining days of the Roman empire.

Beneficial effect of the railway system.—In one respect, the railway system has bequeathed a great and enduring benefit to the species, which will survive the empire which gave it birth. It has brought to the inhabitants of the towns the means of going to the country, and to the inhab-

* PORTER, 646, 658; TOOKER on Prices, 418.

itants of the country the means of going into the towns. "Railways," says Miss MARTINEAU, "were to run not only along the margin of the southern part of the island, and round the margin of the misty Scottish mountains, but through the vale in which Furness Abbey had hitherto stood shrouded, and among old cathedrals, of which the traveler might see half a dozen in a day. It was on Easter Monday, 1844, that excursion trips, with return tickets, were first heard of. Here began the benefits of cheap pleasure-trips to the hard workers of the nation. The process had begun from which incalculable blessings were to accrue to the mind, morals and manners of the people. From this time the exclusive class was to meet the humbler classes face to face. The peer and the manufacturer and the farmer were henceforth to meet and talk in the railway carriage, and have a chance of understanding each other. The proud were to part with some of their prejudice, and the ignorant with some of their ignorance; and other walls of partition than park inclosures were to be thrown down. The operative was to see new sights hitherto quite out of his reach—the ocean, the mountain, the lake, and old ruins, and new inventions; and the London artisan was, ere long, to live within sight of trees and green fields, and yet go to his work every day. As unwholesome streets in London were pulled down, hamlets were to arise at a little distance in the country, from which the humbler classes could go and return to their daily labor in the centre of the town. The diet of millions was to be improved, fish and foreign fruits being conveyed from the town into the country, and milk, butter and vegetables, fresh from the country, into the towns. Everybody's wants were to become known by the general communication about to be established, and the supply was to reach the want and the wish. The change was vast, the prospect magnificent; but this change, like every other, had to pass, at its outset, through a wilderness of difficulties."

Bill passes reducing Railway Deposits to a half.—It can hardly be supposed that a statesman so experienced as Sir R. PEEL was really deceived by the flattering and fallacious appearances which the effects of the railway mania at first exhibited, or that he imagined present prospects were to be perpetual. Certain it is, however, that he acted as if he believed this really was to be the case. Carried away by the tumult of activity and temporary prosperity which pervaded the country, he did every thing in his power, both as an individual and the head of the government, to swell the mania in which it originated. By the existing rules of Parliament a tenth of the estimated expense of every railway was required to be deposited before the bill for promoting it was introduced. A committee was appointed to consider the subject in 1844, and it recommended that the deposit-money should be reduced a half, or to a twentieth, which was immediately made the foundation of a bill, which obtained the sanction of Parliament in the same session. To this great concession in favor of speculation, the vast increase in it which so soon after took place, and the unbounded effects which thence arose, are in a great measure to be ascribed. The general fervor on the subject was ere long still further inflamed by the imposing ceremony which took place at the commencement of the Trent Valley Railway, when Sir R. PEEL in person, with a silver trowel, turned up the first sod, which was followed

by the most enthusiastic speeches on the unbounded prospects which these undertakings were to open to the country.*

Its vast Effect in stimulating these Undertakings.—To appreciate the immense effect this reduction in the sums required as deposits to be paid had in stimulating these extraordinary undertakings, it is only necessary to refer to the official account of the railways for which plans were deposited in terms of the act of Parliament up to the 31st December, 1845. The number of these lines for which plans were lodged was, in 1844, 248; but in 1845 it had risen to the enormous amount of 815! The sums deposited on the lines in the first year were £6,432,155, and the estimated sums to complete the undertakings were £44,927,000. In the succeeding year, however, the capital required to be paid on deposits for new projects was £59,136,000; the sum of £60,927,000 had been already expended on the lines in the course of execution; and the liabilities connected with the new projects, after deducting the deposits paid, amounted to the enormous and almost fabulous sum of £590,447,000! It is difficult to say to what state the country would have been reduced if these wild speculations had all been carried into execution; and nothing can illustrate so strongly the extreme peril of the course on which government had now adventured, in first passing a bank charter act, which in effect compelled the bank, and all other banks, to lower their discounts to three per cent., and then a railway act, which reduced the sums required to be paid in deposit on the projected lines from ten to five per cent.†

Flourishing State of Trade and the Revenue.—Like many other rash and imprudent courses of conduct, however fraught with lasting and perilous consequences, the measures of government at this period were attended by immediate and flattering benefits. The path which led directly over the abyss was in the outset strewn with flowers. The prosperous condition of all the great interests in the country was unequivocally evinced in the returns of its trade, manufactures, shipping and revenue. The imports between 1842 and 1847 rose from £65,000,000 to £90,000,000; and the exports from £47,000,000 to £58,000,000. The revenue, notwithstanding a reduction of taxation in these five years of about £6,000,000, which more than compensated the income-tax, had advanced from £48,500,000 to £51,500,000. The shipping in the same period rose from 4,600,000 tons to above 7,000,000 tons, indicating an increase of at least fifty per cent. in the bulk and weight of the exports and imports of the country.‡ All this took place not only without any

* ALIBON'S *Europe*, vol. viii.; DOUBLEDAY, II. 390; *Parl. Deb.* lxxiii. 516, 519; *Ann. Reg.* 1845, 178, *MART.* II. 629.

† ALIBON'S *Europe*, vol. viii.; Official Table, *Ann. Reg.* 1845, 178, *Chron.*

‡ EXPORTS, IMPORTS AND REVENUE OF GREAT BRITAIN, AND SHIPPING AND POOR RATES OF ENGLAND, FROM 1842 TO 1847, BOTH INCLUDED.

YEARS.	Exports, Declared Value.	Imports, Computed Value.	Revenue.	Shipping, Tons.	Poor Rates, England.	Number of Paupers, England.
1842.....	£ 47,851,028 ..	£ 65,304,729 ..	£ 48,590,026 ..	4,637,448 ..	£ 4,912,499 ..	1,427,187
1843.....	52,273,449 ..	70,008,858 ..	52,582,847 ..	4,977,266 ..	5,206,027 ..	1,559,490
1844.....	53,584,293 ..	85,441,556 ..	54,068,754 ..	5,297,168 ..	4,974,036 ..	1,475,761
1845.....	60,111,061 ..	85,281,958 ..	58,090,364 ..	6,031,537 ..	5,089,708 ..	1,470,979
1846.....	57,784,875 ..	75,953,875 ..	58,790,138 ..	6,914,571 ..	4,954,304 ..	1,282,039
1847.....	58,842,377 ..	90,921,866 ..	51,546,205 ..	7,083,168 ..	5,267,37 ..	1,721,256

—FORSTER'S *Progress of the Nation*, pp. 356, 399, 475, 94, 90.

increase, but with an extraordinary diminution in our imports of food, which, till the disastrous years of 1846 and 1847, which witnessed the Irish famine, had sunk to little more than 300,000 quarters of wheat a year! It must be confessed that this extraordinary flood of prosperity, enduring for five years immediately succeeding a corresponding period of unmitigated adversity which had preceded it, afforded a just subject of congratulation to the prime minister, and seemed to warrant the confidence of the country in a statesman whose magic wand had so quickly converted desolation and ruin into riches and prosperity.

Sir R. PEEL's favorable Financial Statement.—Sir R. PEEL made an adroit use of the flood of prosperity which, from a temporary cause, was thus poured upon the country, to carry out, to a much greater extent than he had hitherto done, the new commercial policy with which he conceived the well-being of the country was indissolubly wound up. He was enabled to meet the Parliament of 1845 in the most triumphant manner. The wisdom of his policy seemed to be established, beyond the possibility of doubt, by the result. Instead of the woful tale of a deficit, which under the administration of his predecessors had so often sickened the heart of the nation, he was to come forward with the glad tidings of a large surplus. Supposing, he said, the property-tax to be continued, the revenue in the year ending 5th April, 1846, would amount to £53,700,000, and the expenditure would be only £49,000,000, even after taking into account an increase of £1,000,000 for the service of the navy, which he most wisely proposed. But as £800,000 of this surplus consisted of payments from China, which would only continue a year more, he would take the income at £53,100,000, leaving a surplus of £3,400,000 when the additional estimates for the navy were taken into consideration.*

Continuance of the Income-Tax, and Repeal of more indirect Taxes.—“I now approach,” said Sir ROBERT, “the most important question of all, which is, how we are to dispose of this surplus. I propose to do so by continuing the income-tax, and making a great reduction in the duties on consumption. I would not have proposed this if I had not felt the strongest persuasion that, by continuing the income-tax, it will be in the power of the House to make arrangements with respect to taxation which will be the foundation of great future commercial prosperity, and which will add materially to the comforts of those who are called upon to contribute to it. In considering the taxes on consumption which are to be reduced, the points to be taken into view are, the weight of the taxes which enter into the price of articles of general consumption, those which press most heavily on the raw materials which constitute the staple manufactures of the country, the comparative expense incurred in their collection, and which taxes, if removed, would give most scope to the commercial enterprise of the country. These are the objects which government have had in view in the selection of taxes for reduction, which I am about to propose. I do not propose to maintain any considerable surplus of income over expenditure; but, in the conviction that the House will at all events maintain public credit, I shall propose a reduction of certain duties

* ALMON'S *Europe*, vol. viii. : *Ann. Rep.* 1845, 24; *Parl. Deb.* lxxvii. 455, 497.

which are rather onerous than productive. First, to begin with sugar, I propose to lower the duty on brown muscovado from 25s. 3d. to 14s. On East India sugar of the same description the duty to be 18s. 8d., and on free-labor foreign sugar 23s. 3d. The effect of these changes will be, I think, to lower the price of sugar 1½d. a pound, at a cost to the revenue of £1,300,000 a year. The export duty on coals I propose to take away altogether, at a cost of £120,000. On the raw materials employed in manufactures, 813 in number, I propose to remove altogether the duty on 430, which will get rid of a vast number of troublesome accounts, and no small amount of expense; and release altogether from duty the important raw materials of silk, hemp, flax, certain kinds of yarns, furniture woods, animal and vegetable manures, and a great variety of lesser articles. The entire loss to the treasury from these reductions will be only £320,000, and the relief to the country immense. The duty on cotton wool is to be entirely taken off, at a loss of £680,000 to the exchequer. The duty on glass is from 200 to 300 per cent. on the cost of the manufactured article—a burden which renders competition impossible with the manufacturers of France, Belgium and Bohemia. I propose to take this tax off altogether, which will occasion a loss to the revenue of £642,000. These reductions taken together amount to £3,338,000, being within a trifle of the surplus of £3,409,000 with which the House has to deal. In consideration of these reductions, and of the benefit they will confer upon the country, I propose the further continuance, for the limited period of three years, of the income tax."

Mr. BARING'S *Objection to it*.—On the other hand, it was contended by Mr. BARING: "Sir R. PEEL originally demanded the income tax for three years as a means of temporarily restoring the revenue, upon the promise that the tax, when this had been effected, was to be removed; but what is the state of the finances now? On the face of his own estimate, the income in the ensuing year, if you deduct from it the income tax and the Chinese payments, is only £47,900,000, and the expenditure £49,700,000, leaving a deficiency in the revenue, as it stood before it was laid on, of £1,800,000. This is a circumstance well worthy of consideration. You imposed the income tax to close a deficiency and compensate a large reduction of indirect taxation, and after a trial of three years in a period of profound and universal peace, and when the public revenues during all that time have been largely benefited by the Chinese payments, the income has not recovered itself, and but for that tax the nation would be still in an annual deficiency of nearly £2,000,000. Your boasted surplus is entirely made up of the income tax; and, markworthy circumstance, the effect of the large repeal of the indirect taxes made three years ago has not been, as was predicted, to restore the revenue in other quarters, but were it not for the direct income tax the exchequer would still be in a state of lamentable deficiency. Sir R. PEEL has calculated the surplus, even with the income tax kept on, at only £90,000; and that excess, small as it is, rests entirely upon the supposition of an increased consumption which was by no means sure of being realized. We are told that the selection of articles on which the tax is to be remitted has been made on the principle of being able to take off the entire income tax at the end of three more years; but in proceeding on that supposition, it is

much to be feared he is repeating again the too sanguine anticipations of 'Prosperity ROBINSON,' who took off taxes to the amount of three or four millions, expecting that in three years the revenue would, in consequence, increase five millions.

"The facts by no means warrant these expectations. Nothing is so fallacious in principle, or has been so often disproved in practice, as the assertion, now so often repeated, that the only way to insure an increase of the revenue is to lower the duties. The contrary has been decisively established by experience; scarcely an instance is to be found in our annals of a considerable remission of taxation being followed by such an increase of consumption as compensated the loss to the revenue. In 1816 the revenue was £71,900,000; taxes were taken off to the amount of £17,500,000; and in 1819 the revenue was only £52,155,000, showing a difference of £19,745,000; and proving that the other branches of the revenue, so far from having improved by this great reduction of taxes, had actually fallen off in the next three years by £2,000,000, even after deducting from the deficiency the whole amount of the taxes remitted. In the five years ending in 1826 the taxes remitted were £13,000,000, and the revenue was not restored by about £4,000,000. In the three years ending in 1829 the taxes taken off were £9,600,000; but even in 1839 the revenue had not recovered the loss by £4,600,000. Between 1815 and 1830 the taxes taken off were £33,000,000; and the loss to the revenue was £22,000,000. In the face of these facts, so uniform and so long continued, what ground is there for believing that the effect of the present remission of taxes will be different, or that increased consumption will now for the first time follow diminished duties? It is too evident that the expectation is entirely illusory; increased consumption will never compensate seriously diminished indirect taxation, and if the house agrees to remit the duties on consumption now proposed for reduction, it is equivalent to consenting forever to what he has himself called 'the dire scourge of direct taxation.'"^{*}

So entirely were the views of the chancellor of the exchequer in harmony with the ideas of the great majority of the house, that the bill passed, with very little opposition, by a majority of 208, the numbers being 263 to 55.

Sir R. PEEL's concluding Address.—"In proposing the measures of commercial policy," said Sir R. PEEL, "which have disintitiled them to the confidence of those who have hitherto given them their support, government had no other desire but to promote the good of the country. Our object was to avert dangers which we thought were imminent, and to avoid a conflict which we believed would place in hostile collision great and powerful classes in this country. The love of power was not their motive; for I was well aware that, whether accompanied by failure or success, one event must necessarily occur, and that was the termination of the existence of the government. I admit that the withdrawal of the confidence of many of our friends was the natural consequence of the measures we proposed; and I do think, when measures of that kind are proposed, at variance with the course heretofore proposed by minis-

^{*} *Parl. Deb.* lxxvii. 551, 554; *Ann. Reg.* 1845, 38, 39.

tere, the natural consequence is an expulsion from office. I therefore do not complain of it; any thing is preferable to attempting to maintain ourselves in office without the confidence of this House. There has been a combination which, together with the influence of government, has carried through these measures. But there is a name which ought to be associated with their success; but it is neither the name of the noble lord opposite (Lord J. RUSSELL) nor is it mine. Sir, the name which ought to be, and which will be, associated with the success of those measures, is the name of a man who, acting, I believe, from pure disinterested motives, has advocated their cause with untiring energy, and by appeals to reason, enforced by an eloquence the more to be admired that it was unaffected and unadorned—the name that ought to be, and will be associated with them, is that of RICHARD COBDEN.

“I shall now close the address which it has been my duty to make, thanking the House sincerely for the favor with which they have listened to this, my last address, in my official capacity. Within a few hours the power I have held for five years will have passed into the hands of another. I say it without repining, and with a more lively recollection of the support I have received than the opposition I have encountered. I shall, I fear, leave office with a name severely censured by many honorable men, who, on public principle, deeply lament the severance of party ties, not from any selfish or interested motives, but because they believe fidelity to party, and the existence of great parties, to be powerful instruments of good government. I shall surrender power severely censured by many honorable men, who, from no interested motives, have adhered to the principles of protection, because they looked upon them as important to the welfare and interests of the country. I shall leave a name execrated by every monopolist who, professing honorable opinions, would maintain protection for his own individual benefit. But it may be that I shall be sometimes remembered with good-will in those places which are the abodes of men whose lot it is to labor and earn their daily bread by the sweat of their brow; in such places, perhaps, my name may be remembered with expressions of good will, when those who inhabit them recruit their exhausted strength with abundant and untaxed food, the sweeter because no longer leavened with a sense of injustice.”*

* ALIBON'S *Europe*, vol. viii.; *Parl. Deb.* lxxxvii. 1054, 1056; *Ann. Reg.* 1846, 157, 159.

CHAPTER III.

FROM THE INTRODUCTION OF FREE TRADE AND FALL OF SIR ROBERT PEEL IN JUNE, 1846, TO THE SUPPRESSION OF THE CHARTIST INSURRECTION IN APRIL, 1848.

THUS WAS free trade introduced, and the great Tory party split asunder by the act of its protectionist chief! The effects of this change of policy and dislocation of parties have been great and decisive, and extended far beyond the lifetime or sphere of the persons who were instrumental in bringing it about. It has diffused, for a very long period, perhaps forever, in Great Britain, a distrust in public men—a disbelief either in fixity of policy or adherence to principle in the rulers of the State.

In 1846, the debate on colonial sugar and trade took place. Lord JOHN RUSSELL said, "that sugar had been virtually excluded from the market since the final emancipation of the slaves in 1837, a period now of nine years, and all the efforts of the producers of sugar in our own colonies have been unable to keep pace with the demand, or prevent the price of the article rising, as it is now doing, to what, as to it, amounts to a famine level. There is an absolute necessity, therefore, of recurring to the slave States for a supply of this necessary article of consumption. Indeed, the exclusion of slave-grown sugar, under the present prohibitory system, is impracticable, for the slave States are in possession of treaties under which they are entitled to demand the admission of their slave-grown sugar on the same terms as the most favored nation. Under the present system the discouragement to slavery in the slave States is more apparent than real, because the slave-growers find a market for their produce in other countries into which it obtains free admission, whence they receive supplies in return, which come from Great Britain, so that there is a virtual exchange of English manufactures for foreign slave sugar. The Spanish slave planters might just as well send their sugar direct to this country in exchange for our manufactures, as to do so by means of this intervening transaction.

"If you admit foreign slave sugar on any thing like an equality with British free-grown, you give an encouragement to slavery, and go back upon all your own enactments for the emancipation of the negroes—though specious in appearance, has no solid foundation. No such bar as is contended for in the case of sugar is imposed upon slave produce in other articles, as cotton, tobacco, copper and many others. Nobody can deny that the vast consumption of these articles, especially the two first, in this country, gives an impulse to slavery in the United States; but has any one yet been bold enough to affirm that, before admitting the American cotton into our harbors, we must insist on their solving the tremendous problem hanging over their heads in the United States, and emancipating all the negroes by whose hands the cotton has been raised? Such a proposal would be little short of insanity; and yet, if there is any foundation for the argument that we should keep up the heavy import duties on for-

eign slave-grown sugar to discourage slavery, we unquestionably, to be consistent, should apply the same principle to American slave-grown cotton."*

The Irish Famine.—It is conceded that the Irish famine of 1846, and its effects in subsequent years, form the most terrible calamity in modern times, and which, in the rapidity with which it mowed down the human race, greatly exceeded any thing recorded in the annals either of war or pestilence. Even the Moscow retreat, or the siege of Sebastopol, occasioned, while they lasted, a much less destruction of mankind. If to this we add the astonishing fact of an emigration having taken place from the country to the extent of above 2,000,000 souls in eight years after, it may safely be affirmed that the calamity, both in present magnitude and ultimate importance, is unparalleled in authentic history. It demonstrates, in the most striking manner, the enormous extent of the social evils under which Ireland labored, when Providence adopted such awful means to remedy them, and strikingly illustrates the limited extent of human vision on the subject, when narrowed by party ambition. All that the collected wisdom of the nation in the House of Commons could suggest during forty years had been to admit forty landless Catholics into Parliament, give every starving peasant with £5 a year a municipal vote, and take £200,000 a year from the church to devote it to the purposes of secular education. But if both governors and governed were grievously at fault in the conduct of Irish affairs before the visitation of Providence fell upon them, yet it must be added, to their honor, that both nobly redeemed their errors when it arrived. Never did government meet a great national calamity in a more intrepid and generous spirit; never did the distant and the affluent aid them more nobly in their efforts to mitigate it; never did the sufferers bear their pains with more patience and magnanimity, or evince a more magnificent proof of domestic affection, than in the efforts made by such as survived to extricate their relatives from the scene of woe.

Lord GEORGE BENTINCK'S project for Irish Railways.—So completely did the all-engrossing subject of the Irish famine absorb the attention both of the legislature and the public during this disastrous year, that scarcely any other subject for a long period occupied the attention of Parliament. The debates on the subject, however, which were full, earnest, and full of patriotic and philanthropic feeling, have lost much of their interest in consequence of the publication of the authentic records and parliamentary tables, of which an abstract has now been given. One project advanced on the subject deserves particular attention, both from the energy and talent with which it was supported, and the immense accumulation of facts bearing on the state of Ireland which it brought to light. Lord GEORGE BENTINCK had meditated deeply on the condition of Ireland, and the means of affording it relief; and it appeared to him that these means were to be found in the extension to that country of the causes which had relieved Great Britain in 1841 and 1842. England was then in nearly as deplorable a state as Ireland was at this time. Fifteen hundred thousand persons were then maintained by the poor-rates, of whom 483,000 were able-bodied laborers. What, then, absorbed this immense mass of starving *prolétaires*, and induced in its stead the vast

* ALISON'S *Europe*, vol. viii.

demand for labor and general prosperity of 1845 and 1846! It was ridiculous to ascribe this to the tariff and reduction of import duties. So great a change could never have been produced by lowering the price of bread a penny, and that of meat three half pence a pound, or cotton five-sixteenths of a penny. It was something affecting the *demand for labor*, not the price of commodities, which must have caused the change, and what this something was could admit of no doubt. It was railway enterprise which effected the prodigy; it was the expenditure of from fifteen to twenty millions on the wages of labor annually, for a course of years, which at once absorbed the unemployed poor, raised the remuneration they received, and, by adding immensely to their means of consumption, caused that general rise of prices which diffused general gladness and cheerfulness among all who dealt in them. It was by the extension of a similar system to Ireland that the general distress was to be mitigated, and labor employed in a permanently useful and durable form. But the poverty of the country precluded the possibility of this, except by the aid of government.*

The Panic of 1847.—The drain of gold first became serious in the beginning of April, 1847, being the time when the bills drawn to pay for the great importation of grain and flour, in the November and December preceding, became payable; in consequence of which the bank raised the rate of its discounts to 5 per cent., it having been at 3½ in the beginning of the year. In the course of the year that establishment changed the rate of its discounts *thirteen times*; and on the 5th August it was advanced to 5½, at which rate it continued till 25th October. At this time there was no undue speculation in any department of commerce or manufacture; the drain arose entirely from the immense balance of imports over exports, which the Irish famine had so fearfully augmented. The crisis, especially in the end of April, was, however, dreadfully severe. It was afterwards stated in Parliament that the 27th of that month was the most fearful day ever known in the city. Mr. BARING mentioned the case of a gentleman who was possessed of £80,000 in silver bullion, who was unable to obtain the slightest advances upon it. The bank directors, true to the principle of the act of 1844, resolutely threw out the paper even of the richest and most respectable houses; and every other bank in the country immediately did the same. Mr. LANGLEY mentioned, in the House of Commons, that in the north of England 25 per cent. was given for money. The effects were immediate and decisive. Consols, which had lately been at 93, fell to 85; exchequer bills, recently at 14 premium, were at 4 discount; mercantile paper, even of the very highest class, could nowhere be discounted. The panic was universal and unprecedented.

The crisis of 1847 was unlike any other that had ever occurred, and well illustrated the working of the new law on the subject. There was no overtrading; there was no commercial embarrassment irrespective of the monetary pressure; the credit of the Bank of England was above suspicion; there was no run upon the other banks; capital was abundant, and more than equal, as the events of the following years demon-

* ALISON'S *Europe*; DIBRAILL, *Life of BENTINCK*, 328, 329.

strated, to all the undertakings which were in hand or in contemplation. There was simply and only a want of currency* to make the advances with, because the bank, restrained by the act of 1844, could not lend money with a few hundred thousand pounds only in the banking department, though in the other end they had above £8,000,000 in the issue department!†

Lord GEO. BENTINCK and Mr. BARING.—In the parliamentary debate, Lord GEORGE and Mr. BARING took ground, that “the case of the country is such as to require prompt and immediate remedies. We are brought to a dead-lock for want of money, while the credit of the bank is yet good, and it has still £9,000,000 in its coffers, which the bank act forbids it to touch. Ought we not, then, to remove those restrictions on our currency, which keeps us, in a manner, starving in the midst of plenty, and are ruining the trade and credit of the country, and starving the people, in order to feed with gold that idol of some parties, the bank charter act? It has already become apparent that free trade and a restricted currency cannot work together; and since we have made our election to have the first, let us lose no time in repealing the last. We have seen the ruinous consequences of leaving the people to supply themselves, and trusting to the dogma that industry will right itself. There is now only alarm and panic in this country, but in a few weeks it may turn into a sad reality; for under the present system we are every day getting nearer a still more fearful state of things, the effects of which may be so disastrous that nothing like it has been experienced in Europe. How is such a calamity to be averted? Experience tells us how this is to be done in the clearest manner. In 1793 our trade was in difficulties; Mr. PITT at once relieved it by an issue of £5,000,000 to the mercantile interest. In 1816, when there were two thousand bankruptcies within the year, government postponed for three years the resumption of cash payments, which was equivalent to a large supply of notes to the money market, and the country immediately revived, and enjoyed prosperity till 1819, when cash payments were resumed, and immediately the most fearful distress followed. From this the country was rescued by an issue in 1822, of £1 and £2 notes, and an obligation to allow them to circulate for ten years. Then came the terrible crisis of 1825–’26, when the country was within twenty-four hours of barter. The crisis was stopped, not by any supply of gold, but by the accidental discovery of one million £1 notes in an old box in the vaults of the Bank of England, the issue of which immediately satisfied the wants of the country. Resting on these precedents, I think myself justified in calling on the House to set the Bank of England free, and restore confidence to the mercantile world. I would apply to the bank charter act, which had not produced any good fruit, the language which had been applied to the barren fig-tree, ‘Cut it down; why cumbereth it the ground?’

“There is at present and has been for ten days, a total want of the means of obtaining accommodation by the most solvent houses upon undoubted security, and that because the bank of England, by its charter, is unable to afford it. I know an instance where it was found impossible to raise a penny upon £80,000 worth of silver, a precious metal which is

* For currency we should read *grain*.—*Ed.*

† ALISON'S *Europe*, vol. viii.

a legal tender in most parts of the civilized world. It was not a question of price with the bank, but a question affecting its own safety. The bank could only issue notes on silver to the extent of one-fifth of the bullion in the bank; and that they had not, so they could not purchase the silver. When we come to a drain of gold to meet an unavoidable want, there must be some means of avoiding measures by which the commerce of the country will be dislocated. That commerce is carried on almost entirely on a system of credit. If you drive it to a ready money system, you at once paralyze it in the manufacturing districts. What is required is to give facilities for exports, in order to be able to pay for the corn which we must import in manufactured goods instead of bullion. But the houses in Manchester cannot carry on their trade on four months' bills, which are valueless, as they now are, when they take them for discount into Lombard-street. How can the mercantile interest carry on the export trade, which must be conducted on credit, when all accommodation was refused them? The country has exported perhaps £700,000 of gold, and the effect of this export has been to destroy property to the extent of £100,000,000! Is there any necessary connection, or any connection other than that founded on arbitrary regulation, between these two things? Foreign countries will take gold to any extent at once, but manufactures they will only take as they want them, which is during a course of years. Therefore you must give them time for the demand to grow up and the supply to be furnished. But how is either to arise, when a system is pursued in this country which is bringing all our manufactures to a state of bankruptcy?*

"It is in vain to ascribe our present difficulties either to the extent of railway enterprise, or the imprudent conduct of the Bank of England. Where were the difficulties arising from railways in August last, when the bank was discounting bills at 2½ per cent., though bills involving an expenditure of £120,000,000 had passed Parliament? The true cause of the present embarrassment is the vast exportation of gold which has taken place, partly to purchase grain, partly to pay for the balance of unrestricted imports.† It is the bank act which is grinding the trade and commerce of the country, by forcing the bank directors to contract their issues, against their wish, and against the evident interests of the country, whenever an adverse state of the exchange drives gold out of the country. It has been said that 'corporations have no souls;' but if it is so, I am sure that cabinets have no hearts. What can be so monstrous as to make the credit, enterprise and industry of a country, teeming with all the three, stagnate and go to ruin, merely because the bank cannot retain in their coffers gold—the most mercurial and evanescent of earthly things? It can be no more right that the Bank of England should be tied down beforehand to a particular amount of issues, under various circumstances, than it would be right to pass a law obliging ships in all weathers to carry either studding-sails or foresails. By this law we are put in the extraordinary position, that though trade is in danger of being

* The preceding paragraph is taken from Mr. BARING's speech.—*Parl. Deb.* xcii. 635, 636.

† Call it *overtrading* or *speculation*.—*Ed.*

destroyed for want of the assistance of the bank, and the bank is both most willing and able to give that assistance, she is shackled and prevented from doing so by the operation of this law. It is just as if, when one strong man was standing on the bank of a river in which another man was drowning, the law were to step in and bind the willing and ready arms of him on the bank, so as to make it impossible to save the other who was drowning.”*

Answer of the Government and Sir R. PEEL.—On the other hand it was argued by the chancellor of the exchequer (Mr. CARDWELL) and Sir R. PEEL: “We must take care lest, in seeking relief from the repeal of the act of 1844, we incur the risk of aggravating incalculably the present difficulties of the country. We are now suffering from an unexpected deficiency of food, from a spirit of speculation which had run riot in 1845, and from an extraordinary failure of the cotton crop, which has increased, to an unprecedented degree, the price of the raw material of one of the staple manufactures of the country. There is no country exposed to the triple pressure of three such causes which would not feel it most severely, no matter what modification may be made in the charter of the bank, or what amount of £1 notes it might have in circulation. Are the gentlemen who urge such measures aware of the state of the law which would be restored if the bank charter were repealed? Are they prepared to let in again the law by which all country banks were at liberty to issue notes to any extent, and the Bank of England might do the same on its own responsibility, and without reference to the state of the exchanges? In that case, what security will exist against a recurrence of the disorders of 1838 and 1839? The main object of the act of 1844 was to prevent these disorders; and it proposed to do this by rendering perpetual the convertibility of paper into gold. This must at all times limit the circulation, because the consciousness of the impending necessity to pay in gold will check imprudent advances. On the other hand, this risk will be instantly augmented by an issue of inconvertible paper to any amount, because the immediate effect of that will be to open the way to fresh speculations and undertakings, which can end in nothing but an increased run on the bank for gold.

“The slightest consideration of the causes which, independent of the act of 1844, have been acting, not only upon this country, but on the whole civilized world, must convince us that it is in them, and not in the operation of that act, that the real cause of the distress under which the country is now laboring is to be found. We have it on official authority that the destruction of the potatoes and cereal crops in Ireland alone has been to the extent of £16,000,000. It is difficult to over-estimate the effect of such a sudden abstraction of capital, especially when it is caused by such a calamity as a scarcity of food. Nor has the calamity been confined to this country. Scotland, France, Belgium, Holland, have also, in some degree, suffered under it, and the countries on the banks of the Rhine are sustaining extreme pressure in consequence. All these countries are looking to the United States as the only source from whence food is to be derived. What effect must not that have had in paralyzing

* ALBION'S *Europe*, vol. viii.; *Parl. Deb.* xcii. 618, 684; *Ann. Reg.* 1847, 99, 101.

our trade, in deranging our ordinary commercial speculations, and depriving us of the usual markets for our manufactures? Mr. BARING has said, that there never was a year when speculation ran riot as it did in 1845. Well, if men will speculate and run riot, depend upon it, whatever legislative measures you may pass respecting the currency, they will inevitably suffer from the consequences of their actions. Thus, in addition to the failure of food, you have speculation running riot, and such an investment in railways that, in the course of last year, applications were made to Parliament which, if all acceded to, would have required £340,000,000 to meet the undertaken engagements. In addition to all this, there was a very great failure of the cotton crop, which has enhanced enormously the price of the raw material of the great staple of our manufacture. How absurd, then, to charge the effects of these great and manifold calamities against the bank charter act!

“Are those who are now so ready to throw the blame of every disaster on the bank charter act aware that, in 1814, 1815 and 1816, when we had an inconvertible paper currency, 240 private banks failed? Recollect what took place in 1839, when the bank had the power of issuing notes irrespective of the exchanges. Why, the bank was then reduced to £1,600,000 in gold, and there was every prospect of its being unable to fulfil its engagements. Always bear in mind what was the object of the act of 1844. The main object of that act was to insure the convertibility of paper into gold, and to prevent, in times of difficulty and distress, the temptation to which it is so easy to yield, of giving accommodation by issuing paper without reference to the exchanges, and thereby purchasing temporary ease by afterward aggravating the commercial pressure by a panic which leads to a demand for gold in exchange for paper. It is of the utmost importance that, in those periods of commercial difficulty, we should not be exposed to that other difficulty which so much aggravates the first—a run upon the bank, in consequence of doubts of its ability to pay its notes in gold. What would be the state of affairs now if, in addition to the state of things so strongly dwelt on on the other side, we had a pressure on the bank for gold? What would have been the state of things if the act of 1844 had not been passed? Suppose there had been, on the part of every country bank, while this riotous speculation in railways existed, a power of fostering it by uncontrolled issues of paper; would the state of affairs have been as advantageous as it is? Severe as I admit the pressure to be, and deeply as I regret it, yet can any man deny that the act of 1844, controlling the issues by country banks in a time of rash speculation, affords security for ultimate solvency? Would not speculation, without that check, even now admitted to have run riot, have precipitated us to the verge of ruin?

“It is said the government should possess a dispensing power to authorize the bank, under extraordinary circumstances, to increase their issues. We were decidedly of opinion, when the bank charter act was passed, it should possess no such power. The whole objects of the act would have been frustrated if it was known that such a dispensing power existed in any quarter. If any functionaries, as the first lord of the treasury and the chancellor of the exchequer, possessed any such

power, application would be made to them, from all quarters, calling on them to exercise it; the precaution which individuals ought to take would be neglected, and every mere temporary pressure would be declared irremediable, otherwise than by the exercise of the power so possessed by the government. We were well aware of the memorial of the London bankers, which recommended the adoption of such a discretionary power by the government; but we declined to embrace it, being desirous to leave the responsibility of its banking operations to the bank directors, and to control them absolutely, as we have done, only in the issue department. If I thought that any relief would be afforded to the country by a relaxation of the bank charter act, no pedantic adherence to formerly expressed opinions would prevent me from recommending it. But as it is my firm belief, founded on the information at present in my possession, that any relaxation of the act authorizing the issue of £2,000,000 of notes on exchequer bills would only aggravate the evil, and purchase present relief by future suffering, I feel it my duty to give it my most decided opposition. Depend upon it, if you attempt to purchase present relief by endangering the convertibility of paper, you will inflict a severe blow on the prosperity of the country; you will shake all confidence in the medium of exchange, and depreciate the value of property of every description.”*

No resolution of the House followed on this debate, as, in truth, a motion of a mere formal nature was alone before it when it took place. The decided opinion, however, expressed by ministers and Sir R. PEEL, against any modification of the bank act, had a great effect, and encouraged the directors of the bank in that steady refusal of accommodation which, while it averted the danger from themselves, did so only by spreading it fearfully throughout the community. Some gold arrivals, however, came opportunely at this time, which postponed the risk; and the bank directors, encouraged by this circumstance, at the suggestion of the chancellor of the exchequer, considerably augmented their discounts, which had the effect of materially relieving, in the mean time, the pressure on the money market, and postponing, till the end of autumn, the catastrophe which was approaching.

This debate, however, is highly interesting, not merely as containing an admirable summary of all that either was or could be advanced on either side of this all-important subject, but as evincing a striking instance of the rhetorical skill of the very eminent statesman who took so prominent a part in defence of the bank charter act. It is not easy to say which is most to be admired—the cogency of the arguments adduced on his own side of the question, or the skill with which he evaded every consideration which tended to the other side. Sir R. PEEL observed, with truth, that one cause of the monetary crisis of 1847 was the country having “run riot” in 1845 with railway speculations; but he forgot to add, what was equally true, that that very “running riot” had been induced by his own measure in reducing the deposits on railway shares from 10 to 5 per cent., and the effect of the bank act itself, which immediately threw down the rate of discount from 4 to 2½ per cent. He

* ALISON'S *Europe*; *Parl. Deb.* xcii. 658, 690; *Ann. Reg.* 1847, 103, 105.

dwelt with justice and force on the aggravation which the railway mania would have received from an unlimited issue of notes by irresponsible country bankers when it was going on; but he seemed to be insensible to the far more serious aggravation which it had received from that act, which compelled the bank to purchase every ounce of gold brought to its doors, and thus rendered inevitable the efflux of notes, whether required or not, simultaneously with the influx of foreign treasure. He dwelt on the vehement excitement and excessive undertakings of the last three years, forgetting that this excitement, and the demand for labor consequent on it, had been the subject of constant and just self-congratulation by him when it was going on, and was ascribed by him entirely to his own free-trade measures. He described, with force and justice, the grievous nature of the deficiency of £16,000,000 in agricultural produce, which had arisen from the potato rot in Ireland, and the necessary derangement of the currency, which resulted from the purchase of so large a part of the national subsistence with gold; forgetting that this casual and passing calamity was what his free-trade measures had rendered the chronic and settled malady of the country. He dwelt on the inconveniences arising from the high price of cotton, in consequence of a shortcoming of the crop in 1846; forgetting how much the effects of that scarcity had been aggravated by the free-trade measures which had rendered the importation of that article so immense in the two preceding years.*

Commercial Embarrassments.—It was no wonder that the attention of the country was fixed on other objects than the hustings, for the appearances in the commercial world had now become threatening in the extreme. The panic, which had been so severe in April, had indeed passed away, chiefly from the announcement received in the beginning of May that the Emperor of Russia was about to invest a portion of his accumulated treasure, amounting to 30,000,000 silver roubles, (£4,750,000,) in the public funds of France and England. This was the first time that the gold mines of the Ural mountains, now producing £3,000,000 annually, had been brought, on a large scale, to bear on the money market of Western Europe, and the effect was very considerable, chiefly by diminishing the terror of an increased demand for gold to pay for the immense importations of food which were still going on. The season also was favorable, and hopes were entertained, which were happily more than realized, of an abundant harvest in autumn. From this cause, joined to the great amount of the imported grain, the prices of food fell considerably in the end of May and beginning of June; but the pressure for money, owing to the combined effect of the immense importations and heavy railway calls, was such that no reduction of the current rate of interest took place, which still remained at five per cent. The sums lent abroad in that year were £33,000,000, and the expenditure on railways £47,000,000.

Increased Monetary Pressure in August.—These causes necessarily renewed the pressure, and it became very severe in August, when the rate of discount at the bank rose to 5½, while the bank reserve sunk to

* ALISON'S *Europe*, vol. viii.; TOOKER, iv. 312, 314.

£4,704,000 against £14,000,000 liabilities; and consols, which had stood at 93 in the beginning of the year, fell rapidly to 85. These were sufficiently strong premonitory symptoms, but the government did not take the alarm, and persisted in the belief that, under the admirably constructed self-balancing system of 1844, the currency would right itself without any serious detriment to the general interests of the community. This idea was increased by the fineness of the season and abundance of the harvest, which was so remarkable that, on the suggestion of the government, a general thanksgiving was returned to Almighty God for the blessing. But though this lessened a danger of one kind, it induced another hardly less serious, which was the immediate cause of bringing on the catastrophe which was approaching. One after another the greatest houses in the corn trade came down, and with them a whole host of the lesser firms engaged in the same traffic, or involved with them in business. The effect of these failures, of course, was to augment, in a most serious degree, both the demand for money and the general alarm. Every thing tended to the same point, and that was an augmented pressure on the bank for advances which the bank charter act left them absolutely without the means of meeting. Free trade had landed the country in a balance of imports over exports, requiring for the most part to be paid in gold, which had come now to exceed £40,000,000 a year; the Irish famine had sent half as much out of the country to buy food; railway undertakings required an expenditure at home of above £40,000,000 a year, and the great houses which had so largely imported grain were assailed by a fall in the article to little more than half of its prices three months before. Never was there a time in European history when, from the combination of so many concurring causes, large bank advances to support credit and carry on undertakings were so loudly called for, and the bank had ample means to meet them, for they had still £9,000,000 in their coffers. But here the bank charter stepped in and locked up £8,000,000 sterling, amidst the universal pressure, in the issue department. Reduced to £1,000,000 in the banking department, the directors were compelled to be extremely cautious, and accordingly on 1st October they intimated that "5½ would be charged on all bills falling due before the 15th October, and that they *declined to make any advance on stock or exchequer bills.*"*

Commercial Bankruptcies.—This announcement produced, as might have been expected, a fearful impression on the stock exchange. Consols rapidly fell from 85 to 83½; exchequer bills were at 37s. discount; and such was the pressure for money that interest at the rate of 50 per cent. was given for the use of it for only nine days. The failure of mercantile firms of the oldest standing and the highest respectability, beginning with that of GOWER, NEPHEWS & Co., soon became very frequent, and much exceeded in amount any thing recorded in British history, the severe monetary crisis of 1825 itself not excepted. It soon appeared that the crash was not to be confined to the grain trade, in which it had begun, but extended to other branches of business and banking firms. On 13th October, the Abingdon old bank came down; this was followed, on the

* ALISON'S *Europe*, vol. viii.; TOOKER, iv. 314, 315; *Economist*, Oct. 9, 1847.

18th, by the stoppage of the Royal Bank of Liverpool, which was the more alarming as its paid-up capital was known to be £800,000, and it stood in the very front rank of the banking institutions of the kingdom. Consols, in consequence, fell to 77½—a fall of 15 per cent. from what they had been three months before, and the lowest point they reached during the crisis. Important bank failures ensued in Liverpool, Manchester, Lancashire and Newcastle. In the last-mentioned town the banking discredit was exceedingly severe, and the most important bank in the district had a very narrow escape from a suspension of payment.* The Bank of England reserve sunk, between 16th and 30th October, from £3,070,000 to £1,600,000, against £13,900,000 liabilities, and the bullion in both departments was only £3,300,000 on 23d October, while the notes in circulation still amounted to £21,200,000. In a word, the two weeks ending 23d October were an uninterrupted progression of disaster, discredit and dismay; and at the close of the week every thing portended not merely a crisis, but a total suspension of all business and of all payments.

Suspension of the Bank Charter Act, October 25.—Still government, supported by Sir R. PEEL, stood firm. The most earnest representations were made to them as to the state of the country, and the imminent ruin which threatened the whole of its commerce if the bank charter act were not suspended, without effect. A most respectable deputation from Liverpool, representing the trading interests of that great emporium, was coolly dismissed with an answer that the bank act must, at all hazards, be maintained. A highly important communication from the Marquis of Londonderry, as lord-lieutenant of the county of Durham, portraying the tremendous risk to which, from the suspension of credit and the want of money, the coal districts in that county were exposed, met with no better success. Even an earnest request for assistance from the Scotch banks, hitherto deemed so flourishing, failed in shaking their steady resolve to maintain, at all hazards, the convertibility of a Bank of England note. But at length they were assailed in a quarter where they had no defence, and the country, in consequence, was saved. On Friday, 22d October, the London bankers had a meeting, at which it was agreed that, if government would not sanction a deviation from the act on the part of the bank, they would withdraw their whole balances from it. This was decisive. The bankers' balances in the hands of the Bank of England were £1,774,472, and the reserve in the bank, to meet this amount, was only £1,600,025.† In these circumstances, submission was a matter of

* TOOKER, iv. 316, 317, 445, 446; *Economist*, October 23, 1847; Chancellor of Exchequer's Statement, November 30, 1847.

† "Question 2,881.—Supposing the London bankers had been, from the pressure upon them, obliged to withdraw a large amount of the balance which, I believe, equalled pretty nearly the amount of your reserve on the 22d October, what would have been the effect? On the 22d October, the reserve in London was £1,600,025, and in the country £776,447, making together £2,376,472. The bankers' balances were £1,774,472. Supposing their balances had been withdrawn from us in the course of business, we should have had an opportunity of going into the market, and, by selling securities, we should have strengthened ourselves by taking notes out of the market, and then met the bankers' demand."—Mr. MORRIS' (the governor of the Bank of England) examination; *First Report on Commercial Distress*, 1848, p. 221.

necessity. The bankers' resolution was communicated to government on Saturday, 23d, and early on Monday, 25th, the celebrated letter, signed by Lord JOHN RUSSELL and the chancellor of the exchequer was sent to the bank, authorizing a deviation from the act.* That which neither a representation of the impending ruin of Liverpool and the manufacturing districts of Lancashire, nor the prospect of a hundred thousand colliers being thrown out of bread in the mining districts could effect, was at once brought about by the dread of the bank being "checked out," in mercantile phrase, by the drafts of the London bankers. The bank was authorized to issue notes beyond the limit prescribed by the act; and, in the mean time, the rate of interest was fixed at 8 per cent.

Reflections on this Change.—Thus did the famous bank charter act, after having been three years in unrestrained operation, break down from the effect of its own provisions, but not until it had brought the country to the very verge of ruin! In the first two years of that period, it had inflamed to a most perilous degree the prevailing passion for speculation, and set on foot undertakings of the most gigantic kind, which required all the disposable capital of the country to carry forward and complete. During the last year, it acted not less powerfully in contracting the circulation and suspending credit, at the very time when *both* were most imperatively required to carry forward the undertakings which *itself* had set on foot, and meet the effects, in the drain of gold, of the combined operation of the system of free trade, recently introduced, and the Irish famine, then in its full intensity. At this critical juncture, when, beyond any other recorded in British history, liberal paper advances were most called for to sustain the credit and currency of the country, now strained to the uttermost by so many concurring causes, the bank notes in circulation in the two islands were, by the operation of the bank charter act, CONTRACTED TO THE EXTENT OF EIGHT MILLIONS below what they had been less than two years before. It may safely be affirmed that a more ruinous and suicidal act never was perpetrated by any government on any country, and it is no wonder that it produced the most disastrous effects. And at last Sir R. PEEL and the ministers were compelled, by sheer necessity, to repeal their own act, and do that which had been the one thing needful from the beginning, viz., authorize the bank directors

* "Her Majesty's government have seen, with the deepest regret, the pressure which has existed for some weeks upon the commercial interests of the country, and that this pressure has been aggravated by a want of that confidence which is necessary for carrying on the ordinary dealings of trade. They have been in hopes that the check given to transactions of a speculative character, the transfer of capital from other countries, the influx of bullion, and the feeling which a knowledge of these circumstances might have been expected to produce, would have removed the prevailing distrust. Their hopes have, however, been disappointed, and her Majesty's government have come to the conclusion that the time has arrived when they ought to attempt, by some extraordinary and temporary measure, to restore confidence to the mercantile and manufacturing community.

"For this purpose, they recommend to the directors of the Bank of England, in the present emergency, to enlarge the amount of their discounts, and advance upon approved security; but that, in order to restrain this operation within reasonable limits, a high rate of interest should be charged. In present circumstances, they would suggest that the rate of interest should not be less than 8 per cent. If this course of dealing should lead to any infringement of the existing law, her Majesty's

to "enlarge the amount of their discounts and advances upon approved security," beyond the amount authorized by law.*

Great and immediate effect of this Letter.—Never was a step taken by government attended with such immediate and beneficial effects as this. It was never required to be acted upon; the knowledge that it had been granted was of itself sufficient to dispel the panic. The statement which the chancellor of the exchequer said had been constantly made to him for a few days before: "Let us have notes; charge 10 or 12 per cent. upon them; we do not care what the rate of interest is; we do not mean to take the notes, because we shall not want them, only tell us that we can get them, and that will at once restore confidence."† In Mr. HUSKISSON'S words, on a former occasion, "the stagnant and straitened circulation of the country wanted life and aid, and became every day more embarrassed, while each new calamity produced by such a state of things contributed to spread and increase the general apprehension." In this disastrous state of things, the knowledge that the bank charter act, which was the principal cause of the embarrassment, had been set aside, acted at once as a charm in restoring the suspended vitality of the country.

government will be prepared to propose to Parliament, on its meeting, a bill of indemnity. They will rely upon the discretion of the directors to reduce, as soon as possible, the amount of their notes, if any extraordinary issues should take place within the limits prescribed by law. Her Majesty's government are not insensible to the evil of any departure from the law which has placed the currency of the country upon a sound basis; but they feel confident that, in the present circumstances, the measure which they have proposed may be safely adopted; and that at the same time the main provisions of that law, and the vital principle of maintaining the convertibility of the Bank of England note, may be firmly maintained."—We are, &c., JOHN RUSSELL, CHARLES WOOD.—TOOKE, iv. 449, 450.

* TABLE SHOWING THE WHOLE BANK'S AND BANKERS' NOTES IN CIRCULATION IN THE UNITED KINGDOM, FROM JUNE, 1844, TO DECEMBER, 1851.

MO'S ENDED,	ENGLAND AND WALES.			SCOTLAND.	IRELAND.		
	Bank of England.	Private Banks.	Joint-stock Banks.	Chartered Private & Bank of Joint-stock Banks.	Private & Total for Joint-stock Ireland.	United Kingdom.	
1844, June 22,	20,684,000	4,748,037	3,665,104	3,117,988	3,488,800	2,080,277	87,728,726
" Dec. 7,	20,936,000	4,442,725	3,086,676	3,466,818	3,900,275	2,945,046	88,847,540
1845, June 21,	21,277,000	4,393,888	3,181,109	3,485,531	3,882,600	2,786,482	88,911,505
" Dec. 6,	23,015,000	4,569,378	3,221,868	3,804,031	4,404,975	3,811,855	41,827,023
1846, June 20,	20,558,000	4,456,629	3,123,185	3,508,655	4,119,850	2,852,176	88,618,495
" Dec. 5,	21,055,000	4,590,549	3,190,417	3,996,861	4,873,025	3,464,505	40,678,867
1847, June 19,	19,078,000	4,395,608	3,038,827	3,647,814	3,327,400	2,187,551	85,664,300
" Dec. 4,	20,161,000	3,691,304	2,576,686	3,732,585	3,175,400	2,147,841	85,484,816
1848, June 17,	19,688,000	3,623,568	2,593,625	3,487,637	2,368,800	1,797,546	88,009,121
" Dec. 3,	18,792,000	3,708,728	2,727,165	3,570,126	2,851,750	2,117,800	88,672,069
1849, June 16,	19,312,000	3,540,417	2,661,300	3,880,902	2,481,775	1,564,700	82,941,064
" Dec. 1,	19,244,000	3,676,728	2,703,093	3,500,186	2,636,225	2,017,906	83,793,188
1850, June 15,	20,401,000	3,552,821	2,745,227	3,471,523	2,580,125	1,711,686	84,412,387
" Dec. 23,	19,757,000	3,450,811	2,685,543	3,845,649	2,647,600	2,209,859	84,095,962
1851, June 14,	20,154,000	3,818,765	2,805,280	3,474,171	2,460,900	1,908,018	84,216,134
" Dec. 27,	19,899,000	3,370,976	2,678,891	3,856,974	2,470,225	2,356,543	84,062,108

—Statistical Abstract, No. IV. 1842-'56, p. 84.

† ALIBSON'S Europe, vol. viii.; Parl. Deb. xcvi. 399.

The barrier which cut off the bullion in the issue department from the banking department having been removed, the pressure and apprehension which had existed for some weeks, owing to a knowledge of the smallness of the bank's reserve, and of the bullion available for banking purposes, were at once removed. Eight millions of bullion being, if required, let in to the banking department, the general terror was at an end. Hoards of bank notes and coin which had been secreted during the panic immediately came forth; and although the high rate of interest was not immediately reduced, yet merchants in good credit no longer found any difficulty in getting their notes discounted. In a word, the crisis was at an end, and the directors were ere long able to reduce the rate of interest charged at the bank, till, on 27th January, 1848, just three months after Lord JOHN RUSSELL's letter was written, it was lowered to 4 per cent.*—a decisive proof that the previous high rates had been entirely owing to a want of *currency* and not of *capital*; for unquestionably, as will immediately appear, during the intervening period the available wealth of the country, so far from increasing, had undergone a serious diminution.†

Meeting of Parliament, and Queen's Speech, Nov. 23.—As a matter of course, Parliament was called together, after this severe crisis, earlier than usual, both to deliberate on the state of the country, and to interpose the necessary sanction to the deviation authorized by ministers from the bank charter act. As might have been expected, the leading topic in the queen's speech, and in the debates which followed upon it, were the monetary crisis, and the working of that act. The speech said, "Her majesty has seen, with great concern, the distress which has for some time prevailed among the commercial classes. The embarrassments of trade were at one period aggravated by so general a feeling of distrust and of alarm, that her majesty, for the purpose of restoring confidence, authorized her ministers to recommend to the directors of the Bank of England a course of proceeding suited to such an emergency. This course might have led to an infringement of the law. Her majesty has great satisfaction in being able to inform you that the law has not been infringed, that the alarm has subsided, and that the pressure on the banking and commercial interests has been mitigated. The abundant harvest with which this country has been blessed has alleviated the evils which always accompany a want of employment in the manufacturing districts. Her majesty, however, has to lament the recurrence of severe distress in Ireland, owing to the scarcity of the usual food of the people. Her majesty trusts that this distress will be materially relieved by the exertions which have been made to carry into effect the law of last session for the support of the destitute poor. The lord-lieutenant has employed with vigor and energy the means which the law places at his disposal to detect offenders, and prevent the repetition of offences. But she feels it

* The rate of interest charged at the bank was reduced as follows:

25th October, 1847,.....	8 per cent.	27th January, 1848,.....	4 per cent.
22d November, 1847,.....	7 " "	15th June, 1848,.....	3½ " "
2d December, 1847,.....	6 " "	2d November, 1848,.....	3 " "
23d December, 1847,.....	5 " "		

—TOOKE, vol. iv. p. 330; vol. v. p. 238.

† TOOKE, iv. 319, 330

her duty to ask the assistance of Parliament in taking further precautions against the perpetration of crime in certain counties and districts of Ireland.”*

Sir R. PEEL's *Statement on the Bank Charter Act.*—Foreseeing that, in the agitated state of the commercial classes in the country, it would be impossible to prevent inquiry into the working of the bank charter act, ministers wisely resolved to take the matter into their own hands, and thereby secure the appointment of the committee of inquiry in both houses. A long and important debate, which was continued through three nights, took place on the motion made by the chancellor of the exchequer for the appointment of a committee, but as the topics and arguments were the same as those of which an abstract has already been given on a recent occasion, they need not be again recapitulated further than to notice the very important admission of Sir R. PEEL on the working of the bank charter act. The right honorable baronet said: “I do not deny that one of the objects contemplated by the act was the prevention of the convulsions which have hitherto occurred in consequence of the neglect of the Bank of England to take early precautions against the withdrawal of its treasure. I am bound to say that in that hope I have been disappointed. Looking to recent events, the depression which has since prevailed, and the numbers of houses which have been swept away, I am bound to admit that that purpose of the bill of 1844, which sought to impose, if not a legal, at least a moral obligation upon the bank, to prevent the necessity of extreme measures of stringency by timely precautions, has not been fulfilled. But the bill of 1844 had a triple object. Its first object was that in which I admit it has failed, namely, to prevent, by early and gradual, severe and sudden contraction of the currency, and the panic and confusion inseparable from it. But the bill had two other objects of at least equal importance—the one to maintain and guarantee the convertibility of the paper currency into gold, the other to prevent the difficulties which arise at all times from undue speculation being aggravated by the abuse of paper credit in the form of promissory notes. In these two objects my belief is that the bill has completely succeeded. My belief is, that you have had a guarantee for the maintenance of the principle of convertibility, such as you never had before: and that, whatever difficulties you are now suffering, those difficulties would have been greatly aggravated if you had not wisely taken the precaution of checking the unlimited issue of the notes of the Bank of England, of joint-stock banks, and of private banks.

“The country is now suffering from the diminution of its capital and the extent of its speculations, and is visiting its blame on the very measure which has prevented its difficulties being ten times greater. Every body is asking for money, and no one is willing to lend it, and parties talk of the act of 1844 being the cause of this state of things, *the real want being a want of capital*, which no government can supply. The increase of currency is not a multiplication of capital, but only a check on the industry of individuals. At all times, a low rate of interest has led to exactly the same results of increased speculation in the first instance,

* ALISON'S *Europe*, vol. viii. ; *Parl. Deb.* xov. 14 ; *Ann. Reg.* 1847, 188.

and of great embarrassment in the next. The results we now witness are ascribed by the gentlemen opposite to free trade and the act of 1844; but the history of the last sixty years proves that, in peace and in war, under the old standard, and before it was restored in the time of an inconvertible currency, as well as afterwards, a low rate of interest had always produced the same melancholy results. It was so in the panics of 1784, 1793, 1810, 1819, 1826, 1836, 1837. If you repeal the act of 1844, you will render the operations of the bank uncontrolled, and give back to joint-stock and private banks the power of unlimited issues. There has recently been undue speculation, a great issue of paper, and a discounting and re-discounting of bills, quite novel in the history of commerce. This country and the United States, with a small amount of the precious metals, possess a greater amount of bank notes and promissory notes than any country in the world. This gives great facility to enterprise, but it is accompanied by great corresponding evils. We have of late been carrying on a system of commerce far beyond our capital, and the standard ought not to be endangered for the sake of bolstering it up. In such a case, it is unjust to charge the act of 1844 as having been the cause of the deficiency of money, when men ought to be thankful for its having prevented the aggravation of their distress by checking an unlimited issue of paper.

“The present pressure, in the main caused by undue speculation, has been most seriously aggravated by the expenditure of £33,000,000 in the last year, in the purchase of food, which has caused a great exportation of gold, and by the application of an enormous capital for the construction of railways, which, though not in the end a dead loss, is, for the present, at least, unaccompanied by profit. In these causes an ample explanation of the recent embarrassment is to be found, without imputing it to the act of 1844. I cordially approve of the conduct which government adopted with regard to the bank on occasion of the crisis. The remedy for the existing evils was to be found, and could only be found, in the efforts of individuals, and in the contracting of engagements. If government had relaxed the law earlier, the exertions of individuals would have been stopped, and new engagements would have been entered into. When, however, the general distrust in the commercial world had reached the length of panic, the intervention of government to check it was justifiable and proper. No argument, however, can be drawn from the necessity of issuing the letter of 25th October against the act which it suspended, for panic is one of those cases in which not legislation, but the discretion of government, must be applied.”*

Answer of Lord G. BENTINCK and Mr. THOMAS BARING.—On the other hand, it was maintained by Lord GEORGE BENTINCK and Mr. THOMAS BARING, the last of whom had at first been a supporter of the act of 1844: “The strongest condemnation of the act of 1844 is to be found in the facts that it had not prevented the crisis, that it had not checked it after it occurred, and that, in order to stop it, an infringement of the law had become absolutely necessary. So far from having checked undue speculation, and so prevented the crisis, it had done just the reverse.

* ALIBON'S *Europe*, vol. viii.; *Parl. Deb.* xcv. 650, 674; *Ann. Reg.* 1847, 216, 219.

The theory on which the bill was founded was, that the bank would be constrained to lessen its issues of paper as the gold in its coffers was diminished, and that speculation would be checked the moment it became dangerous. Has the result corresponded to this anticipation? So far from it, the gold in the coffers of the bank, on 12th September, 1846, was £16,354,000, and its paper in circulation was then £20,980,000. On 17th April, 1847, the gold was reduced to £9,330,000, and the circulation, so far from being diminished, had *increased* to £21,228,000; that is, by £246,000! So much for the working of the bill, in giving a timely check to undue speculation.*

"The common opinion is, that if there is an over-issue of bank notes, it will drive the gold out of the country. That was the fundamental position of the famous bullion report in 1811, and it has been the basis of all our subsequent legislation on the subject. But in this case the very reverse took place; for when it was known that notes would be freely issued, *hoards* of gold immediately made their appearance, and the stock of bullion in the bank instantly began to increase. The notes came out, and, what was directly contrary to the theory, the gold came back at the same time. The effect of the infraction of the law, according to the chancellor of the exchequer's statement, was altogether magical; the whole panic ceased; the notes came out, the gold came in, all at the same time, and confidence was at once restored, all in consequence of the announced violation of the bank act. Apparently, that is an act honored more in the breach than the observance; but what is to be said in defence of an act which never proves beneficial till it is repealed? What is to be said as to the scourge of 8 per cent. inflicted on the commercial community, a direct tax to that amount, imposed not on income, but on *endangered capital*, which all must admit sweeps away all prospect, while it lasts, of commercial profit, and is confessedly a direct consequence of the act of 1844?

"We are told that it is the famine in Ireland which has caused all the distress, and it is doubtless true that a great deal of gold has gone out of the country in quest of provisions. But the real cause of it all is the combination of free trade with the bank charter act. It is not the high price of grain which has occasioned the difficulty. During the last seven years of the war the average of wheat was 94s. 6d., and yet we were able to raise £70,000,000 yearly in taxes, and borrowed £180,000,000, which was at the rate of £26,000,000 a year."

Immense effects of the Monetary Crisis of 1847.—Such was the terrible monetary crisis of 1847 in Great Britain, the most disastrous and widespread of which there is any record in the annals of mankind. Its effects, not merely in the British empire, but in both hemispheres, have been in the highest degree important, and in no instance has the agency of supreme wisdom in educing lasting good out of transitory evil been more conspicuous. Beyond all question, it was mainly instrumental in bringing to a crisis the general discontent in France, and overturning the corrupt government of LOUIS PHILIPPE; the suspension of credit, want of employment, and stagnation of industry among the workmen of Paris,

* ALISON'S *Europe*, vol. viii.; *Parl. Deb.* xc. 615.

which proved fatal to the Orleans dynasty, had its origin in the bank charter act of London. It perpetuated through a course of years the misery first induced by the famine in Ireland, and gave rise to the prodigious and long-continued exodus of the Irish people, which has ended in transferring two millions of Celts from the shores of the Emerald Isle to the transatlantic wilds. It has given comparative security and unanimity to the British empire, by extracting the thorn which had so long festered in its side, implanted by Irish suffering and envenomed by sacerdotal ambition. It has led to the overthrow of the monarchies of Austria and Prussia, and, by bringing down the reserve of legitimacy in the shape of the Russian battalions to the Hungarian plains, it subverted for a time the balance of power in Europe, impelled NICHOLAS into the career of Oriental ambition, and ultimately arrayed the forces of the West against those of the East on the shores of the Crimea. Finally, it produced in the far west and southeast effects still more lasting and important; for, by the money pressure it produced in America, it forced the United States into foreign aggression as the means of paying their domestic debts, transferred California from the lazy hands of the Spaniards, by whom its treasures had lain undiscovered for three hundred years, into the active grasp of the Anglo-Saxons; revealed to British enterprise, sent into exile by domestic suffering, the hidden treasures of Australia; and gave a permanent and beneficial impulse to the industry of the whole world, by providing a currency adequate to its increasing numbers and transactions in the treasures it brought to light in both hemispheres.

Lesson which it taught the British people.—If the ultimate effects of this great convulsion have been thus widespread and momentous, not less important is the lesson it has taught the British people as to the results of the new system on which they had adventured, and which, in the very outset, had produced such astonishing consequences. The years 1847 and 1848 are peculiarly worthy of attention to the student of British history, for they brought to light the dreadful perils of the *combination of free trade with a fettered currency* in aggravating distress, as the years 1845 and 1846 had demonstrated the dangers of the monetary system in *inflaming speculation*. It is doubtful which is in the end the most perilous, or impels a nation most certainly to the brink of ruin. The mode in which these double consecutive results have taken place is now perfectly apparent, and they both flow from one cause, viz., the establishment of a currency based entirely upon the retention of gold, coupled with a commercial system which rendered that retention impossible. This was the root of the evil; the Irish famine was an accidental circumstance, which brought the danger earlier to light, and in a more fearful form than would otherwise have occurred, but was by no means instrumental in producing it.

The Monetary Crisis was owing to Free Trade and a Fettered Currency.—That a failure to the extent of nearly a half in the staple food of a people numbering eight millions must of itself produce a frightful amount of suffering among the classes affected by it, is sufficiently apparent; and Sir R. PEEL's monetary system is nowise chargeable with that distress. But it is chargeable, and exclusively so, with the *communication of the distress from the Irish peasantry to the commercial classes of Great*

Britain, and the general collapse of credit which terminated in the suspension of the bank charter act in October, 1847. There is a very obvious connection between the failure of a staple kind of food and the distress, or even famine, of the people who live on it; but there is no natural connection between such failure and a monetary crisis in a neighboring country, accompanied with general ruin to the trading classes, and commercial embarrassment and bankruptcy for a course of years. The agricultural produce destroyed by the potato-rot in Ireland was said to be worth £16,000,000—call it £20,000,000 in the whole empire, which is probably above the mark. That is only a *fifteenth* part of the entire agricultural produce of the empire, estimated at that period at £300,000,000—a much less deficiency, *upon the whole*, than an ordinary bad harvest produces, attended with no extraordinary results. Whatever severity of local distress, therefore, such a deficiency might produce, it cannot be considered as having been, if it had stood alone, the cause of the dreadful *commercial* suffering in Great Britain. On the contrary, by raising the prices of subsistence, and stimulating commerce, it should rather have tended to augment mercantile profits, and enhance mercantile enterprise in the neighboring island. But the moment a monetary system is established, on a basis which renders the currency and advances by bankers exclusively dependent on the gold in the bank's coffers, any adventitious circumstance which occasions an unusual drain upon those coffers, which a great importation of food invariably does, produces a contraction of advances, a rise of interest, a destruction of credit, from which it requires a long course of years for any nation, even the most prosperous, to recover.

Dangers of Free Trade and a Fettered Currency.—But this is not all. The combination of free trade with a gold-dependent currency, not only necessarily renders any adventitious cause which occasions a great export of gold the forerunner of commercial embarrassment and ruin, but it perpetually keeps the nation on the verge of such a catastrophe. It augments fearfully the chance of its occurrence, more especially in an old, opulent and luxurious State. As such a community can bring into the market the fruits of the accumulated industry of several centuries, while the poor States from which it purchases subsistence can only bring the fruits of two or three years, the *means of consumption of the one infinitely exceed those of the other*. Thence the trade between them necessarily runs into a huge excess of imports over exports, the balance of which, of course, must be paid in cash. This, accordingly, has taken place in the most remarkable manner in the trade of Great Britain with all the nations from whence she imports largely rude produce, and which has terminated in a settled balance of imports over exports of from £30,000,000 to £40,000,000 a year.*

* ALLISON'S *Europe*, vol. viii.

GENERAL VIEW OF THE CONDITION OF THE BANKS IN THE UNITED STATES, FROM JANUARY, 1854 TO 1862, INCLUSIVE.

	1854.	1855.	1 856.	1857.	1858.	1859.	1860.	1861.	1862.
Number of banks,.....	1,908	1,807	1,898	1,416	1,422	1,476	1,562	1,601	1,499
Capital paid in,.....	\$ 301,376,071	\$ 333,177,238	\$ 343,374,373	\$ 370,384,656	\$ 394,632,799	\$ 401,976,243	\$ 431,630,095	\$ 429,592,718	\$ 418,139,741
RESOURCES.									
Loans and discounts,.....	557,997,779	576,144,758	624,138,930	634,454,937	538,135,243	637,153,799	601,943,530	604,773,431	644,677,730
Stocks,.....	44,360,350	52,737,033	49,433,315	59,372,929	50,303,240	63,072,449	70,344,243	74,103,519	90,011,937
Real estate,.....	22,367,473	24,073,901	20,836,371	23,124,323	23,703,384	23,976,497	31,133,121	30,763,271	33,334,643
Other investments,.....	1,539,530	3,734,040	3,320,336	4,320,336	4,073,306	3,333,081	11,332,171	13,437,011	13,843,004
Due by other banks,.....	53,010,033	55,783,735	62,499,723	63,549,233	53,047,392	73,324,357	67,333,457	63,093,049	63,933,593
Notes of other banks,.....	22,639,066	23,423,518	24,179,049	25,134,035	23,047,499	23,533,233	30,662,537	31,033,073	32,333,530
Cash items,.....	20,919,233	21,933,733	19,397,110	23,031,441	17,333,441	23,903,233	19,331,521	23,237,373	21,397,071
Specie,.....	69,410,433	53,944,046	59,314,033	53,949,333	74,413,333	104,337,313	83,674,337	37,674,337	103,143,313
LIABILITIES.									
Circulation,.....	294,639,207	134,932,223	195,747,030	314,773,333	153,903,344	133,303,313	307,103,477	303,003,737	133,794,079
Deposits,.....	133,333,744	190,400,343	312,103,432	233,331,332	133,333,043	233,333,273	233,333,133	237,333,333	293,333,433
Due to other banks,.....	90,333,133	43,103,333	32,103,333	37,433,333	51,103,333	33,333,333	33,333,333	37,333,333	31,144,033
Other liabilities,.....	13,433,376	13,069,633	12,327,337	19,310,330	14,103,713	13,043,437	14,061,313	23,333,004	31,333,330
Aggregate of immediate liabilities, i. e., of circulation, deposits, and dues to other banks,.....	443,390,113	432,509,233	461,173,533	593,504,507	393,310,386	521,090,747	516,337,334	590,310,333	541,333,333
Aggregate of immediate means, i. e., of specie, cash items, notes of other banks, and dues from other banks,.....	133,164,637	133,043,337	166,670,347	177,404,333	170,333,311	223,449,313	133,634,033	137,670,377	230,433,371
Gold and silver in United States treasury depositories,.....	23,133,333	27,133,333	23,703,431	30,063,114	10,333,333	3,033,600	3,033,333	3,000,000	3,000,000
Total of specie in banks and treasury depositories,.....	34,546,505	31,133,433	33,090,434	73,413,333	34,443,037	107,571,413	30,333,733	37,337,337	103,143,313

NOTE.—The amount of specie in the United States Depositories does not include the amount to the credit of disbursing officers. * February 5, 1862.

COMPARATIVE VIEW OF THE CONDITION OF THE BANKS IN DIFFERENT SECTIONS OF THE UNION IN 1857-'58-'59-'60-'61-'62.

SECTIONS.	BANKS AND BRANCHES.					CAPITAL PAID IN.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	498	501	505	504	511	\$ 117,951,990	\$ 119,690,498	\$ 128,449,075	\$ 138,704,708	\$ 137,991,816
Middle States,.....	459	477	485	488	495	\$ 154,449,049	\$ 154,988,927	\$ 159,791,043	\$ 160,085,840	\$ 154,868,735
Southern States,.....	140	139	146	147	143	\$ 69,077,587	\$ 65,578,183	\$ 64,888,926	\$ 63,988,692	\$ 64,989,489
Southwestern States,.....	115	116	118	111	114	\$ 49,658,853	\$ 44,254,048	\$ 50,688,594	\$ 50,541,011	\$ 49,717,688
Western States,.....	210	248	288	819	194	\$ 21,907,681	\$ 28,171,418	\$ 25,876,180	\$ 26,571,019	\$ 15,484,865
Total United States,...	1,423	1,476	1,562	1,601	1,499	\$ 384,082,799	\$ 401,976,242	\$ 421,880,095	\$ 429,992,718	\$ 418,189,741
SECTIONS.	CIRCULATION.					DEPOSITS.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	\$ 41,417,092	\$ 39,564,689	\$ 44,510,618	\$ 44,991,285	\$ 39,806,729	\$ 38,196,426	\$ 41,877,420	\$ 41,819,850	\$ 40,892,523	\$ 49,241,824
Middle States,.....	44,187,749	40,482,057	58,146,871	62,878,561	55,106,113	118,814,485	150,690,923	145,999,947	156,890,656	198,992,745
Southern States,.....	27,751,651	37,400,888	35,868,618	39,582,760	39,588,760	18,180,489	18,119,776	18,260,847	16,480,480	16,480,480
Southwestern States,.....	23,731,773	42,082,764	46,000,759	84,600,785	59,489,176	52,356,416	88,881,455	87,970,883	80,676,820	89,922,299
Western States,.....	18,128,560	24,224,425	31,580,611	30,987,066	30,882,202	8,384,283	10,868,705	10,428,413	12,450,068	11,789,280
Total United States,...	\$ 155,208,844	\$ 193,206,818	\$ 207,102,477	\$ 292,005,707	\$ 198,792,079	\$ 135,962,049	\$ 259,568,278	\$ 268,809,129	\$ 267,929,562	\$ 294,892,468
SECTIONS.	DUE TO OTHER BANKS.					OTHER LIABILITIES.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	\$ 4,999,859	\$ 9,870,024	\$ 9,887,151	\$ 9,648,488	\$ 10,014,087	\$ 8,904,554	\$ 9,819,499	\$ 1,841,091	\$ 9,811,798	\$ 10,144,408
Middle States,.....	31,820,588	42,634,966	34,819,532	36,394,080	40,082,875	8,541,063	8,731,452	8,731,452	11,079,870	24,161,148
Southern States,.....	4,999,046	6,431,226	4,680,086	7,117,889	4,113,849	9,670,560	8,683,799	6,684,618	11,079,870	9,947,487
Southwestern States,.....	199,046	9,107,271	6,784,889	7,461,891	6,188,997	2,770,116	2,994,284	2,889,407	2,485,871	7,705,951
Western States,.....	739,992	120,448	381,889	8,448,968	796,424	1,886,486	2,449,499	2,469,800	2,563,687	5,306,752
Total United States,...	\$ 51,169,875	\$ 68,215,651	\$ 58,982,918	\$ 61,976,266	\$ 61,144,082	\$ 14,166,718	\$ 15,048,427	\$ 14,661,815	\$ 28,288,004	\$ 51,578,560
SECTIONS.	LOANS AND DISCOUNTS.					OTHER LIABILITIES.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	\$ 177,896,020	\$ 179,992,400	\$ 190,186,990	\$ 194,866,619	\$ 191,747,787	\$ 1,181,869	\$ 1,306,664	\$ 1,657,908	\$ 1,489,049	\$ 8,407,991
Middle States,.....	247,669,841	284,716,148	289,086,881	304,227,908	276,048,881	26,576,900	29,994,425	31,227,499	39,821,288	68,878,363
Southern States,.....	70,040,868	77,089,922	82,231,888	79,781,790	79,582,990	9,854,805	8,625,484	9,624,777	9,947,487	9,947,487
Southwestern States,.....	64,688,845	101,468,711	101,468,711	75,873,815	75,873,815	6,998,799	8,518,268	9,177,278	8,251,799	10,448,310
Western States,.....	22,925,468	29,454,548	28,421,846	29,892,804	28,294,007	18,618,466	15,282,618	18,658,898	20,786,806	6,889,107
Total United States,...	\$ 588,165,242	\$ 657,183,799	\$ 691,946,880	\$ 690,778,421	\$ 646,677,780	\$ 80,806,969	\$ 68,802,449	\$ 70,844,348	\$ 74,004,879	\$ 99,010,987

SECTIONS.	SPECIE.					REAL ESTATE.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	\$ 6,991,617	\$ 18,774,125	\$ 10,098,162	\$ 10,097,804	\$ 12,115,555	\$ 8,810,486	\$ 8,640,875	\$ 9,544,810	\$ 9,628,549	\$ 4,161,804
Middle States,.....	38,029,756	48,971,104	83,229,061	37,749,514	45,989,614	9,596,652	10,675,795	11,481,325	11,685,609	12,127,968
Southern States,.....	6,268,319	10,679,614	10,180,810	8,119,086	8,119,086	10,376,468	6,689,680	10,318,868	10,589,680	10,589,680
Southwestern States,.....	19,796,184	81,859,092	25,999,992	25,798,477	26,670,090	4,587,788	8,720,564	3,618,580	3,192,466	8,996,266
Western States,.....	3,285,956	4,738,954	4,348,597	5,768,161	9,801,120	1,084,579	1,299,504	1,629,268	1,157,768	1,481,956
Total United States,...	\$ 74,419,832	\$ 104,287,818	\$ 88,504,687	\$ 87,674,597	\$ 102,146,215	\$ 28,785,884	\$ 25,376,497	\$ 80,789,181	\$ 80,748,927	\$ 28,298,649

SECTIONS.	OTHER INVESTMENTS.					DUE BY OTHER BANKS.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	\$ 682,708	\$ 1,044,819	\$ 1,075,879	\$ 1,141,488	\$ 318,861	\$ 12,315,458	\$ 16,888,857	\$ 14,810,758	\$ 14,015,971	\$ 18,978,564
Middle States,.....	1,015,758	1,896,619	1,819,883	8,329,149	4,893,847	20,548,884	23,187,785	20,061,485	23,623,299	23,241,119
Southern States,.....	1,951,846	4,709,185	3,047,387	3,480,780	3,480,780	5,220,888	10,193,640	7,461,775	5,188,659	5,188,659
Southwestern States,.....	1,489,090	1,628,894	1,888,068	8,328,820	4,877,568	18,188,855	21,168,683	17,817,715	7,623,188	7,684,289
Western States,.....	257,077	841,114	4,277,549	4,962,584	698,650	6,484,819	7,482,565	8,688,736	9,391,565	5,909,015
Total United States,...	\$ 6,075,906	\$ 8,223,041	\$ 11,128,171	\$ 16,657,511	\$ 18,648,006	\$ 58,022,899	\$ 78,244,987	\$ 67,235,457	\$ 58,798,990	\$ 65,254,596

SECTIONS.	NOTES OF OTHER BANKS.					CASH ITEMS.				
	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1857-'58.	1858-'59.	1859-'60.	1860-'61.	1861-'62.
Eastern States,.....	\$ 6,216,594	\$ 6,493,545	\$ 7,026,819	\$ 7,008,187	\$ 5,768,819	\$ 897,078	\$ 685,220	\$ 925,511	\$ 865,602	\$ 571,773
Middle States,.....	8,095,685	2,685,204	2,220,647	5,713,190	7,284,622	14,318,522	26,828,776	17,480,613	21,060,613	19,579,628
Southern States,.....	2,401,629	2,404,465	3,246,971	3,462,971	2,762,971	365,868	300,108	384,081	179,280	179,280
Southwestern States,.....	1,925,188	2,479,628	3,044,599	3,468,089	4,895,245	471,888	1,680,943	972,792	7,480,861	7,000,465
Western States,.....	1,925,686	2,615,012	2,644,012	2,368,046	2,907,000	441,960	300,046	360,070	271,583	290,921
Total United States,...	\$ 22,447,486	\$ 18,938,299	\$ 20,502,587	\$ 21,908,903	\$ 25,208,686	\$ 10,380,441	\$ 24,608,683	\$ 19,381,621	\$ 99,297,878	\$ 87,897,971

CONDENSED STATEMENT OF THE BANKS IN THE UNITED STATES, ON OR ABOUT JANUARY 1ST, 1862.

STATE.	NO. OF BRs.	LIABILITIES.										RESOURCES.					
		CAPITAL.	CIRCULA-TION.	DEPOSITS.	DUE TO OTHER BANKS.	OTHER LI-ABILITIES.	LOANS.	SPECIE.	REAL ESTATE.	OTHER IN-VESTMENTS.	DUE FROM OTHER BANKS.	NOTES OF OTHER BANKS.	CASH ITEMS.	SPECIE.			
Maine,.....	71	\$ 7,970,650	\$ 4,047,750	\$ 3,307,628	\$ 89,601	\$ 683,916	\$12,679,244	.....	\$ 255,000	.....	\$ 2,054,268	\$ 219,870	.....	\$ 710,899
N. Hampshire,.....	59	5,081,000	2,994,408	3,376,853	.....	61,177	8,668,941	.....	78,253	.....	907,440	208,883	.....	818,166
Vermont,.....	40	3,916,000	2,592,687	715,207	.....	61,177	6,018,780	.....	161,350	.....	753,250	.....	.....	178,893
Massachusetts,.....	153	67,344,000	19,517,806	38,956,711	8,000,266	5,999,593	111,088,928	.....	1,684,404	.....	9,137,856	4,050,980	.....	8,771,188
Rhode Island,.....	90	21,234,529	8,806,590	2,742,171	966,208	1,214,838	26,660,718	496,683	658,158	\$ 195,100	1,011,048	887,274	.....	606,977		
Connecticut,.....	75	21,794,937	6,918,018	6,142,754	964,759	2,296,534	27,056,826	2,826,613	1,381,519	183,261	4,859,377	488,223	.....	1,499,866		
TOTAL, E. States,	511	197,291,216	39,806,729	49,241,394	10,014,057	10,144,406	191,747,757	8,407,991	4,161,804	318,361	18,373,564	571,773	.....	13,115,835		
New-York,.....	302	109,408,379	30,533,930	146,215,483	34,481,615	14,152,658	198,058,966	56,273,069	9,219,379	2,179,918	18,798,709	2,191,785	18,985,778	29,103,173			
New-Jersey,.....	51	5,228,912	3,227,335	6,657,920	1,552,760	1,602,518	463,037	98,424	463,037	98,424	2,752,951	549,723	.....	1,488,108		
Pennsylvania,.....	111	26,135,690	16,384,645	23,956,370	8,979,280	6,707,005	46,749,190	10,281,700	1,868,300	2,162,166	4,700,260	446,166	.....	11,464,600		
Delaware,.....	6	409,855	445,619	405,252	53,009	137,582	1,004,088	4,500	42,369	8,604	152,125	17,283	.....	194,735		
Maryland,.....	28	13,156,979	8,794,285	6,937,603	1,167,585	1,631,140	17,440,111	856,425	540,659	8,430	1,887,068	1,460,799	150,476	8,683,471			
MIDDLE STATES,.....	498	196,368,765	65,105,112	158,982,745	40,052,575	24,191,146	276,048,851	68,873,253	13,127,998	4,392,647	28,241,119	7,884,593	19,579,673	45,989,614			
Virginia,.....	66	16,484,910	19,517,148	7,187,270	1,810,069	817,908	25,566,262	3,853,185	1,070,660	840,791	1,868,416	2,068,708	32,969	8,017,869			
North Carolina,.....	31	7,868,466	2,318,998	3,684,891	106,631	291,466	14,080,146	667,174	939,466	25,912	690,630	513,188	46,680	1,664,710			
South Carolina,.....	20	14,952,456	6,099,086	3,864,087	1,824,859	2,865,100	24,730,259	661,572	674,344	2,383,994	657,945	271,649	.....	1,688,366		
Georgia,.....	28	16,555,460	8,317,726	8,946,116	1,869,011	637,590	16,650,261	2,629,700	8,565,161	659,781	1,957,125	970,060	100,447	3,368,856			
Florida,.....	3	455,000	116,350	108,606	.....	.....	424,268	123,000	.....	12,802	40,116	774	.....	66,071
Southern States,.....	147	56,359,623	39,568,760	16,450,450	4,117,269	4,185,271	79,761,790	9,947,427	10,559,380	3,460,750	5,188,639	8,782,997	179,960	8,119,036			
Alabama,.....	8	4,976,000	5,055,393	2,485,685	2,570,855	160,592	10,894,060	566,826	171,800	23,885	1,181,330	684,601	105,786	2,715,190			
Louisiana,.....	18	24,691,844	17,050,860	6,181,374	783,869	1,019,115	26,864,618	6,463,957	2,129,418	1,598,940	.....	.....	6,078,419	13,656,068	
Tennessee,.....	35	8,466,547	4,385,714	2,998,068	885,923	1,501,993	11,943,268	768,373	617,614	1,692,498	555,676	422,969	1,021,450	1,841,268			
Kentucky,.....	44	13,453,806	7,405,015	4,860,318	1,892,787	2,096,774	15,891,666	2,546,260	689,974	.....	8,659,482	700,563	.....	5,991,063	
Missouri,.....	43	11,249,990	6,511,891	5,048,478	1,460,728	1,826,378	11,243,288	1,286,965	958,965	1,62,395	2,047,561	3,160,122	.....	2,967,163		
South W. States,	143	63,777,683	29,489,176	29,928,299	6,142,697	7,795,961	75,875,815	10,448,310	3,904,266	4,577,568	7,694,280	4,968,245	7,900,635	26,670,590			

STATE.	NO. OF BANKS.	CAPITAL.	CIRCULATION.	DEPOSITS.	DUES TO BANKS.	OTHER LIABILITIES.	LOANS.	STOCKS.	REAL ESTATE.	OTHER INVESTMENTS.	DUES FROM BANKS.	NOTES OF BANKS.	CASH ITEMS.	SPECIE.
Illinois,.....	19	\$ 4,579,985	\$ 1,415,076	\$ 9,076,546	\$ 162,894	\$ 1,400,885	\$ 6,249,043	\$ 1,353,902	\$ 854,799	....	\$ 2,012,986	\$ 445,144	\$ 61,275	\$ 4,377,259
Indiana,.....	37	6,995,860	6,941,700	5,769,865	450,665	3,418,043	10,473,063	2,677,253	704,637	....	2,823,857	1,826,066	144,845	8,986,944
Ohio,.....	55	4,418,060	9,317,930	749,928	125,623	17,898	4,384,225	233,616	95,440	\$ 19,249	864,100	65,610	11,909	37,996
Michigan,.....	4	8,419,000	1,419,423	2,841,112	1,257,718	1,257,718	4,578,512	1,850,216	317,880	864,100	464,064	698,246	61,448	804,478
Wisconsin,.....	14	720,890	1,281,478	809,987	47,876	1,064,423	1,064,912	219,123	....	831,715	884,186	....	....	725,448
Iowa,.....	4	158,000	81,236	....	....	....	....	....	9,380	7,580	....	....	....	....
Minnesota,.....	1	65,000	9,170	6,580	....	4,414	43,460	....	....	....	....	....	4,460	....
Kansas,.....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Nebraska,.....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
North W. States.	194	5,424,956	20,882,202	11,745,660	786,424	5,806,752	22,224,007	6,889,107	1,481,066	898,650	5,909,015	2,901,506	296,921	9,301,190
RECAPITULATION.														
6 Eastern States,	511	137,391,316	89,806,729	49,241,324	10,014,087	10,144,408	191,747,787	8,407,991	4,161,304	818,961	18,378,564	5,766,319	571,773	19,116,535
5 Middle States,	468	156,962,765	55,105,113	186,962,745	40,062,575	24,191,148	276,045,351	68,878,952	12,137,998	4,892,647	28,241,119	7,894,522	10,579,678	45,989,614
5 Southern States,	147	66,282,622	39,568,760	16,480,480	4,117,369	4,185,371	79,781,790	9,947,487	10,369,580	8,460,780	5,188,659	8,782,997	179,580	8,119,086
5 S. W. States,	142	62,777,683	29,459,176	29,922,299	6,147,597	6,796,961	79,878,815	10,443,310	3,994,266	4,577,568	7,694,289	4,968,245	7,200,636	26,670,990
9 N. W. States,	194	15,424,355	20,852,802	11,745,560	786,424	5,806,752	22,224,007	6,889,107	1,481,066	898,650	5,909,015	2,901,506	296,921	9,301,190
Total, U. S.,.....	1,492	418,139,741	188,792,079	396,822,408	61,144,052	51,578,590	646,677,760	99,010,937	32,326,649	18,648,006	65,256,596	25,258,559	37,837,971	109,146,315

The above tabular statement is necessarily incomplete, because we have no returns later than 1st January, 1861, from the States of Virginia, North Carolina, South Carolina, Georgia, Alabama, Louisiana, Tennessee and Florida. The aggregates reported at that time from these States are, therefore, repeated. In Arkansas, Texas and Mississippi, there have been no banking institutions for some years. The returns are partially incomplete, also, from the States of Maryland, Illinois and Delaware, the banks of which States do not publish their statements as in other States. It will be remarked, that the aggregate bank circulation in (or near) January, 1862, is nineteen millions less than at the corresponding date of 1861, and about \$24,000,000 less than in January, 1860. On the contrary, the specie had increased in January, 1862, in the sum of \$14,500,000; deposits, \$29,000,000, mainly in New-York, Philadelphia and Boston, where the government loan of 1861 had been largely taken; stocks, \$25,000,000. The decrease in the number of banks, (from 1,601 to 1,492) is mainly owing to the extinction of a large number in the States of Illinois and Wisconsin.

FINANCES OF THE UNITED STATES.

THE annual report of the Secretary of the Treasury for the fiscal year ending 30th June, 1862, was laid before Congress on Friday, December 5th. No official report from this department has been looked for more eagerly within the past thirty years. The people are seriously awake to the momentous importance of the public debt, to the vast expenditure involved by the rebellion, and to the necessity of maturing measures for the permanent restoration of the government credit, and for liquidating the debt now about to be further enlarged.

The annual report of the Treasury has at all times been an important document to the country. It is especially so now, in view of the interests at stake, and of the actual necessity of adopting measures for the faithful discharge of the obligations created by the War and Navy Departments. The report exhibits in clear language the existing state of the public finances, and the probable wants of the Treasury up to the 30th June, 1864. The Secretary, after all, is merely the government banker; and, as such, is called upon to raise funds to meet the demands of other branches of the service, as authorized by Congress. No moneys can be raised except under express provision of Congress; none can be spent except under contracts authorized by that body.

The extraordinary expenses incurred in the defence of the Union have created a debt amounting to upwards of six hundred millions of dollars. The actual debt on the 1st July, and the estimated debt at the close of the present fiscal year, and the next fiscal year, is as follow:

July 1, 1862, actual,.....	\$ 514,211,371
July 1, 1863, estimated,.....	1,122,297,403
July 1, 1864, estimated,.....	1,644,685,586

The receipts from customs, direct tax, internal revenue and other sources for the current year ending 30th June, 1863, are estimated by the Secretary at.....	\$ 180,495,345
From loans actually realized,.....	200,129,717
From loans already authorized,.....	131,021,198
And there will be required the further sum of.....	<u>276,912,517</u>

To cover the actual expenditures of the fiscal year, estimated at.....	\$ 788,558,777
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This deficit it is proposed to cover by the further issue of six per cent. bonds, without any enlargement of the present volume of United States notes beyond what may be warranted by the withdrawal of bank note circulation, or the increased range for its use as the area recovered from the rebellious States shall be enlarged.

The Secretary refers to the opinion prevalent in certain quarters as to the enlarged volume of paper circulation; but he claims that the increase is no more than commensurate with the extinction of gold and silver as a currency. He states that the bank currency in the loyal States on the 1st of November, 1861, was.....\$ 130,000,000
 And the gold and silver then in circulation was..... 210,000,000
 And government Demand notes was..... 15,000,000

Making a total in the loyal States of.....\$ 355,000,000
 Whereas the paper circulation November, 1862, was only. 377,000,000

This latter sum, showing an increase during the twelve months amounting to \$22,000,000, consisted of—

Bank circulation in the loyal States augmented to.....\$ 167,000,000
 And government circulation,..... 210,000,000

The advantages of confining the paper circulation of the country hereafter to government notes are fully commented upon by the Secretary. He undertakes to show, first, that Congress has constitutionally exclusive control over this matter; and, secondly, that the permanent interests of the people demand a paper currency guaranteed by the Treasury and secured by the public revenues; thus avoiding the fluctuations and revolutions such as have marked the progress of the country during the past thirty years, and maintaining uniformity of value throughout the country, with certainty of redemption.

This uniform circulation, the Secretary argues, should be issued through banking institutions, depositing government bonds as collaterals—the banks thus making an interest on the bonds held, and another interest on the sums loaned, equivalent, on the whole, to the profit now derived from ordinary bank circulation.

The new bureau of internal revenue will, it is thought, be more productive the second year. The revenue proper for the two years ending 30th June, 1864, is estimated as follow:

	Year 1862-63.		Year 1863-64-
Tariff,.....	\$ 68,041,736	..	\$ 70,000,000
Public lands,.....	88,724	..	25,000
Direct tax,.....	11,620,718	..	.....
Internal duties,.....	85,456,304	..	150,000,000
Miscellaneous,.....	2,244,316	..	3,000,000
	<hr/>		<hr/>
Two years,.....	\$ 167,451,798	..	\$ 223,025,000

The expenditures will of course depend upon the movements of the army and navy, and upon the results of the efforts to put down the rebellion. These extraordinary expenditures may cease within six months, or may be protracted to the year 1864. To extinguish obligations already contracted, and those which will probably arise during the present fiscal year, will in themselves demand large appropriations by Congress. The funds for this purpose must be provided under laws yet to be adopted by the present Congress.

The general conclusions at which the Secretary arrives are as follow :

" 1. He recommends that whatever amounts may be needed beyond the sums supplied by revenue and through other indicated modes, be obtained by loans, without increasing the issue of United States notes beyond the amount fixed by law, unless a clear public exigency shall demand it.

" 2. He recommends, also, the organization of banking associations for the improvement of the public credit, and for the supply to the people of a safe and uniform currency.

" 3. He recommends no change in the law providing for the negotiation of bonds, except the necessary increase of amount, and the repeal of the absolute restriction to market value and of the clauses authorizing convertibility at will."

If these views meet the concurrence and the support of Congress, the Secretary believes he will be able to maintain the public credit.

The total coinage of the year is stated to be \$65,023,658, including the refining of gold bars at New-York. The branch mint at San Francisco and the Assay Office at New-York are in active operation. The mint apparatus at New-Orleans has been greatly injured, and secreted at various points in that city, and has been recovered, but not put in operation. The coinage operations there will not be resumed at present. In view of the fact that more than nine-tenths of the gold received by the States east of the Rocky Mountains are received at New-York, the present seems a desirable period to remove the coining apparatus from New-Orleans to that city, so that a branch mint may be established there at a small cost; but upon this point the Secretary makes no remarks. The public interests as well as private interests clearly demand the establishment of such a branch mint at New-York, and we hope it will be established under a law of the present session. The creation of such a branch would not interfere in the least with the coinage operations at Philadelphia.

The views of the Secretary in reference to the currency will be approved of by the friends to a national, uniform and reliable circulation. The temptation existing of late years to expand bank issues, for the sake of profit to the stockholders, is such, that under present laws the community will always be liable to an excess of bank paper. Permanency, stability and uniformity of value should be secured; and all temptation to excess, for individual profit, should be avoided. As long as there are fifteen hundred issuers of bank paper, as at present, governed by no general laws, controlled by no principle except that of private gain, and the paper possessing no uniform value near to, or remote from, the points of issue, the country will be liable to severe revulsions. The experience of the past should dictate more prudence and restraint for the future. If banks of all the States were uniformly well managed on sound principles of finance, no recurrence of commercial revulsions would follow. But unfortunately the sound banks are exposed to the evils arising from the extravagance and speculative tendencies of a large class created merely for the purpose of an enlarged circulation. We have in this country more than thirty systems of banking, under which, expansion

and contraction, speculation and revulsion, follow each other. The conservatism of one State is followed by the rashness of another. It is under such an unfortunate and inharmonious system of systems that over one hundred so-called banks have been extinguished in two Western States during the past year, and the holders of their paper, represented to be "WELL SECURED," have suffered a loss thereon of ten to fifty per cent.

The Secretary recommends no mere paper money scheme; but, on the contrary, a series of measures looking to a safe and gradual return to gold and silver as the only permanent basis, standard and measure of values recognised by the constitution, between which and an irredeemable paper currency, as he believes, the choice is now to be made.

The Secretary alludes felicitously to the undeveloped resources of the country in its mineral regions. It has already produced nearly one thousand millions of dollars in gold since the year 1849. Its iron and copper and coal possess still greater importance. To this let us add the vast water-power of the country in connection with its manufacturing system, and the United States may, with peace, soon extinguish its national debt and become the feeder of Europe. Herein lies one great source of national wealth. We produce two hundred millions of bushels of wheat annually; one-half only of which is required for the use of our own people. The other half will go far towards the adjustment of an otherwise unfavorable balance of trade.

Assuming the early restoration of the country to its normal condition, the resumption of peace and the re-establishment of industrial pursuits among our people, the Secretary estimates a surplus annual revenue of fifty-five millions of dollars, applicable to the extinguishment of the public debt. This debt, however vast its proportions, will be rapidly extinguished upon the return of peace. If sound principles of national economy be firmly adhered to, domestic manufactures wisely protected, our grain fields equally productive, and our mineral resources carefully nursed, we may then in reality become independent of Europe and her pauper labor, and in a few years be free from debt.

The Secretary alludes to the enormous national debts and expenditures existing in Europe. Thus, Great Britain pays annually, in profound peace, three hundred and sixty-four millions of dollars; this, too, with a less population than our own; France disburses annually, as government expenditure, four hundred and twenty-one millions; and Russia two hundred and thirty millions of dollars; while our own, exclusive of the war and navy, were, until lately, less than twenty-five millions.

The report of the Secretary should inspire confidence among our capitalists and people: first, as to the facility of restoring the currency to a condition contemplated by the framers of the constitution; secondly, as to the ability of our people to withstand a heavy burden of taxation; and, finally, in the productive resources of the country, beyond all the nations of the earth.

THE NATIONAL BANKING SYSTEM.

It has been urged that in case the paper circulation of the country were to consist of United States Treasury notes, "*the rates of the commercial exchange market between Chicago and New-York will impose themselves on United States Treasury notes, redeemable in Chicago, with as little respect as on the local currency. Even gold itself cannot be kept of uniform value in the two places.*"

It is an unquestioned fact, that the difference of exchange between any two places is simply the cost of transmission of gold from one point to the other. This rule will hold good under the existing system of a bank circulation, issued by thirty or more different States. It will also be maintained in case a government note currency shall be adopted for the whole country. This was the case when notes of the Bank of the United States were at par throughout the Union, in the years 1820 to 1833, and when the rate of exchange between Western cities and Atlantic cities rarely exceeded one-half of one per cent. The greater convenience of remittance will make exchange cheaper in United States notes than in gold.

II. The second objection urged to the recommendation of the Secretary as to the adoption of government bonds, is the ground that "*Congress has already authorized the issue of Treasury notes to the extent of three hundred millions of dollars. As this exceeds by fifty millions the amount of bonds that Mr. CHASE estimates would be taken up by the banks, it is not apparent how the Treasury is to be helped by the smaller circulation.*"

This objection is not fairly stated. It will be found that of the three hundred millions authorized, there must be reserved from issue fifty millions. In fact, the demand for bonds by banking associations, under the proposed system, will be constant, and will thus contribute materially to the support of that public credit in which all persons feel a deep interest. By the agency of such associations the negotiation of government bonds will be essentially promoted among the people. Finally, it may be said that the uniformity of the proposed currency would impart stability to commercial transactions, and thus result in decided advantages both of a public and private nature.

III. "*The measure of the Secretary would be sure to launch the government on a sea of disputed opinions, and to involve the whole economy of the country with the hazards of political dissension. Mr. GUTHRIE, one of the immediate predecessors in office of Mr. CHASE, and representing on this question a long dominant party in the government, insisted, in his several reports to Congress, the constitution recognises no currency but gold and silver.*"

To this objection it may be answered:

First. That the use of Treasury notes for governmental purposes has been recommended by the Treasury Department at numerous periods from the year 1812 to 1850. It is not suggested now by the department that they be used without adequate provision for their prompt redemption in coin, at an early day after the resumption of peace.

Secondly. The proposed general use of government notes as a currency throughout the country, does not conflict with the constitutional provisions upon the subject of money. On the contrary, it may be shown that the purpose of effecting a solid and reliable currency, "to coin money, and regulate the value thereof," can be effected only by the federal government, and by its taking sole control over the paper issues of the country.

IV. "In the State of New-York alone, above thirty millions of stocks and bonds, many of the former purchased from the State at a high premium, constitute the basis of their circulation. A similar security forms the guaranty of currency in other States, the whole probably amounting to seventy or eighty millions of dollars."

In the first place, the proposed change is left to the voluntary movement of bankers and capitalists. It is no *forced measure*. It is intended for those who might prefer such a basis for banking, and will apply mainly to institutions hereafter chartered, and to those which at this time give no security for such credits.

In the next place, instead of "seventy or eighty millions of dollars" being already the amount of collateral State bonds held as security for the circulation of two hundred millions of dollars, it will be found that the aggregate deposit is less than forty millions of dollars. Thus we find, that in nine States only out of thirty-four is the principle of State bonds security adopted, and in these to the following amounts in the present year; while in two or more States, where the system was once adopted, it was subsequently abandoned, having failed, owing to the want of proper restrictions as to bonds receivable as security:

	<i>Circulation.</i>	<i>State Bonds.</i>
New-York State,.....	\$ 37,500,000	\$ 26,680,000
Massachusetts,.....	29,420,000	2,600,000
Ohio,	10,033,000	3,608,000
Illinois,.....	600,000	600,000
Indiana,.....	6,660,000	1,100,000
Missouri,.....	4,520,000	2,500,000
Wisconsin,.....	2,640,000	2,640,000
Iowa,.....	1,164,000	1,164,000
Minnesota,.....	80,000	80,000
	<hr/>	<hr/>
	\$ 92,617,000	\$ 40,972,000
Other States,.....	74,383,000	.....
	<hr/>	
	\$167,000,000	

Of the \$37,500,000 circulation of the State of New-York, about \$17,000,000 is secured by New-York State bonds, \$10,000,000 by United States bonds, \$6,000,000 by bonds and mortgages, and \$4,000,000 unsecured.

V. "Hence (it has been remarked) the body of our whole economy in the loyal States would be seriously injured by the displacement of the present basis of bank currency. Is it not manifest at a glance that great injury

must be encountered by the forcible ejection from a fixed and profitable relation of a large mass of securities not liable to be materially increased and the forcible substitution in their stead of securities which are liable to indefinite increase, and which, from that condition alone, are subject to a capricious fluctuation in the market? We have no experience that can justify an attempt so hazardous to the common interests of society. It must be clear to the feeblest comprehension that by so much as the credit and strength of the federal bonds would be improved by the plan of Mr. CHASE, an inverse injury would result to the State obligations, and to all property involved with them. Is it a sound policy to advance one interest at the expense of another, without advantage to the whole body?"

We have shown that the aggregate bank circulation of the country was, during the year 1861, about \$202,000,000, of which only \$30,000,000 was secured by deposits of State bonds. The remainder, \$170,000,000, was unsecured, except less than seven millions by bonds and mortgages, issued in part by responsible and well-conducted and legitimate banking institutions, but a large portion by irresponsible parties, under the color of law.

The inadequacy of the security in the States where miscellaneous State bonds are received is, however, practically demonstrated by the fact, that in two States only where such security is furnished, there have been, within twelve months, upwards of one hundred failures of banking institutions, whose paper is now redeemed by State authorities at rates varying from 50 to 90 cents per dollar, and in a few cases only at or near par, the deficit or loss falling upon a large portion of the people, who were involuntary creditors of these concerns. This, too, years subsequently to the disastrous revulsion of the year 1857; itself brought on by a then late adoption of the State bond system.

In the State of Illinois alone the failures of banks numbered eighty-nine this year, whose paper is redeemed by the Auditor of the State, according to official notice, as follow:

38	banks,.....	from 50 to 60 cents per dollar.
25	"	" 61 to 70 " "
11	"	" 71 to 80 " "
8	"	" 81 to 87 " "
3	"	at 95 " "
4	"	at 100 " "

In this State the securities adopted as a basis of issue included bonds of the States of Missouri, Tennessee, Virginia, North Carolina, Georgia, as well as those of Illinois and the United States, Michigan, Iowa, Ohio, &c.

In the State of New-York, where an admirable system is adopted for the security of the note-holder, the community enjoy more confidence in their local bank circulation, and it rarely happens that any loss arises from this source. But even here the system could be advantageously amended by excluding bonds and mortgages as a basis of circulation, and by confining the securities to bonds of the State of New-York and of the United States.

There are at this time upwards of nine hundred banking institutions engaged in the issue of bank notes, who give no security whatever for their circulation; in other States a partial security only, and in few States is that security given for the final redemption of such paper which a due regard to constitutional provisions and to the rights of the community would seem to demand.

The financial history of the country shows, beyond cavil or dispute, that the revulsions which have marked the century (and the past thirty years especially) have been caused by excessive issues of bank paper. The great and permanent interests of the country have been sacrificed to the rush for private profit. The success and existence of well-managed and legitimate banking institutions have been jeopardized, and in 1837 and 1857 destroyed, by the wildness and extravagance of other institutions that, under the color of law, crowded their circulation upon their communities, and failed to redeem it when called upon, thereby making a wreck and ruin of a large number of banks, sound and unsound.

The safety of the community, therefore, and the existence of well-managed banking institutions both demand, either from the general or the State governments, a system whereby redemption of bills shall be secured.

Without attempting to show the well-grounded opinions of WASHINGTON, of JEFFERSON, of MADISON and HAMILTON, in relation to the abuses of a paper currency in the early days of our history; and without attempting an exposition of the constitutional features regarding the currency, it may well be urged that the interests of the whole community are paramount to those of limited sections; that existing legislative enactments have proved insufficient to curb the tendency to excessive bank issues; that a paper currency at par throughout the whole Union, equivalent to gold and silver at all points and at all times, capable of performing invariably the immense exchanges of the country, and giving security to the note-holder, beyond contingency, can be created only by the power of the general government, and maintained inviolate by the property of the whole people, or by more stringent laws of the individual States.

It may be said, emphatically, that the States thus far have not created or authorized a paper currency possessing stability, uniformity of value and absolute certainty of redemption; but that these desirable ends can be perfectly and permanently secured by a national currency. The system recommended by the Treasury will, if adopted, thoroughly remove all liability to loss on the part of the note-holders; it will, by healthy restraints, obviate the former risks of expansion, sudden contraction and inevitable revulsion; and by a national currency, at once uniform and reliable, remove the existing causes of loss by exchange between portions of the country remote from each other.

There need be no ground for disturbance of the present relations between capital and capitalists; between State credit and that of the government. The change contemplated may be made a gradual one, unfelt by the large masses of the people, who are the only ones to be considered in deciding the question, and substituting a circulation based upon the credit, property and resources of the nation, for one issued largely by irresponsible individuals.

On the score of profit to the banks, it would appear that they will realize an interest of six per cent. on the bonds held by them, and six per cent. further on their loans, besides the ordinary profits on deposits and on exchange operations: subject only to a moderate charge for the cost of circulating notes.

VI. "The fact is notorious to all bankers and merchants, that the volume of credit was much less on the first of November, 1862, when the premium on gold was near thirty-eight per cent., than on the first of November, 1861, when it was freely paid out at par over the bank counters. The increase of the deposits was due to the fact that the weight of dealings was in cash or bank account, instead of credit, as had been the rule. The dealer was obliged to keep heavier deposits to meet his heavier cash payments. The apparent increase of bank loans was caused by advances on government certificates of indebtedness, and by direct or indirect loans to the federal Treasury. Commercial credit was everywhere contracted in an unprecedented degree. The banks could find few promissory notes to discount. There remains, then, only the thirty-seven millions of dollars increase of bank circulation, on Mr. CHASE'S theory, to account for the premium of thirty-eight per cent. on gold. Had the circulation of Treasury notes, which then reached two hundred and ten millions of dollars, nothing to do with it?"

The statement above made is at variance with the facts before us.

There was no occasion for the addition of one dollar to the bank circulation existing at the time of suspension, on or about the first day of January last. There was then sufficient for the reduced wants of business among the people.

The issue of United States notes has not, to this date, filled the vacuum caused by the extinction of gold and silver as a circulating medium in the year 1861. The government notes have not, in fact, been sufficient for the extraordinary expenses of the current year, which are tenfold those of ordinary seasons.

But the fact that expansion has taken place in the year 1862, in the shape of bank circulation and deposits, is sufficient to show that the legal restraints enforced by State authority are not sufficient to forbid expansion when the true interests of the community demand curtailment.

It is a proper subject of inquiry, as to how far the increase of bank deposits during the present year may be ascribed to the freedom with which the banks have made discounts or loans; which are in fact inscribed credits upon their books in favor of the parties for whom they are made, though called "deposits;" while the banks have relieved themselves from every obligation to meet their liabilities except by their payment in their own notes.

It would be satisfactory to know, also, how far the government notes have been used as a legitimate increase of loans, and as a power to discount.

VII. As regards the remark by our cotemporary, that the bonds now deposited in the Bank Department of New-York have reached a premium of fifteen to twenty per cent., and that the displacement of such stocks, or the substitution of United States bonds for them, would affect the price of those now pledged, as well as the whole volume of such securities, it may

be urged that this argument is the best one that could be brought forward in favor of government bonds and government credit. It is because the latter occupy a larger space, possess more importance in the eyes of the nation, and are entitled first to the consideration of the country, that they claim precedence, in this connection, over those of the individual States.

The adoption of national bonds throughout the country as a basis of bank circulation, and especially in those States where no collateral security is at present given for such issues, would at once give them greater prominence in the eyes of capitalists and the people; and the market value thus enhanced upon a part would affect favorably the whole issue of government bond securities. The whole mass of the people would thus derive a benefit by the enhanced value attained by the whole, through the use of a portion by the banking interest.

PAPER CURRENCY IN INDIA.

Extract from a letter from the American Consul at Calcutta to the Department of State.

MARCH 14, 1860.

I have the honor to inform the department that the financial measures referred to in a former despatch have been followed, on the 3d instant, by a bill for the establishment throughout India of a paper currency, the principal points in which are as follow:

1st. That notes shall be issued by the government, and the government alone, payable to bearer in sums of rupees, 5, 10, 20, 50, 100, 500 and 1,000, which notes shall be a legal tender in payment of all debts, land, revenue and other government dues included.

2d. That the country shall be divided into three presidencies and a number of subordinate circles, each containing a central bank of issue, and that all notes shall be redeemable, for cash, either at their place of issue or at the principal treasury of their presidency.

3d. That to secure the convertibility of the notes, every treasury shall be bound, at all times, to keep in reserve one-third of the cash paid in exchange for notes, the remaining two-thirds being at once invested in government securities, the interest derivable from which shall be public profit.

4th. The whole system to be under the control of currency commissioners, one for each presidency, with deputies for each circle, who are to be totally independent of the executive government.

5th. A public statement of the cash reserve in each treasury to be made monthly.

6th. Private banks to be restricted from issuing notes as at present.

AMERICAN CURRENCY IN CANADA.

THE following order has been issued under date of October 31, 1862 :
Order authorizing Collectors of Customs to make certain deductions from American Invoices.

His Excellency, the governor-general, in council, was pleased to lay before the council a memorandum of this day's date from the Hon. the Minister of Finance, stating that it has been represented to his department that the paper currency authorized and made a legal tender by the United States government has become greatly depreciated in value, and that the market value of goods in the several markets of the United States is based upon the nominal value of the said paper currency, and that the levying of duty upon this value so based is injurious to trade, and has the effect of making the duty so imposed greater than it would be if imposed upon the fair market value thereof, if such value was expressed in the standard currency of the United States, which was the only legal currency in that country where the customs laws of this province were enacted.

His Excellency was pleased to order, and it is hereby ordered, that, with a view to remedy as far as possible the evils complained of, all invoices of goods purchased on and after the 1st day of November prox., in the United States, the prices of which are based upon such depreciated paper currency, shall, upon the entry thereof, be accompanied by a certificate, under the hand and seal of a British consul, showing the per centage of depreciation of American paper currency as compared with gold, on the day of the date of such invoice ; and that collectors of customs in this province be authorized to deduct the amount of such per centage from the invoice, and compute the duties upon the amount remaining after such deductions.

CIRCULAR TO COLLECTORS OF CUSTOMS.

QUEBEC, *November 11, 1862.*

Sir,—With reference to the order of the Governor-General in council, of the 31st October last, published in the *Canada Gazette* extra of November 3d, of which a copy was inclosed to you for your guidance, I have further, by desire of the Finance Minister, to inform you that all invoices of goods purchased in the United States must be made out and presented at the custom-house, in the prevalent current prices of the United States markets, and as they would be paid for in the depreciated paper currency of that country at the time of the transaction ; and should invoices of goods purchased in American markets be presented showing the value of such goods in gold instead of such depreciated currency, it will be your duty in such cases to consult the prices current in New-York, and otherwise ascertain by any means in your power, the current

value, in such depreciated currency, of the goods mentioned in such last mentioned invoices, and thereupon to make such additions to the gold invoices as will be justified by the prices current as quoted in the *New-York Spectator* or *Journal of Commerce*. The deduction is then to be made from the amount of the invoice in accordance with the percentage of depreciation shown by the consular certificate.

I am, sir, your obedient servant,

R. S. M. BOUCHETTE.

A Decision of Commissioner of Revenue.—The Commissioner of Internal Revenue has made the following decision in reference to banks and brokers:

Licensed bankers, as well as incorporated banks, may draw and sell their own drafts on their surplus funds accumulated in the ordinary course of business in other places, without a broker's license, as their selling of such drafts is not "dealing in the exchange relating to money" within the meaning of the subject of the qualification. Banks and licensed bankers must have the licenses of brokers if they do the business of brokers, as described in the law.

Missing Treasury Certificates.—On Wednesday last, the 3d instant, there disappeared from this office a package of blank "Certificates of Indebtedness," of the denomination of five thousand dollars, numbered from 14,501 to 15,000, both inclusive. No certificates like them have ever been issued from this office, and none will ever be issued.

The true certificates of the denomination of five thousand dollars have the numbers *written on the face*, in red ink, at the upper corners, directly under the marginal border. The words "if the order blank be not filled up, this certificate, issued to _____, will be paid to bearer," are *printed on the back* of the certificates in red ink. All that have been issued since about the 1st instant, commencing about No. 11,800, have the large denomination, "5,000," printed on the face in red ink. All certificates that will issue from this office in future will be like those issued heretofore. Those in the lost package differ from the genuine in having the words above quoted, viz.: "If the order blank be not filled up, this certificate, issued to _____, will be paid to bearer," *engraved on the face* of the certificate, beginning over the vignette, and there taking the place of the border, and continued below on each end, over the engraved denominations of "5,000." The numbers are *printed* in on each end, *in red ink*, under the "5,000" denomination; the large denomination is in green ink. Certificates of the denomination of one thousand dollars, answering to the description of those lost, have been and are being issued; but none of that denomination have been lost.

On all genuine certificates there is an ornate figure or garland placed over and under each of the two scrolls containing the denominational figures "5,000." The garland matches three indentations of the scroll, running lengthwise of the certificate, and is about three-quarters of an inch wide in the centre, tapering both ways from the centre. On the lost certificates this garland does not appear.

F. E. SPINNER, *Treasurer of the United States.*

TREASURY OF THE UNITED STATES, }
Washington, December 8, 1862. }

The Boston Stock Exchange Board, in September last, elected the following officers for the ensuing year:

President, GILBERT ATWOOD; *Vice-President*, JOHN E. M. GILLEY; *Secretary*, JOHN J. SOLEY; *Treasurer*, NATHANIEL TRACY; *Standing Committee*, CHARLES L. HAYWARD, THOMAS J. LEE, GEORGE W. LONG.

AUTHORITY OF BANK OFFICERS.

Letter from the Secretary of the Treasury as to the authority of Bank Presidents and Cashiers to endorse Government Bonds.

TREASURY DEPARTMENT, *November 18, 1862.*

SIR:—Your letter of the 13th inst. is received, stating that the question has been put to you a number of times: If “United States bonds are issued in the name of a bank, the endorsement of the president of the bank is required, or whether that of the cashier will be sufficient, without proof being required of the appointment of such person as cashier. The custom has been, I understand, in New-York, in negotiating United States bonds, to require the signature of the president. Is this according to instructions from your department?”

This department has promulgated no general instructions in regard to the endorsement or assignment of coupon bonds of the United States since the regulations of 15th August, 1849. The indebtedness of the United States, which has been issued in the form of coupon bonds, was made in that shape to afford the most convenient facilities for its ready negotiation, and these regulations interposed no obstacle to the circulation of such bonds from hand to hand according to that purpose. The Treasury is only interested in the negotiation of such coupon bonds so far as to secure the due payment of their amount to the lawful holders at their maturity. Ordinary mercantile endorsements or assignments of United States coupon bonds, payable to order, were therefore expressly recognised as sufficient by these regulations, if, when they come here for the payment, the bonds were accompanied with an affidavit of ownership by the holder.

Coupon bonds issued to a bank or other corporation or its order, must, to pass the lawful title to other parties, be endorsed or assigned by the officer or agent of such corporation, who by law creating it or the by-laws under it, have been invested with the authority to transfer such property of the corporation.

In some banking corporations such authority to transfer their securities has been conferred on the cashier, in others upon the president, in others again upon a standing committee of the corporation. No general instructions can, therefore, be given by this department designating the officer of a bank authorized to endorse the coupon bonds belonging to it. The purchasers of such coupon bonds issued to a bank must satisfy themselves that the property of the bank has been transferred by the endorsement of the proper authority. Such endorsements will not be questioned here unless when a caveat shall be received previous to the redemption of the bonds, alleging forgery or other fraudulent endorsement.

S. P. CHASE, *Secretary of the Treasury.*

EZRA LINCOLN, Esq., *Assistant Treasurer, Boston.*

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, 1860, 1861 AND 1862.

New-York Stock Board.	Year 1860.		Year 1861.		June, 1862.		July, 1862.		August, 1862.		Sept., 1862.		Oct., 1862.		Nov., 1862.		11 Mo., '62.	
	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.
United States six per cent, 1868...	95	109½	80	100	108½	107½	96½	100	96½	100	96½	100	108	108½	101½	109	86	107½
United States six per cent, 1861...	..	..	85½	95½	105½	107½	96½	108	98½	101½	99	109½	109	104½	108	104½	87½	107½
U. S. five per cent, 1874, coupon...	85	104½	75	97	95½	97½	85	91	85	91	88	91½	91	94	91½	98	78	97½
Indiana State five per cent,	88	98	76	98	..	..	..	..	..	..	..	..	..	..	..	..	75	84½
Virginia six per cent. bonds,	73	98	86	81	56	59½	59	57	51	57	55½	59	56½	65½	65	65	49	65½
Tennessee six per cent. bonds,	64	98	84½	77	58½	61	47½	57½	49½	58½	48½	51	51	58½	53	53	49	61
Georgia six per cent. bonds,	109	106	58	94	..	76	..	..	78	..	..	..	..	..	80	..	66½	80
North Carolina six per cent. bonds,	76	100	44	89½	73	74	64½	73	65	67½	68	71	69	70½	69	70	60	74
California seven per cent. bonds, ..	89	95	71½	88	95½	98½	91	96	94½	100	99½	109	115½	119	114	76½	115½	..
Missouri six per cent. bonds,	61	84½	85	73½	51	58½	45	51	45½	49½	45½	50½	49½	58	50½	58½	40	58
Cumberland Coal Co, preferred, ..	8	17½	4	9½	9½	9½	7½	7½	7	8	8½	15½	9½	17	11	18½	5	17
Pacific Mail Steamship Company, ..	70	107½	50	100	115	118	104½	116½	107½	113½	109½	131½	117½	138	117½	134½	91	138
New-York Central Rail-Road,	70	92½	68	89½	88½	95½	87½	93½	89½	94½	98	104	102½	107½	101	108½	79½	107½
Erie Rail-Road shares,	8½	43	17	40½	38½	39½	38	37	38½	39½	38½	49½	49	65½	59	64½	31½	65½
Hudson River Rail-Road,	36	66	31½	49½	44	49½	43	47½	44½	54½	50	62½	61	79	73	79	35½	79
Harlem Rail-Road shares,	8	24	8½	16½	14	19½	18	17½	14½	17	15	22	20½	25½	18	28	11½	25½
Harlem Rail-Road, preferred,	37	55	20½	48	39½	45	39½	41	35	43	39	48½	46½	58½	44	53½	28½	53½
Reading Rail-Road shares,	30	49½	29½	49½	50	60	54½	59½	56	63½	56½	70	69	79	78½	83	79	83
Michigan Central Rail-Road,	84½	78½	89½	61½	69½	68½	57	68½	59½	60½	68½	81½	81½	93½	85½	91½	47	93½
Michigan S. & N. Indiana R.R., ..	5	25	10½	20½	29½	28½	29½	21½	22½	31	28½	31	39½	37½	41	47	31	47
Michigan S. & N. Indiana, guar., ..	19½	50½	50½	29½	41½	37	64	59½	60½	55½	64½	61½	74	73½	85	80½	89½	85½
Panama Rail-Road shares,	106	146½	97½	121	183	129½	128	127	138½	140½	139½	160	144	154	158½	158	110	158
Illinois Central Rail-Road shares, ..	51½	89½	50½	88½	60½	66½	59½	61½	57	63½	61½	77	76½	94½	74	81½	56½	81½
Galena and Chicago Rail-Road, ..	55	83½	55	74½	69½	73½	66½	71½	57½	67½	70½	81½	79	88	80	86	63½	89
Cleveland and Toledo Rail-Road, ..	18½	49½	20½	38½	44½	49½	45	49½	46½	54½	52½	69½	67½	78	65½	70½	53½	78
Chicago & Rock Island Rail-Road, ..	49½	54½	30½	54½	63½	69½	68½	69½	68½	69½	68½	78½	77½	86½	77½	86½	50	86½
Illinois Central Construction bonds,	81	100½	84½	103½	92	94	90½	96	95½	101½	100	107	109½	107	104½	107½	84½	107½
Pennsylvania Coal Company,	78½	87	73	81	90	93	95	97	95	99½	99	108	106	110	109½	116	79½	116
Delaware and Hudson Canal Co., ..	80	101½	79	93	99	100½	91½	97½	97½	100½	100	110	108	110	111½	118	84½	118
Premium on gold, .....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chicago, Burlington and Quincy, ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Demand Notes, .....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, 1.30 per cent.,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

THE STOCK MARKET FOR 1862.

THE market for November was a very active one, resulting in lower prices than those prevailing in October for prominent rail-road shares. New-York Central shares were $1\frac{1}{2}$ below the highest price of October; Erie, $\frac{1}{2}$; Harlem, $2\frac{1}{2}$; Reading, $\frac{3}{8}$; Michigan Central, $\frac{5}{8}$; Michigan Southern, $3\frac{1}{8}$; Galena and Chicago, 2; Cleveland and Toledo, $2\frac{1}{2}$; Chicago and Rock Island, $1\frac{1}{2}$.

In government loans the values were also slightly lower in November. The highest price of Tennessee sixes was 3 per cent. below that of October; North Carolina, $\frac{1}{2}$; California sevens, $1\frac{1}{2}$; Missouri sixes, $4\frac{1}{2}$; Pacific Mail, $8\frac{1}{2}$.

The dividend of the New-York Central Road, in November, was $3\frac{1}{2}$ per cent., free of government tax, an increase on the August dividend, but still one-half per cent. less than was anticipated. The earnings are understood to be \$4,000,000, net, which gives ten per cent. on both debt and stock. As the debt is running at 6 @ 7 per cent., and the aggregate dividend of the year is only $6\frac{1}{2}$ per cent., there must be over a million of dollars surplus of the year's earnings.

The Panama Rail-Road has declared a quarterly dividend of three per cent. out of the earnings of the road, and one per cent. additional from the earnings of steamers, &c., payable on the 5th of January; the Michigan Central Rail-Road Co. a dividend of five per cent., (five dollars per share;) Chicago and Rock Island Rail-Road Co., three per cent.; Galena and Chicago Rail-Road Co., three per cent.

A second organization for active business in the New-York Stock Exchange market, independent of the present Stock Exchange Board of Brokers, was resolved upon, by a meeting of gentlemen friendly disposed to the movement, at the Fifth Avenue Hotel. The meeting embraced a representation from the leading exchange and money brokers in Wall-street, besides the outside operators on the Stock Exchange, the most substantial of whom, in point of private wealth and respectability, took a leading part in the preliminary proceedings. Several members of firms already represented in the old board were also present, one of whom, Mr. LEONARD W. JEROME, presided. Mr. HENRY CLEWS, of LIVERMORE, CLEWS & Co., acted as Secretary. The report of a committee, previously named at an informal conference on the subject, was made by the chairman. The first step to the proposed organization was recommended to be the careful and discriminating selection of a board of managers, to consist, primarily, of nine members, to be named at the present meeting, who are to select, with a judicious view to their responsibility and usefulness, sixteen colleagues out of all the names presented in the next four or five days for membership in the new organization. And these twenty-five are to constitute the new board, until they pass upon all the other names or applications presented for membership. The meeting, after adopting this plan of preliminary organization, adjourned.

THE PRICE OF GOLD.

IN our numbers for August, September, October and November, we published the daily fluctuations in the value of gold, up to the 25th of October; the highest quotations being 137½ for gold, and 31 per cent premium for silver. This occurred on the 15th October. Since then, the lowest price was 127.

The extreme range of premium on gold, since March last, has been as follow :

April, 1862.....	1½ @ 2½	September, 1862.....	16½ @ 24
May, "	2½ @ 4½	October, "	23 @ 37½
June, "	8½ @ 9½	November, "	28½ @ 33½
July, "	8½ @ 20½	December, (to 20th,) 1862,..	28½ @ 34
August, "	12½ @ 16½		

LOWEST AND HIGHEST PRICES OF GOLD AT NEW-YORK.

Sept. 15..	117½ @ 117½	Oct. 17..	132 @ 133	Nov. 19..	130 @ 131
16..	116½ @ 117½	18..	129 @ 130	20..	130½ @ 130½
17..	116½ @ 117½	20..	127 @ 129	21..	130½ @ 130½
18..	116½ @ 117½	21..	128½ @ 132	22..	130½ @ 130½
19..	116½ @ 117½	22..	133 @ 134	24..	130½ @ 130½
20..	116½ @ 117½	23..	132½ @ 133	25..	129½ @ 130
22..	117½ @ 117½	24..	130½ @ 132½	26..	129½ @ 129½
23..	117½ @ 118½	25..	130 @ 131½	27..	Holiday.
24..	118½ @ 119	27..	130 @ 131½	28..	129½ @ 129½
25..	120 @ 120½	28..	131½ @ 132½	29..	129 @ 129½
26..	120½ @ 120½	29..	131½ @ 131½	Dec. 1..	128½ @ 131½
27..	121½ @ 121½	30..	130½ @ 130½	2..	131 @ 131½
29..	121½ @ 123½	31..	129½ @ 130	3..	131 @ 132
30..	121½ @ 124	Nov. 1..	129½ @ 131½	4..	133 @ 134
Oct. 1..	122 @ 122½	3..	130½ @ 131½	5..	131½ @ 132½
2..	122½ @ 123	4..	129½ @ 131½	6..	130½ @ 132
3..	122½ @ 122½	5..	131½ @ 132½	8..	131½ @ 131½
4..	122½ @ 123	6..	131½ @ 132	9..	132½ @ 132½
6..	123 @ 123½	7..	131½ @ 132	10..	132½ @ 132½
7..	123½ @ 124	8..	132 @ 132½	11..	132½ @ 132½
8..	124½ @ 125	10..	132½ @ 133½	12..	131½ @ 131½
9..	126 @ 126½	11..	131 @ 132½	13..	131½ @ 132
10..	127 @ 129	12..	131½ @ 132	15..	131½ @ 132½
11..	128 @ 128½	13..	131½ @ 132	16..	132 @ 132½
13..	129 @ 130½	14..	132 @ 133	17..	132½ @ 133
14..	132 @ 133½	15..	131½ @ 132	18..	132½ @ 132½
15..	134 @ 137½	17..	132 @ 132½	19..	132½ @ 132½
16..	132½ @ 135	18..	131½ @ 132	20..	132 @ 132½

The highest price of the month, it will be perceived, was on the 4th December, when public rumor, in Wall-street, assigned to the Treasury Report (then not communicated to Congress) a proposition to enlarge the Treasury note circulation. This, it was soon ascertained, was not a part of the report; the price has since ranged from 130½ to 133.

BANK STATISTICS.

I. Banks of the State of New-York—1860—1861—1862.

COMPARATIVE TABLE OF THE BANKS OF THE STATE OF NEW-YORK,
1859—1862, FROM THE QUARTERLY REPORTS.

RESOURCES.	Sept., 1860.	Dec., 1861.	March, 1862.	June 28, '62.	Sept. 27, '62.
Loans.....	\$ 200,118,334 ..	\$ 191,068,141 ..	\$ 162,017,978 ..	\$ 184,501,261 ..	\$ 165,568,063
Overdrafts,	423,892 ..	868,866 ..	881,606 ..	481,799 ..	567,511
Due from banks,	17,167,010 ..	18,798,709 ..	17,849,320 ..	31,730,212 ..	24,071,691
Real estate,	8,865,900 ..	9,218,788 ..	9,476,488 ..	9,609,060 ..	9,592,765
Specie on hand,	21,710,828 ..	29,102,715 ..	34,801,099 ..	32,822,698 ..	39,238,981
Cash items,	22,918,941 ..	18,995,778 ..	21,720,544 ..	34,439,378 ..	38,121,185
Stocks and mortgages,	26,609,787 ..	68,258,884 ..	70,755,648 ..	71,697,720 ..	118,753,710
Bills of other banks,...	2,509,601 ..	2,121,735 ..	3,436,728 ..	9,970,191 ..	'25,173,642
Loss and expense,	931,423 ..	1,811,547 ..	1,009,475 ..	1,192,969 ..	902,594
Total resources,	\$ 311,245,855 ..	\$ 384,755,653 ..	\$ 320,948,869 ..	\$ 366,830,908 ..	\$ 416,990,142
LIABILITIES.	Sept., 1860.	Dec., 1861.	March, 1862.	June 28, '62.	Sept. 27, '62.
Capital,	111,831,347 ..	\$ 109,403,379 ..	\$ 103,665,619 ..	\$ 108,632,706 ..	\$ 103,606,063
Circulation,	31,759,127 ..	30,553,090 ..	23,330,973 ..	32,727,839 ..	37,557,373
Profits undivided,	13,816,468 ..	14,152,157 ..	12,112,183 ..	14,731,695 ..	14,268,374
Due banks,	29,706,636 ..	34,431,615 ..	33,181,599 ..	50,569,676 ..	60,421,247
Due other than banks,	2,352,961 ..	2,501,299 ..	1,757,045 ..	1,676,746 ..	1,800,115
Treasurer of the State,	3,569,307 ..	3,915,976 ..	3,697,799 ..	3,581,798 ..	5,845,661
Due depositors,	116,190,466 ..	125,178,984 ..	124,989,259 ..	150,433,244 ..	136,890,795
Miscellaneous,	2,615,678 ..	14,619,278 ..	3,215,892 ..	2,631,964 ..	2,079,995
Total liabilities,	\$ 311,245,855 ..	\$ 384,755,653 ..	\$ 320,948,869 ..	\$ 366,830,908 ..	\$ 416,990,142

The English and Irish Bank.—This is the most important new undertaking that has been brought forward during the present month. Organized with a respectable board of direction, its object, as described by the prospectus, is to afford additional banking accommodation to the trading communities in the principal cities of Great Britain and Ireland. A want occasionally experienced amongst merchants and manufacturers is likewise to be met by this company, which proposes to make advances for a limited period on produce or merchandise. This is a kind of accommodation which, in many instances, can only be produced under present arrangements at heavy rates of interest and commission. The first branches are to be opened in Southwark, Bristol, Dublin and Cork, but the business of the bank is subsequently to be extended to the principal trading and manufacturing towns of the United Kingdom. The general management, however, will be vested in the London board. The project is framed upon a scale of considerable magnitude, the capital being fixed at £2,000,000, but the first issue is judiciously limited to one-half of that amount. It is not proposed to call up more than £20 per share, thus leaving £80 per share, (in addition to the amount which may be annually set aside out of the profits,) as a guarantee fund to the customers of the bank. A stipulation suggestive of confidence, and which we should be glad to see introduced into the prospectuses of all new companies, provides that, in the event of less than three-fourths of the proposed first issue of shares being applied for, no allotment will be made, and the deposits will be returned without any deduction for expenses.—*London Money Market Review, November, 1862.*

BANK ITEMS.

ILLEGAL BANKING.—District Attorney SHAFER, of Albany, acknowledges the receipt of the following document, which has doubtless been sent to officials in other districts, and declares his purpose of enforcing the penalties:

STATE OF NEW-YORK, BANK DEPARTMENT, }
ALBANY, Nov. 14, 1862. }

IRA SHAFER, *Esq.*, District Attorney:

The numerous and constantly increasing violations of the law against "unauthorized banking," which exist in our midst, would seem to call for the intervention of the public authorities.

The action of the corporation of this city, in authorizing the issue of notes in its name, representing fractional parts of a dollar, found an apology in the inconvenience resulting from the withdrawal of silver coin from circulation. Being the act of a municipal body, it held out an assurance against ultimate loss through a failure to redeem the currency issued.

But this example is now being imitated by private individuals, and each day adds to the number of those who are violating the law, and increasing the hazards of the community by issuing notes to circulate as money, without the security prescribed by law for their ultimate redemption.

Under these circumstances I am but fulfilling a public duty in calling upon you to enforce the penalties prescribed against those who shall continue, after due notice, to make the interests of the public subordinate to private cupidity.

Respectfully, your obedient servant,

H. H. VAN DYCK, *Superintendent.*

New Banks.—The following banks have reported for the third quarter of the year 1862. Those with a * are individual banks.

<i>Location.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Bank of Otego, Otego,.....	WILLIAM N. NOBLE,.....	SAMUEL E. FOLLETT,...	\$ 100,000
*Bellinger Bank, Herkimer,.....	P. E. BELLINGER,.....	H. H. BELLINGER, ...	10,000
*J. A. Clark & Co.'s Bank, Pulaski,...	J. A. CLARK,.....	C. A. CLARK,.....	10,000
*E. S. Rich & Co.'s Ex. Bk., Buffalo,...	E. S. RICH,.....	J. M. KENDALL,.....	100,000
*Joshua Pratt & Co.'s Bank, Sherburne, .....	.....	.....	50,000
Lincoln Bank, Clinton,.....	WILLIAM C. CHURCHILL,...	C. E. MARSTON,.....	100,000
*Q. W. Wellington & Co.'s Bank, Corning,.....	Q. W. WELLINGTON,.....	SAMUEL RUSSELL, Jr.,	90,000
T. O. Grannis & Co.'s Bank, Utica,....	T. O. GRANNIS,.....	P. H. THOMAS,.....	.....
Bank of Ontario, Canandaigua,.....	H. S. MESSENGER,.....	J. H. TRIPP,.....	.....

New-York City.—Mr. EDMUND WILSON has been appointed Assistant Cashier of the American Exchange Bank, New-York, in place of Mr. G. L. HAIGHT, resigned. Mr. HAIGHT has associated himself with Mr. A. M. CAHOONE, a member of the New-York Stock Exchange, under the firm of HAIGHT & CAHOONE, and will transact a stock commission business at No. 51 Exchange Place. Mr. HAIGHT has been favorably known to the public for some time in the American Exchange Bank, and both members of the firm have had many years experience in the banking business.

The city councils have finally passed an ordinance providing for the issue of \$3,000,000 of small notes, of the denominations of *five, ten, twenty-five* and *fifty* cents, payable in current funds, on demand, in sums of \$5 and upwards. This ordinance, virtually securing for the corporation a loan of \$3,000,000 in exchange for notes, is a necessity growing out of the scarcity of change in this city.

Attica.—A. R. WARNER has been appointed Cashier of the Farmers' Bank of Attica, N. Y., vice D. E. WAITE.

Whitesboro.—Hon. S. NEWTON DEXTER, for many years President of the Bank of Whitesboro, died at Whitesboro, N. Y., 18th November, aged 77. His name is intimately connected with the history of manufacturing in Oneida county, and with

its growth and progress. He was from 1840 to 1842 Canal Commissioner, and, as a business man, was widely and favorably known.

Bank Shares.—The following sales of stocks were made at auction recently:

10 shares Bank of Geneva, N. Y.,.....	109	25 shares New-Orleans Canal Bank,.....	100
19 " Bank of Louisiana,.....	100	20 " Commercial Bk., New-Orleans.	60
10 " Bank of Troy,.....	90	75 " Chemical Bank,.....	509
10 " Jefferson County Bank,.....	91	10 " Farmers' and Citizens' Bank of	
23 " New-York State Bank, Albany.,	125½	L. L., \$20 each,.....	76½
20 " Bank of Genesee, Batavia.....	116	10 " Farmers' and Citizens' Bank of	
80 " Exchange Bank, Lockport,....	85	L. L.,.....	77

The Chemical Bank shares were bought by R. L. & A. Stuart at 502. The par value is 100, but the large accumulations, under a retention of dividends early in the existence of the bank, enables it now to make six per cent. quarterly dividends.

Buffalo.—An exchange paper says that "Col. LUM. SMITH, the famous 'bill-poster' of Buffalo, having accumulated a tolerable fortune by habits of strict attention to business, temperance, etc., has recently opened a banking house in Buffalo, and is doing a flourishing business. Here is an evidence of what may be accomplished by resolute and indomitable energy, combined with integrity and virtue."

MATTHEW MORGAN, the well-known merchant and banker, died suddenly in New-York, on the 19th Nov., aged 65. Mr. M. laid the foundation of his large fortune as a merchant in the city of New-Orleans, and subsequently returned to New-York, where he established a private banking house in the foreign exchange. He was the principal owner of the New-York Hotel property, and held, before his decease, other large real estate interests in New-Orleans and New-York.

CHARTERED BANKS OF THE STATE OF NEW-YORK.

The charters of the following banks expired in the year 1862:

	Capital	Authorized Circulation	Circulation Sept., 1862.
1. Bank of Orange County, Goshen,.....	\$ 105,680	.. \$ 178,000	.. \$ 230,800
2. Bank of Rome, Rome,.....	100,000	.. 150,000	.. ..
3. Bank of Salina, Syracuse,.....	150,000	.. 175,000	.. ..
4. Essex County Bank, Keeseville,.....	100,000	.. 150,000	.. ..
5. Schenectady Bank,.....	150,000	.. 175,000	.. 161,000
6. Steuben County Bank, Bath,.....	150,000	.. 175,000	.. 22,000
7. Leather Manufacturers' Bank, N. Y. City,	600,000	.. 450,000	.. 297,000

1863. The following charters will expire on the 1st January, 1863:

1. Cayuga County Bank, Auburn,.....	\$ 250,000	.. \$ 227,000	.. \$ 226,500
2. Chemung Canal Bank, Elmira,.....	200,000	.. 200,000	.. 197,100
3. Herkimer County Bank, Little Falls,....	200,000	.. 200,000	.. 199,100
4. Seneca County Bank, Waterloo,.....	200,000	.. 200,000	.. 198,000
5. Seventh Ward Bank, New-York,.....	500,000	.. 350,000	.. 171,000
6. Troy City Bank, Troy,.....	300,000	.. 250,000	.. 248,200
7. Westchester County Bank, Peekskill,....	200,000	.. 200,000	.. 197,700

1864. The following charters will expire on the 1st January, 1864:

1. Albany City Bank, Albany,.....	\$ 500,000	.. \$ 350,000	.. \$ 335,400
2. Farmers' and Manufacturers' Bank, Pough- keepsie,.....	300,000	.. 250,000	.. 242,000
3. Highland Bank, Newburgh,.....	200,000	.. 200,000	.. 197,800

1866. The following charters will expire on the 1st January, 1866:

1. Atlantic Bank, Brooklyn,.....	\$ 500,000	.. \$ 350,000	.. \$ 326,100
2. Bank of Owego, Owego,.....	200,000	.. 200,000	.. 197,800
3. Bank of the State of New-York, New-York,	2,000,000	.. 1,200,000	.. 241,800
4. Kingston Bank, Kingston,.....	150,000	.. 175,000	.. 171,500
5. Oneida Bank, Utica,.....	400,000	.. 300,000	.. 297,600
6. Rochester City Bank, Rochester,.....	400,000	.. 300,000	.. 299,000
7. Tompkins County Bank, Ithaca,.....	250,000	.. 225,000	.. 223,200

Troy.—The Troy City Bank will be re-organized on 1st January, 1863, with a capital of \$300,000. SILAS K. STOW, Esq., who has been connected with the bank since its organization, is now Vice-President, and is succeeded as Cashier by GEORGE F. SIMS, Esq., who has been Teller of the bank for many years.

MASSACHUSETTS.—CHARLES A. PUTNAM, Cashier of the Washington Bank, Boston, having resigned the office to engage in more active business, the position has been tendered to WILLIAM H. BRACKETT, Cashier of the Pocasset Bank.

Fall River.—EDWARD E. HATHAWAY was recently elected Cashier of the Pocasset Bank, and also Treasurer of the Citizens' Savings Bank, of Fall River, in place of WM. H. BRACKETT, who has recently been elected Cashier of the Washington Bank of Boston.

Lee.—JOHN M. HOUCK has been chosen Cashier of the Lee Bank, Lee, Mass., in place of E. A. BLISS, who resigned the position after having filled it very satisfactorily for more than twelve years.

Boston.—An application is to be made to the next legislature for the establishment of a Savings Bank at South Boston.

New-Bedford.—The City Treasurer of New-Bedford lately advertised for bids for \$70,000 of city bonds. Offers amounting to \$270,000 were made. Three of these offers were accepted, covering the whole amount of \$70,000, at premiums averaging one-half of one per cent.; of which \$30,000 were taken by the Salem Savings Bank, and the balance by residents of New-Bedford and Nantucket.

MAINE.—The following are statistics of the Portland Five Cents Savings Bank as presented at its recent annual meeting:—Amount of deposits, at the time of closing the annual account, April 2, 1862, \$78,230 82. Investments—on real estate, \$36,175; United States securities, \$7,000; bank stocks, \$18,200; on other stocks, bonds, &c., \$13,474 53; gas stock, \$850; balance, cash on hand. Whole number of depositors, from the opening of the bank, in June, 1859, is 1,955; number withdrawn within that time, 423; remaining, 1,532, of which more than two-thirds are women and children. Over \$40,000, in sums from five cents upwards, was deposited the last year. Whole amount paid out to various depositors as interest, from the commencement, about \$8,000.

NEW-HAMPSHIRE.—At the semi-annual meeting of the Trustees of the Connecticut River Savings Bank, in Charlestown, N. H., GEORGE ALCOTT tendered his resignation of the offices of Treasurer and Secretary of the institution, thanking the Trustees for the uniform kindness received at their hands during the twenty-six years of his connection with the bank. Resolutions were offered by HENRY HUBBARD, accepting his resignation, and testifying to his constant faithfulness and efficient usefulness; which were unanimously adopted. The Trustees elected GEORGE ALCOTT, Jr., as Treasurer and Secretary of the institution.

Peterboro.—WILLIAM G. LIVINGSTON has been chosen Cashier of the Peterboro (N. H.) Bank, in place of C. G. CHENEY, Esq., who lately resigned on account of ill health.

Concord.—JOHN V. BARRON has been elected President of the State Capitol Bank, Concord, N. H., *vice* HAIL ROBERTS, deceased.

VERMONT.—The Vermont legislature recently elected J. E. DICKERMAN as Bank Commissioner.

Brandon.—A bill has passed the Senate of Vermont for the re-charter of the Brandon Bank, the charter to expire in 1888.

CONNECTICUT.—DAVID GALLUP, Plainfield, Conn., has been chosen President of the Quinebaug Bank, Norwich, in place of L. W. CARROLL, resigned.

Norwalk.—GEORGE E. MILLER has been elected Cashier of the Fairfield County Bank, Norwalk, Conn., *vice* JOHN A. MOORHEAD, resigned.

RHODE ISLAND.—The vault of the Freeman's Bank, Bristol, was entered with false keys some time between the closing of the Bank on Saturday afternoon, Nov. 22, and its opening at nine o'clock on Monday morning, and bills and Treasury notes to the amount of some \$20,000 stolen therefrom, together with bonds, securities, &c.,

to the amount of nearly \$200,000. The roguery was not discovered until the cashier had opened the vault, the doors being locked as usual. An examination showed, however, that some portion of the brick work had been removed, evidencing an attempt to enter in that way, which was abandoned, after which the doors were probably opened with false keys. All of the bills in the vault were taken, the greater part being bills of the bank, but two bags of gold and silver were left, amounting to about \$3,600. Why this was not taken does not appear, but it may be the robbers were alarmed before they could secure the whole of the booty. A portion of the securities, amounting to something over \$100,000, belonged to the Bristol Savings Institution which had its office in the same building. Some \$3,000 of the Treasury notes belonged to this Institution also, but it is believed that they were made payable to the Treasurer, and can only be collected by having his signature forged on them. A trunk containing rail-road bonds, &c., belonging to the President of the bank, SAMUEL CHURCH, Esq., was rifled of its contents, and one hundred sheets of bills, bearing the signature of the President, but not that of the Cashier, were all taken. Other papers belonging to individuals were taken. The redemption of the bills of the bank has been suspended, and the proper notice forwarded.

NEW-JERSEY.—The City Bank of Jersey City is now fully organized and open for business under the free banking law of New-Jersey, with a capital of \$50,000. J. W. LONGLEY, President, and Henry W. RACE, Cashier.

Jersey City.—The Bank of America, Jersey City, organized under the general law, is now open for business. "Discounts, deposits and circulation." Interest at the rate of six per cent, will be allowed upon special deposits for a period of more than 30 days. G. GARDNER WEAVER, President, W. E. ARNOLD, Cashier. \$100,000 cash capital. The issues are based on the pledge of United States stocks.

PENNSYLVANIA.—Application will be made at the next annual meeting of the legislature of Pennsylvania for a renewal of the charter of the Exchange Bank of Pittsburg, with its present name, location, privileges and capital of \$1,000,000.

Semi-Annual Dividends.—The subjoined Pennsylvania banks have declared their semi-annual dividends as follow, for November :

Farmers' Bank of Lancaster,	4 per cent.	Harrisburg Bank,	5 per cent.
Lancaster County Bank,	4 "	Mauch Chunk Bank,	7 "
Columbia Bank,	4 "	Pittsburg Bank,	4 "
Mount Joy Bank,	4 "	Citizens' Bank, "Pittsburg,"	4 "
Carlisle Deposit Bank,	5 "	Iron Bank,	4 "
Bank of Chambersburg,	5 "	Mechanics' Bank,	4 "
Farmers' Bank of Reading,	4 "	Alleghany Bank,	4 "
Union Bank, "Reading,"	4 "	Merch. & Man. Bank,	4 "
Savings Bank,	8 "	Exchange,	5 "
Bank of Chester County,	5 "	York Bank,	4 "
Octoraro Bank,	4 "	York County Bank,	5 "
Miners' Bank, "Pottsville,"	3 "		

Lock Haven.—The banking house occupied by the Lock Haven Bank was destroyed by fire during the disastrous conflagration that visited the town, on the morning of the 6th instant. The money, books and papers of the bank were all saved in its vault, and, with the exception of the temporary inconvenience resulting from the loss of a suitable place for the transaction of its business, the bank has not sustained any injury. Its business will be continued, until the banking house is rebuilt, in the room at the east end of the Dalton House, formerly occupied by the bank.

Philadelphia.—The movement of the Philadelphia city banks presents some features deserving of notice. During the last month there is a slight increase in circulation. Since the reduction commenced no great progress has been made, as will be seen by the following comparison of the periods of highest expansion and lowest reduction :

September 8, circulation, \$5,192,935 ; December 8, \$4,524,818 ; Reduction, \$668,117.

At the beginning of the present year the circulation was only \$2,145,219

In the item of specie we perceive that the banks are steadily losing their accumulation, as the following statement will show :

May 5th,	\$ 6,049,685	December 1st,	\$ 5,465,834
August 4th,	5,660,187	" 8th,	5,385,758
September 18th,	5,543,160	" 15th,	5,226,645
October 13th,	5,508,970		

Since the 24th of November the banks have been contracting their loans, as will be seen by the following statement :

November 24th, loans,	\$ 37,479,366	December 6th, loans,	\$ 36,460,040
December 1st, "	36,774,722	" 15th, "	36,125,340

Franklin.—The Venango Bank went into operation in November. The following gentlemen compose the officers : President, F. D. KINNEAR ; Vice-President, THOMAS HOGE ; Cashier, SAMUEL F. FAY ; Directors, HON. R. IRWIN, F. D. KINNEAR, Wm. M. BOWEN, E. CHADWICK, JAMES S. MYERS, THOMAS HOGE.

DELAWARE.—JOSEPH W. H. WATSON has been elected Cashier of the Real Estate Bank of Delaware, in place of THOMAS W. ROBINSON, Esq., resigned.

Small Notes in Delaware.—The following correspondence took place :

WILMINGTON, DEL., August, 1862.

Hon. SALMON P. CHASE, *Secretary of the Treasury, Washington, D. C.* :—Does the act authorizing the payment in postage stamps, etc., approved July 17, 1862, apply to a city corporation, or, in other words, is it lawful for the city of Wilmington, Del., to issue notes of a less denomination than one dollar ?

A. HOLLINGSWORTH, *Chairman of Finance Committee.*

To which the following reply was received :

Treasury Department, Office of Internal Revenue, Washington, D. C., Aug. 9, 1862.

Sir :—Your telegraph of August 1 to the Secretary, respecting the proposed issue of notes for the fractional parts of a dollar, by the corporation of Wilmington, Del., has been referred to this office.

In reply I beg leave to say that the corporation is not prohibited by the Act of July, 1862, from issuing notes, for circulation, of a less denomination than one dollar.

Your obedient servant,

Geo. S. BOUTWELL, *Commissioner.*

A. HOLLINGSWORTH, *Chairman Finance Committee, Wilmington, Del.*

MARYLAND.—SAMUEL SLOAN, Jr., Esq., has been appointed Cashier of the Farmers' and Merchants' Bank, Baltimore, in place of JAMES MOTT, resigned.

MINNESOTA.—The St. Paul, Minnesota, *Pioneer* learns that a new bank of issue is to be opened in that city, called "The Marine Bank." The owners are CHARLES K. WELLS, DANIEL WELLS, Jr., and JAMES LUDDINGTON, of Milwaukee. They have deposited \$25,000 United States six per cent. bonds with the State auditor, as security for the redemption of the circulating notes. Mr. O. B. TURRELL is to be the Cashier.

VIRGINIA.—The capital of the North Western Bank, Wheeling, and its branches, has been reduced to \$868,100—viz., at Wheeling, \$488,800 ; at Jeffersonville, \$164,200 ; at Parkersburg, \$103,100 ; at Wellsburg, \$112,000. The Jeffersonville branch has seceded. Since the passage of the secession ordinance, the Union army has not penetrated into Tazewell county, and all communication between the parent bank and the Jeffersonville branch has been suspended. The parent bank has redeemed about three-fourths of the circulation of that branch. JAMES W. PAXTON, Esq., is now the President of this bank at Wheeling.

Richmond.—The *Richmond Whig*, of November 5th, reports sales of gold on that date at \$3 30, being a decline of 20 cents from the highest point. The *Whig* adds : "The extraordinary rate of premium recently paid for gold was chiefly owing to

the scarcity of that commodity, and not to a correlative depreciation of the paper currency. Coin has long since ceased to be a circulating medium in the Confederacy, and is only valuable now as merchandise. The demand exceeds the supply, and hence the price for it has advanced, as the price of any other article advances when there are more buyers than sellers, and the former are eager to purchase."

ILLINOIS.—The Bank Commissioners of Illinois, in December, adopted an order to enforce the provisions of the law against illegal currency. The order is as follow:

Ordered by the Bank Commissioners, That they forthwith proceed to execute and have executed the 2d, 3d, 4th and 5th sections of the banking law of the State of Illinois, passed February 10th, 1853, amendatory of the general banking law of this State, and that they proceed to the various towns, villages, cities and other places, where any person, bank, broker, dealer in produce or foreign merchandise, in violation of the provisions of said act, is issuing, passing or receiving bills of credit, bonds, promissory notes, bills of exchange, orders, drafts, certificates of deposit or other instruments, to be used as a circulating medium, as, or in lieu of money, or other currency, and otherwise to put in force all the provisions of said sections, without delay.

W. H. HERNDON, THOMAS QUICK, E. P. FERRY, *Bank Commissioners.*

The second section of the law provides as follow:

SEC. 2. No bank, banking association, corporation, broker, banker, dealer in money, produce or foreign merchandise, or other person, shall emit, issue, utter, pay out, pass or receive in payment, or on deposit, any bill of credit, bond or promissory note, bill of exchange, order, draft, certificate of deposit, written instrument, or instrument partly written and partly printed, to be used as a general circulating medium, as, or in lieu of money, or other currency, or intended by the makers thereof to be so used, other than the bills or notes of the banks of this State, countersigned in the auditor's office, according to the provisions of the act to establish a general system of banking, or the notes or bills, (of a denomination not less than five dollars,) of specie-paying banks, created by an express authority of law, in either of the United States, territories, the District of Columbia or Canada.

The penalty is, that every person violating this section shall forfeit and pay, to any person or persons who may sue for the same, the sum of fifty dollars for each and every shinplaster so issued.

At the term of the Circuit Court in Christian county, Illinois, no less than seven-teen parties were indicted by the Grand Jury for violation of the banking law by issuing currency.

Chicago.—City Comptroller HAYES sold in December, to Messrs. C. C. PARKS & Co., bankers, seventy-five thousand dollars of Chicago seven per cent. municipal bonds, of one thousand dollars each, at \$109 and interest. Including the present issue of bonds, the entire funded municipal debt of the city is less than one million and a half dollars.

The State Treasurer, BUTLER, gives notice that the January interest of Illinois State stocks will be paid at the American Exchange Bank, New-York, from the 1st to the 4th January inclusive; after that date, only at Springfield. The holders of Illinois and Michigan Canal bonds, where coupons are exhausted, are required to present the bonds for payment.

We see it stated that the wholesale merchants of Quebec have resolved to receive silver coin only at 2½ discount. In Montreal it is in great abundance, and difficult to sell at 2½ @ 3½ discount.

Taxable Property.—The amount of taxable property in the State of Illinois has been steadily decreasing in value for the last six years, as will be seen from the following statement:

Years.	Personal property.	Total value.	Years.	Personal property.	Total value.
1856...	\$ 104,108,235 ..	\$ 349,951,272	1859...	\$ 88,288,094 ..	\$ 366,702,053
1857...	111,818,968 ..	407,477,367	1860...	88,884,115 ..	367,227,742
1858...	97,853,841 ..	408,140,321	1861...	80,720,918 ..	330,823,479

A great proportion of this discrepancy is occasioned by the assessors, who are gradually reducing the valuation of property, as may be seen by the statement

above. For instance, pianos, which three years ago had an average value of \$133, last year were valued at \$71; and other articles have decreased in the same proportion. The average valuation also differs greatly in different counties. This might be prevented by legislative enactment looking to an equalization of assessments throughout the State, and it would be well for the General Assembly to discuss the subject.

MISSOURI.—There is still much complaint of the scarcity of small change. Some of the banks undertook, a while since, to guarantee the payment of fractional notes of certain denominations. But the number of competitors for supplying the market in this way increasing, and the fear that a worthless currency would be saddled upon us, has created a disposition to reject these notes in a lump. This consequence might have been expected. When once the making of money is free to all, a worthless issue will follow, and take the place of the best, so long as the principle of private issues is acquiesced in. Under the act of Congress none of these issues are lawful. The issues of a municipal corporation are, however, not included in the prohibition. Thence, it is worth while for our city council to consider whether the city should not issue these fractional notes, upon a deposit in the Treasury of notes of a larger denomination.—*St. Louis Republican, December 10.*

IOWA.—*Bank Officers in Public Life.*—The following named gentlemen have been, or now are, connected with the State Bank of Iowa:—HON. JOHN A. KASSON, late First Assistant Postmaster-General, now M. C. elect from the Des Moines district, was one of the first Board representing the State. HON. SAMUEL J. KIRKWOOD, present Governor of Iowa, was a member of the State Board, representing the Iowa City Branch. HON. HIRAM PRICE, President of the Board of Control, has been elected to Congress from the Davenport district. HON. WM. B. ALLISON, Vice-President of the Dubuque Branch, has been elected to represent the Dubuque district in Congress. Iowa seems well represented by her banking interests in the councils of the nation.

MICHIGAN.—A new bank, of \$500,000 capital, is soon to be organized at Ann Arbor, Mich., the stock having all been subscribed for.

LOUISIANA.—General BUTLER'S order, permitting the Bank of New-Orleans to resume business, reads as follow :

HEADQUARTERS DEPARTMENT OF THE GULF, }
NEW-ORLEANS, November 21, 1862. }

The Bank of New-Orleans having been fully examined, and its circulation having been made secure, the commanding general, convinced of the good faith of its present Board of Directors, permits it to resume its usual course of banking business.

By Command of MAJOR-GENERAL BUTLER.

Geo. C. STRONG, *A. A. General, Chief of Staff.*

TENNESSEE.—The Nashville *Dispatch*, of the 3d instant, gives some information as to the value of Southern (Confederate) bank notes there :

There has been considerable activity in Southern money for the last day or two. By the term Southern money is meant the good banks of Georgia, South Carolina and Alabama. The market opened on Monday at 75 in the dollar, but very speedily reached 85 @ 90, as the buying rates, with an active demand. Tuesday opened at 90 as the buying rate, and we heard of as much as 92 being paid for a select lot. The market became depressed towards the close of the day, and the brokers were offering only 78. Tennessee money may be considered on a par with green backs, as the brokers sell either the one or the other at one per cent. premium. Or, in other words, they charge one per cent. for swapping. The buying rates for gold are 25 per cent, and selling at 30 @ 33.

OHIO.—The City Bank, Columbia, and the Forest City Bank, Cleveland, are in course of liquidation.

Specie.—At a recent meeting of the State Bank Board of Control, the question was raised whether the banks should furnish to the State Commissioners the specie necessary for the next payment of the State interest, at the rate of premium stipulated in the act authorizing their suspension, and, it seems, seriously discussed. Of

course the hesitation was provoked by the fact that gold is worth about 29½ cents premium more than the stipulated rate, and it became a matter of some moment to know whether the honorable observance of the conditions to which they were a party was worth 29½ per cent. Ordinarily, as the world goes, that is a pretty high premium for honor, but how differently it would have appeared if the conditions had been reversed. Would there have been any concern about the inconvenience which 29½ per cent. would have occasioned the other party? As a consequence of the suspension allowed these banks, they have kept in circulation a greater number of their notes than ever before, notwithstanding the fact that regular business has been greatly circumscribed. Their lines of discounts have in some way been kept well extended, so that it would seem they must have enjoyed a season of unusual prosperity, and that their profits are not so grievously disproportionate to the advance in coin, after all.

WISCONSIN.—The following banks have ceased business since 1st January last:

Beloit—Rock River Bank.	Milwaukie—Second Ward Bank.
Berlin—Oneidas Bank.	Mineral Point—Iowa County Bank.
Columbus—Bank of Columbus.	North Pepin—Oakwood Bank.
Fort Howard—Northern Bank.	Racine—Commercial Bank.
Hudson—Hudson City Bank.	Sterns Point—Wisconsin Pinery Bank.
Kenosha—Kenosha County Bank.	Whitewater—Wheat-Growers' Bank.

Wisconsin Banks.—From the Comptroller's report of the State of Wisconsin, dated December 4th, 1862, we learn that there are now sixty-six banks in that State in successful operation:

The following stocks have been decreased since the statement of November 1st, 1862, viz.:

Illinois 6's,.....	\$3,400
Michigan 6's,.....	4,000
California 7's,.....	4,000
Missouri 6's,.....	25,060
Total,.....	\$36,460

The following stocks have been increased since the statement of November 1st, 1862:

Wisconsin 6's,.....	\$100,500
United States 6's,.....	36,500
United States 7 3-10's,.....	56,500
Total,.....	\$193,500

The circulation has been increased during the last month,.... \$237,190

The whole amount of circulation outstanding is:

Par banks,.....	\$2,355,787
Winding up banks,.....	108,099
Total,.....	\$2,463,500

Secured as follow:

Wisconsin 6's,.....	\$1,387,500	Virginia 6's,.....	\$5,000
United States 6's,.....	234,500	Louisiana 6's,.....	9,000
" 7-30's,.....	233,750	Kentucky 6's,.....	5,000
Illinois 6's,.....	181,350	Tennessee 6's,.....	17,000
Michigan 6's,.....	103,500	Missouri 6's,.....	76,000
" 7's,.....	1,000	North Carolina 6's,.....	5,000
Ohio 6's,.....	47,600	Mil. & Wat. R. R. 8's,.....	50,000
California 7's,.....	23,500		
Minnesota 8's,.....	66,000	Specie,.....	\$2,510,700
Iowa 7's,.....	18,000		109,020
Indiana 5's,.....	28,000	Total,.....	\$2,619,720
" 2½'s,.....	15,000		

Between the 1st day of January and the 1st July, 1862, the aggregate capital of the Wisconsin banks had been reduced from \$3,807,000 to \$3,055,000; and their circulation had increased from \$1,419,000 to \$1,648,000.

New banks in Wisconsin:

Bank of Moneka, Portage City..	\$50,000	Monroe County Bank, Sparta..	\$50,000
Batavian Bank, La Crosse,....	25,000	Bank of Prairie du Chien,.....	30,000
Sun Prairie Bank, Madison,....	30,000	Corn-Planters' Bank, Calumet,..	40,000

United States Treasury Notes Photographed.—We were recently shown a photographed five dollar Treasury note, passed at the establishment of J. L. Wolff & Bro., on North Third-street. It is the most dangerous counterfeit we have ever seen, and except by an expert hand at such matters would be in little danger of detection.—*St. Louis Republican.*

10's altered from 1's; unsuspecting persons would be very apt to take these "raised" bills at their apparent value, but a slight examination is only necessary to discover the face of the note is dotted with the words "One Dollar," "One Dollar," "One Dollar." There is also a likeness of Secretary CHASE, as large as life, while the genuine tens are honored by the features of President LINCOLN.

20's and 50's altered from 2's; They have an oval picture of HAMILTON on lower centre; they are well done, but are entirely different from the genuine.

100's altered from 1's; they bear no resemblance to the genuine, but the alteration is well done, and those not familiar with the genuine should be on their guard.

Counterfeit Postal Currency.—The proof sheet of a counterfeit plate for printing postage currency was found in this city, and immediately deposited with the United States Treasurer. There the imposture was detected. The counterfeiters had succeeded in closely imitating the lettering, with the exception of the date, which is in larger figures than in the genuine. The lathe work is rather poorly executed, as also the margins, having evidently been done by an ordinary mechanic; but if the paper were soiled the defect would hardly be noticed, especially in a poor light. This proof is believed to have been dropped accidentally by some operator in fictitious currency.

Altered Treasury Notes.—The counterfeiters have commenced altering the one and two dollar Treasury notes to those of higher denominations. Already tens, fifties and one hundreds have made their appearance. Unsuspecting persons would be very apt to take these altered bills for their apparent value, but a slight examination only is necessary to discover the difference. We give the following description of the genuine plates, and would advise our subscribers to cut it out and paste it up for reference:

1's—vig. large oval portrait of CHASE on left end.

2's—vig. large oval portrait of HAMILTON on lower left centre.

5's—Likeness of HAMILTON on right end; statue of female representing America on left end.

10's—vig. eagle on upper centre, oval portrait of LINCOLN on the upper left end.

20's—vig. statue of female with shield and sword, representing America, in centre of note.

50's—vig. large oval portrait of HAMILTON on upper left centre.

100's—vig. large spread eagle on rock on upper left end.

Caution, therefore, is all that is required to guard against these altered bills.

CANADA.—The *Montreal Gazette* says: "There is to be yet another bank established in Canada by English capitalists, called the Bank of Canada, Nova Scotia, and New-Brunswick, with a capital of £1,000,000 sterling. Our late Governor-General, Sir EDMUND HEAD, and Viscount BURY, are among the directors. There is a prospect of a considerable flow of English capital into this country. In fact there seems to be more question of its judicious employment than any limitation of the flow."

WM. LASH, Manager of the Branch Bank of British North America, at Dundas, died on 5th inst., aged 56 years after a brief illness.

BANKS OF DISCOUNT AND DEPOSIT IN BARCELONA.

<i>Names of Banks.</i>	<i>Charter granted.</i>	<i>Capital.</i>	<i>No. of shares.</i>	<i>Par value.</i>	<i>Amount of capital paid up.</i>
Banco de Barcelona,.....	May, 1844 ..	\$ 2,000,000 ..	20,000 ..	\$ 100 ..	\$ 1,000,000 .. 50 per ct.
Caja Barcelonesa,.....	May, 1855 ..	1,000,000 ..	5,000 ..	200 ..	200,000 .. 20 per ct.
Catalana General,.....	Feb. 1856 ..	6,000,000 ..	30,000 ..	100 ..	2,400,000 .. 80 per ct.
Credito Mobiliario Barcelon.,	Aug. 1850 ..	3,000,000 ..	30,000 ..	100 ..	1,200,000 .. 40 per ct.
Grain Commercial,.....	Sept. 1856 ..	3,000,000 ..	15,000 ..	200 ..	900,000 .. 30 per ct.
Caja Industrial y Merc.,...	Nov. 1856 ..	3,000,000 ..	15,000 ..	200 ..	600,000 .. 20 per ct.
		\$ 15,000,000	115,000		\$ 6,800,000

QUOTATIONS OF NEW-YORK BANK SHARES.

	Feb. 9, 1861.	May 18, 1861.	Dec. 25, 1861.	June 2, 1862.	Dec. 13, 1862.
American Exchange Bank,...	90 @ 92	80 @ 81	76 @ 78	96 @ 98	97 @ 97½
Atlantic Bank,.....	65 @ 70	60 @ 70	60 @ 65	65 @ 67	50 @ 60
Atlantic Bank, Brooklyn,...	125 @ 128	115 @ 120	108 @ 110	120 @ 124	.. @ ..
Bank of America,.....	100 @ 105	96 @ 96½	97 @ 100	110 @ 111½	110 @ 119
Bank of Commerce,.....	92 @ 98	92 @ 84	75 @ 78	97 @ 99	97½ @ 98½
Bank of New-York,.....	91 @ 98	80 @ 85	80 @ 85	100 @ 101	107 @ 107½
Bank of North America,....	98 @ 100	89 @ 90	78 @ 85	101 @ 108	98 @ 100
Bank of Commonwealth,....	88 @ 90	74 @ 75	70 @ 72	93 @ 95	88 @ 90
Bank of Republic,.....	119 @ 116	88 @ 90	80 @ 83	91 @ 98	98 @ 102
Bank of State of New-York,...	88 @ 90	75 @ 84	75 @ 77	98 @ 94	93 @ 98½
Broadway Bank,.....	125 @ 140	100 @ 120	115 @ 120	187 @ 140	140 @ 145
Bull's Head Bank,.....	80 @ ..	100 @ ..	95 @ 100	100 @ ..	105 @ 104
Butchers and Drovers,.....	118 @ 120	104 @ 106	100 @ 105	120 @ 125	116 @ 120
Chatham Bank,.....	88 @ 90	80 @ ..	70 @ 80	85 @ 87	89 @ 90
Chemical Bank,.....	400 @ ..	400 @ ..	400 @ ..	400 @ ..	500 @ ..
Citizens' Bank,.....	95 @ 100	98 @ 100	83 @ 90	95 @ 97	100 @ 103
City Bank,.....	120 @ 125	110 @ 120	100 @ 106	120 @ 122	116 @ ..
Continental Bank,.....	83 @ 85	65 @ 70	72 @ 75	98 @ 94½	89 @ 91
Corn Exchange Bank,.....	88 @ 95	75 @ 80	84 @ 86	100 @ 101	101 @ 108
East River Bank,.....	90 @ 95	80 @ 90	80 @ 82	98 @ 100	98 @ 93
Fulton Bank,.....	180 @ 185	100 @ 180	115 @ 180	185 @ 140	.. @ 145
Greenwich Bank,.....	.. @ ..	.. @ ..	.. @ ..	185 @ 140	160 @ ..
Grocers' Bank,.....	92 @ 95	88 @ 94	70 @ 80	80 @ 85	88 @ 90
Hanover Bank,.....	80 @ 82	68 @ 70	65 @ 65	84 @ 86	87 @ 90
Importers and Traders,....	99 @ 100	75 @ 85	90 @ 92	108 @ 104	103 @ 104
Irvine Bank,.....	88 @ 85	89 @ 90	63 @ 72	76 @ 80	76 @ 79
Leather Manufacturers,....	120 @ 140	180 @ 140	125 @ 180	180 @ 185	180 @ 135
Long Island, Brooklyn,....	181 @ 185	180 @ 185	.. @ ..	180 @ @ ..
Manufacturers and Merchants	.. @ ..	.. @ ..	.. @ ..	88 @ 90	95 @ 90
Manhattan Bank,.....	180 @ 187	100 @ 110	115 @ 120	125 @ 180	180 @ 185
Marine Bank,.....	70 @ 80	78 @ 75	85 @ 90	107 @ ..	130 @ ..
Market Bank,.....	92 @ 93	85 @ 90	80 @ 85	97 @ 98	98 @ 101
Mechanics' Bank,.....	105½ @ 106½	95 @ 100	94 @ 87	104 @ 106	107 @ 110
Mechanics' Bank Association,	90 @ 98	75 @ 90	70 @ 80	91 @ 95	90 @ 98
Mechanics & Traders' Bank,	101 @ 105	100 @ 110	108 @ 110	106 @ 112	107 @ 115
Mercantile Bank,.....	115 @ ..	100 @ ..	98 @ 102	112 @ 125	120 @ 124
Merchants' Bank,.....	95 @ 99	80 @ 86	80 @ 89	90½ @ 90	99 @ 101
Merchants' Exchange,....	83 @ 85	75 @ 85	75 @ 80	80 @ 94	90 @ 98
Metropolitan Bank,.....	103 @ 104	86 @ 87	84 @ 87	106 @ 108	103 @ 105
Nassau Bank,.....	90 @ 96	98 @ 100	81 @ 84	97 @ 98	93 @ 101
National Bank,.....	95 @ 98	81 @ 82	86 @ 84	97 @ 93	96 @ 93
N. Y. County Bank,.....	90 @ 100	88 @ 90	80 @ 100	100 @ 105	100 @ 105
N. Y. Exchange,.....	.. @ 98	86 @ 98	88 @ 90	90 @ 90	92 @ 100
North River,.....	80 @ 90	88 @ 90	70 @ 78	85 @ 89	96 @ 100
N. Y. Dry Dock,.....	105 @ 102	100 @ 110	100 @ 108	108 @ 106	110 @ 180
Ocean Bank,.....	55 @ 87	88 @ 94	.. @ ..	70 @ 84	86 @ 88
Oriental Bank,.....	.. @ 95	84 @ 95	68 @ 70	80 @ 80	95 @ 96
Pacific Bank,.....	115 @ 125	110 @ 125	100 @ 110	110 @ 125	180 @ 183
Park Bank,.....	105 @ 106	56 @ 89	90 @ 95	113 @ 115	114 @ 120
Peoples' Bank,.....	.. @ 98	.. @ ..	75 @ 76	90 @ 100	91 @ 96
Phenix Bank,.....	95 @ 100	90 @ 94	85 @ 90	107 @ 105½	105 @ 106½
St. Nicholas Bank,.....	70 @ 85	78 @ 80	70 @ 75	92 @ 95	91 @ 93
Seventh Ward,.....	125 @ 185	110 @ 185	113 @ 125	128 @ 180	132 @ 140
Shoe and Leather,.....	99 @ 100	86 @ 87	75 @ 85	103 @ 104	101 @ 103
Tradesmen's Bank,.....	100 @ ..	94 @ 98	90 @ 98	100 @ 102	102 @ 103
Union Bank,.....	98 @ 100	85 @ 95	80 @ 83	102½ @ 105	106 @ 106½

Tabular Statement of the Bank of England Returns—The Bank Rate of Discount—The Price of Consols—Price of Wheat, and the Leading Exchanges at London, the first week in December, 1852, 1859, 1860, 1861, 1862:

BANK OF ENGLAND :	Dec., 1852.	Dec., 1859.	Dec., 1860.	Dec., 1861.	Dec., 1862.
Circulation,.....	£ 24,216,000 ..	£ 21,942,000 ..	£ 20,923,000 ..	£ 20,748,000 ..	£ 20,564,000
Public deposits,.....	7,637,000 ..	8,608,000 ..	6,617,000 ..	5,206,000 ..	3,193,000
Other deposits,.....	12,699,000 ..	13,444,000 ..	12,472,000 ..	13,278,000 ..	13,650,000
Government securities,...	13,962,000 ..	10,925,000 ..	9,490,000 ..	10,892,000 ..	11,034,000
Other securities,.....	12,410,000 ..	19,350,000 ..	20,104,000 ..	16,294,000 ..	19,393,000
Reserve of notes and coin,	18,035,000 ..	10,261,000 ..	7,932,000 ..	9,730,000 ..	9,905,000
Coin and bullion,.....	21,808,000 ..	16,936,000 ..	18,665,000 ..	15,140,000 ..	15,008,000
Rate of discount,.....	8 per cent. ..	2½ pr. ct. ..	5 per cent. ..	8 per cent. ..	8 per cent.
Price of consols,.....	101¼ ..	95½ ..	94 ..	90½ ..	92¼
Average price of wheat,....	41s. 2d. ..	44s. 8d. ..	54s. 10d. ..	60s. 6d. ..	47s. 8d.
Bills on Paris, short,.....	25.15 ..	25.7½ ..	25.17½ ..	25.80 ..	25.15
“ on Amsterdam, short, ..	11.16 ..	11.18 ..	11.14½ ..	11.17 ..	11.18½
“ on Hamburg, 3 months,	18.4¼ ..	18.5 ..	18.6½ ..	18.8½ ..	18.6¼

NEW PUBLICATIONS.

I. The Tariff Question Considered in regard to the policy of England, and the interests of the United States, with statistical and comparative tables. By **ELBERTS B. BIGELOW**. 4to. pp. 346. Little & Brown, Boston. Price \$5.

II. The Manual of Commerce. A compendium of mercantile tables, British and foreign moneys, weights and measures; exchanges, interest, annuities, reversions, &c., with an extensive collection of commercial forms, &c. By **W. WATERSTON**, Accountant, Bank of Australasia. Revised edition of 1862. Price 3s. 6d. This edition includes a concise description of the currency system of the Bank of England; popular tables for conversion of French measures, prices, &c.; additions to the commercial forms, &c. Edinburgh: Oliver & Boyd. London: Simpkin, Marshall & Co.

III. Facts, Failures and Frauds. Revelations: financial, mercantile, criminal. By **D. MORIER EVANS**. Groombridge & Son. London. 8vo. Price 12s.

IV. The British Tariff for 1862-63. (Thirty-sixth annual edition.) Price 6s. By **EDWARD BEEDELI**, of the Office of Examiner and Principal Controller of Accounts, Custom-house, London. London: A. H. Bailey & Co., 3 Royal Exchange Buildings, Cornhill.

V. Des Crises Commerciales et de leur Retour Periodique en France, en Angleterre, et aux Etats Unis. By **DR. CLEMENT JUGLAR**. Paris, 1862. Guillaumin & Co. (We propose to notice this production, with extracts, in a future No.) This work obtained the prize for the best treatise on the subject, offered by the Academy of Moral and Political Sciences of Paris, in 1860.

VI. Parliamentary Documents—1. Victoria Gold Fields. Despatch from the Governor of Victoria on the present condition and prospects of. 22 pp. Foolscap folio. Price 3d. 2. Statistical Abstract for the United Kingdom in each of the last fifteen years, from 1847 to 1861. (Ninth number.) 72 pp. Royal 8vo. Price 6d. 3. Births, Deaths and Marriages in England. 23d annual report of the Registrar-General. 388 pp. Royal 8vo. Price 2s. 4. Marriages, Births and Deaths in England. Table of, in the year 1862. 6 pp. Foolscap folio. Price 1d. 5. The British Post-Office. Eighth report of the Postmaster-General upon. 74 pp. Royal 8vo. Price 6d. 6. Meteorological Department of the British Board of Trade. Report from, dated March, 1862. 428 pp. Royal 8vo., with plans. Price 6d. 7. Tariff. Return of new and old rates of duty in foreign tariffs in the year ending 28th February, 1862. 44 pp. Foolscap folio. Price 6d.

Notes on the Money Market.

NEW-YORK, DECEMBER 24, 1862.

Exchange on London, at sixty days' sight, 145 @ 146.

THE month of December has been an excited one, both in politics and in money. The annual report of the Secretary of the Treasury was sent to Congress on Friday, the 5th inst. It has been favorably received by the country; recommending, on national grounds, the adoption of national credit for that of the individual States, as a basis for banking circulation. The sound and conservative banks, who look to the safety, the uniformity and the stability of the paper currency of the country as essential to the prosperity and permanency of commerce and finance, consider the proposed change as desirable for the true interests of the people. In this, however, the banks properly exclude the idea of profit to individuals which now arises from the issue of paper money; but in view of the lamentable evils which have hitherto marked its excesses and abuses, they look at the subject in its broader and national aspects, and conclude that the interests of the whole country and the whole people are paramount to those of individuals and corporations.

Pending the discussion of this important subject in both houses of Congress there will remain that degree of uncertainty and anxiety which necessarily pertain to it in an unsettled state. A leading additional cause of anxiety in the money market was the repulse of the Union army on the 18th inst., at Fredericksburg. Public securities were instantly depressed by the temporary loss of confidence among capitalists as to the progress of the war.

To these causes, ample in themselves to produce a revulsion in the stock and money market, was added, on the 20th inst., rumors of dissensions in the Cabinet, of a want of confidence felt by Congress in the administration, and finally, an official statement of the resignation of Secretary SEWARD and Assistant-Secretary F. W. SEWARD, of the State Department, and of Secretary CHASE, of the Treasury Department.

In all countries, a change of the Cabinet instantly affects public securities, even in time of peace and prosperity. Of course, such a serious change here, without a knowledge on the part of the public as to the real or fancied ground of such a change, must have an unfavorable influence upon government and State loans, and upon the whole market. On the 22d, when the intelligence became general in Wall-street, there was an instant decline in United States loans. The 7.30 bonds, which have lately ranged from 4 @ 4½ per cent. premium, fell to ½ per cent.

The administration of the affairs of the Treasury Department have been marked by unquestioned integrity, ability and industry, and the public credit stood well, even in the face of the most extraordinary national expenditures that have ever been recorded in the world, and in the face of speculative efforts in Wall-street and elsewhere to embarrass the Treasury. The banks, unfortunately, have aided these individual efforts, by lending freely on deposits of gold; and if these special deposits of gold (now amounting to about ten millions of dollars) were withdrawn, and the gold thrown upon the market, it would fall in price.

The country is now paying the penalty of the abuse of its credit abroad. The markets of Europe have, for years, been besieged for the purchase of American State bonds, rail-road shares and bonds, city and other corporate bonds. These efforts were successful to an amount variously estimated at two hundred to three hundred millions of dollars. Upon the first revulsion of the market at home, these securities have been returned to Wall-street for conversion into gold or exchange on Europe, even at a loss of twenty, or thirty, or forty per cent. These orders, to the extent of fifty or one hundred millions of dollars, have been executed during the current year, and the continual high price of gold and of sterling bills are partly the results.

Up to the 20th inst., before the causes of the disturbance of the market now alluded to were made known, the previous demand for government loans had been sustained. The new 7.30 bonds had sold, in private hands, at 104 @ 105, and at the board, at 108½ @ 104½. The five per cents of 1874 had advanced from 92½ @ 94. State bonds were well held. The bonds of the Confederate States are down in price. Virginia declined from 64½ to 60, and there are more sellers than buyers. The State Treasurer of Illinois has issued public notice to the effect that he will, on and after

the first Monday of January, 1868, until the 4th day of February, 1868, be ready, at the American Exchange Bank, New-York, to pay the interest maturing on the first Monday of January, 1868, on the public debt of the State of Illinois.

The interest then due, and not called for prior to the 4th day of February, 1868, will thereafter be paid only at the office of the Treasurer of the State of Illinois, in the City of Springfield, Illinois.

Holders of Illinois and Michigan Canal bonds, whose coupons are exhausted, are required to present the bonds.

On the 16th December, Senator McDougall, of California, offered a joint resolution, that this government will maintain the payment in coin of the interest on its indebtedness, and would consider it a breach of faith to the public to do otherwise; that the duties on imports shall continue to be collected in coin and the old issue of demand notes only, and when the latter shall not be sufficient for the purpose of such payment, they shall thereafter be payable only in coin. Referred to the Committee on Finance.

On the same day, Hon. S. S. Cox, of Ohio, moved that the Secretary of the Treasury be directed to furnish to the House a statement of the amount of United States loans created in 1841, and extended by the act of April, 1842, and which will fall due in the present year; the names of those registered as the owners thereof, and such other information as to actual ownership, with copies of memorials and memorandums addressed to him; and further, whether he proposes to pay such loans in coin. Referred.

Mr. Nesmith, Senator from Oregon, introduced a bill to establish a branch mint at Portland, Oregon. Referred to Committee on Finance.

The following is a comparative statement of the public debt of the United States:

	March, 1862.	Dec. 1, 1862.
Six per cents of 1862, 1867, 1868,.....	\$ 21,514,856	\$ 21,150,000
Five per cents of 1865, 1871, 1874,.....	30,595,092	30,000,000
Six per cents of 1881,.....	68,415,000	68,800,000
New six per cent. 5-20 bonds,.....	.....	28,750,000
7-30 three year bonds,.....	100,000,000	150,000,000
Six per cent. certificates of indebtedness,.....	22,594,761	87,288,000
Six per cent. Treasury notes,.....	.....	2,500,000
Deposits at 4 @ 5 per cent.,.....	.....	79,798,000
Total bearing interest,.....	\$ 248,049,709	\$ 463,411,000
United States notes in circulation,.....	60,000,000	222,982,000
Total,.....	\$ 308,049,709	\$ 686,393,000

We annex the highest cash prices offered, for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Oct. 11th.	20th.	Nov. 1st.	10th.	20th.	Dec. 1st.	16th.	20th.
U. S. 6's, 1881, coupons,....	101½ .. 108¾ .. 104¾ .. 108¾ .. 108¾ .. 104 .. 104¾ .. 108¾							
U. S. 5 per cents, 1874,....	92 .. 92¾ .. 93 .. 92¾ .. 92¾ .. 92¾ .. 92¾ .. 94							
Ohio 6 per cents, 1836,....	108¾ .. 109 .. 108¾ .. 108¾ .. 118 .. 118 .. 116 .. 108¾							
Kentucky 6 per cents,....	98 .. 94 .. 96 .. 96 .. 96 .. 96 .. 99 .. 96							
Indiana 5 per cents,....	.. .. 80 .. 80 .. 80 .. 80 .. 80 .. 80 .. 80						
Pennsylvania 5 per cents,....	98 .. 84¾ .. 85 .. 94 .. 96 .. 98¾ .. 94 .. 96							
Virginia 6 per cents,....	53¾ .. 64 .. 64¾ .. 64 .. 64 .. 65 .. 61¾ .. 60							
Georgia 6 per cents,....	.. .. 68¾ .. 75 .. 80 .. 79 .. 80 .. 80 .. 80						
California 7 per cents, 1877, 119 .. 114 .. 114 .. 118¾ .. 118¾ .. 111¾ .. 114 .. 115								
North Carolina 6 per cent.,....	68 .. 69 .. 70 .. 70 .. 70¾ .. 69¾ .. 69¾ .. 69¾							
Missouri 6 per cents,....	48 .. 52¾ .. 53 .. 52¾ .. 51¾ .. 52 .. 52 .. 51¾							
Louisiana 6 per cents,....	.. .. 57 .. 57 .. 58 .. 57 .. 60 .. 64						
Tennessee 6 per cents,....	50¾ .. 52¾ .. 55 .. 58¾ .. 54 .. 58¾ .. 54¾ .. 54							

The annexed quotations of rail-road shares show more active movements and increased confidence in the future earnings of the prominent companies. Erie old shares have advanced since our closing quotation of November, at ¼ @ 1; Reading, ¼ to 1; Hudson River, 2 @ 2½; Michigan Central, 8; Michigan Southern, 1; Panama, 6; Baltimore and Ohio, 1; Illinois Central, 3; Cleveland and Toledo, 4½; Chicago and Rock Island, 2½; Galena and Chicago, 1½. Pacific Mall shares have gone up to 136.

There will probably be an early development in regard to the rail-roads of the country that will take the public by surprise. It is already known that during the current year the gross receipts of many roads are largely in excess of last year; in some cases enormously so. It is known, also, that most of them are getting higher rates for travel and freight than heretofore. The increased rates, it is fair to assume, runs from 15 to 25 per cent., and this accounts in part for the largely increased earnings, though doubtless in almost all cases there is an actual increase in the volume of business. The development which is likely to surprise the public is the reduction in running expenses.

The earnings of the Erie Rail-road for the month of October, are unofficially reported at \$910,000, being \$187,000 over the same period last year. The following table will show the earnings of the Erie road for the past three years, the three closing months of the present year being estimated:

	1860.	1861.	1862.
January,.....	\$289,890	\$404,507	\$695,607
February,.....	808,879	891,982	608,026
March,.....	428,470	458,560	584,615
April,.....	462,815	547,174	605,755
May,.....	419,991	506,610	575,845
June,.....	401,560	480,062	516,190
July,.....	871,256	872,705	587,010
August,.....	477,888	519,009	609,881
September,.....	598,841	515,947	644,448
October,.....	585,597	722,822	910,000
November,.....	554,522	724,826	900,000
December,.....	584,276	706,126	850,000
Year,.....	\$5,545,894	\$6,112,824	\$8,253,580

The company will thus have earned, in 1863, the sum of,..... \$ 8,253,580
 Deduct the operating expenses, say 60 per cent.,..... 4,952,880

Showing as net earnings,..... \$3,300,000

We annex the current cash quotations for leading shares in this market since the middle of August. Those with a star [*] pay no dividend this year.

	Oct. 20th.	Nov. 1st.	10th.	20th.	Dec. 1st.	10th.	20th.
N. Y. Central R. E. shares,.....	105½	105½	108½	109½	104½	104	108½
*N. Y. and Erie R. E. shares,.....	58½	64½	64½	61½	60½	62½	63
*Harlem R. E. shares,.....	20½	21½	20½	22½	21½	21½	22½
*Reading R. E. shares,.....	77½	78½	76½	74½	75½	76	76
*Hudson River R. E. shares,.....	66½	79	75½	74	72½	77½	76½
Michigan Central R. E. shares,....	86	91½	89½	88	83½	91½	91
*Michigan Southern R. E. shares,...	40½	48½	41½	39½	37	40	40½
Panama R. E. shares,.....	148	154	155	154	154	158	159
Baltimore and Ohio R. E. shares,...	72	66	66	77	77	77½	73
*Illinois Central R. E. shares,.....	79½	81½	79½	76	74½	79½	79
*Cleveland and Toledo R. E.	69	70½	69	66½	66	69½	71
Chicago and Rock Island R. E.,...	80½	88½	83	79½	78	81	82
Galena & Chicago R. E. shares,...	83½	86	84½	81½	80½	81½	83
Chicago, Burlington & Quincy,...	104	116	89½	88½	89½	87	87½
Pacific Mail Steamship shares,....	125	124½	119½	121½	119½	122½	126

The following list of the prices at which the leading railway stocks of New-England are selling is curious and instructive. Ten years ago these roads were in the situation through which the Western roads are now passing. Some were being re-organized; nearly all had suspended dividends; some were unable to pay their interest, and their stocks were all selling at 20 @ 25 @ 50 per cent. on the dollar:

	Rate of Annual Dividends.	Present Time.		Rate of Annual Dividends.	Present Time.
Western Rail-road,.....	8	141½	Portland and Saco,.....	6	111½
Worcester Rail-road,.....	6 @ 8	180	Concord,.....	8	120
Boston and Maine,.....	8	128	Fitchburg,.....	8	111
Providence,.....	6 @ 8	198	Manchester and Lawrence,...	8	112
Old Colony,.....	8	118½	Boston and Lowell,.....	6	104½

The railway engineers of New-England have, it seems, learned how to manage their roads so as to secure regular dividends for their stockholders, by avoiding express trains as far as possible.

The loans, specie, circulation, deposits and exchanges of the present year, at New-York, have been as follow, at the dates mentioned :

1862.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
January 4,.....	\$ 154,415,000 ..	\$ 23,988,000 ..	\$ 8,586,000 ..	\$ 111,789,000 ..	\$ 100,642,000
February 1,.....	144,675,000 ..	27,479,000 ..	6,404,000 ..	112,057,000 ..	98,791,000
March 1,.....	137,674,000 ..	29,826,000 ..	5,863,000 ..	107,974,000 ..	109,554,000
April 5,.....	124,477,000 ..	38,764,000 ..	7,699,000 ..	94,082,000 ..	111,286,000
May 8,.....	133,406,000 ..	35,175,000 ..	8,482,000 ..	109,684,000 ..	140,952,000
June 7,.....	142,318,000 ..	31,248,000 ..	8,513,000 ..	125,566,000 ..	148,128,000
July 5,.....	148,643,000 ..	31,790,000 ..	9,270,000 ..	127,496,000 ..	149,748,000
August 2,.....	150,517,000 ..	34,022,000 ..	9,311,000 ..	137,112,000 ..	149,167,000
Sept. 6,.....	153,485,000 ..	36,188,000 ..	9,645,000 ..	142,668,000 ..	154,074,000
October 4,.....	165,057,000 ..	38,325,000 ..	9,900,000 ..	157,944,000 ..	239,013,000
Nov. 1,.....	176,847,000 ..	37,980,000 ..	9,848,000 ..	167,435,000 ..	213,246,000
" 29,.....	172,962,000 ..	37,949,000 ..	9,816,000 ..	158,998,000 ..	173,309,000
Dec. 6,.....	171,433,000 ..	37,662,000 ..	9,924,000 ..	158,602,000 ..	232,491,000
" 18,.....	172,983,000 ..	36,703,000 ..	9,929,000 ..	154,690,000 ..	212,515,000
" 20,.....	173,853,000 ..	35,554,000 ..	9,889,000 ..	154,824,000 ..	200,256,000

The deposits were reduced at the close of November, and early in December, about thirteen millions, on account of the large payments to the Treasury for the new 7-30 loan.

The foreign exchange market exhibits yet high figures. For bankers' bills on London we quote a moderate demand at 145½ @ 146, which is a fraction above the rates at the close of November; for documentary bills at sixty days, 143½ @ 144½; and for bills of leading commercial firms, 144 @ 145. On Paris, short sight, 8.85 @ 8.82½; for bills on Antwerp, 8.92½ @ 8.87½; on Switzerland, 8.86½ @ 8.85; Prussian thalers, 96 @ 97.

	Sept. 23.	Oct. 23.	Nov. 24.	Dec. 24.
London, bankers' bills,.....	129 @ 129½ ..	145 @ 147 ..	144 @ 145 ..	145½ @ 146
" mercantile bills,.....	128½ @ 129 ..	143 @ 145 ..	142 @ 143 ..	144 @ 145
" with bills of lading,.....	128 @ 128½ ..	142 @ 143 ..	140 @ 141 ..	143½ @ 144½
Paris, bankers' bills,.....	4.42½ @ 4.35 ..	4.00 @ 3.85 ..	3.90 @ 3.85 ..	3.90 @ 3.88½
Amsterdam, per guilder,....	48 @ 49 ..	58½ @ 55 ..	55 @ 55½ ..	55½ @ 55½
Bremen, per rix dollar,.....	93 @ 98 ..	102 @ 104 ..	105 @ 105½ ..	105 @ 105
Hamburg, per marc banco,...	42 @ 43 ..	47 @ 49 ..	48½ @ 48½ ..	48½ @ 49½
Frankfort, per florin,.....	48½ @ 49½ ..	54½ @ 55½ ..	55 @ 55½ ..	55½ @ 55½

The foreign export of gold from this port for 11½ months this year, compared with former years, was as follow :

1852,	\$ 24,566,000	1858,	\$ 25,210,000
1853,	25,751,000	1859,	69,153,000
1854,	37,147,000	1860,	42,161,000
1855,	27,207,000	1861,	8,449,000
1856,	36,711,000	1862,	59,106,000
1857,	41,329,000		

DEATHS:

On the 4th December, 1862, JOHN ALDEN, Esq., late Cashier of the Glens Falls Bank, N. Y. In Dundas, Canada, WILLIAM LASH, Esq., Agent of the Branch Bank of British North America at that place.

At Bridgeport, Conn., Monday, December 8th, CHARLES FOOTE, Esq., formerly Mayor of that city, and for more than thirty years Cashier of the Connecticut Bank, Bridgeport.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

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VOL. XII NEW SERIES, FEBRUARY, 1863.

No. 8.

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A REVIEW OF THE YEAR 1862.

At the close of the month of December, 1861, the market had recovered in part from the reaction caused by the correspondence which followed the seizure of Messrs. MASON and SLIDELL. Money was abundant on call, with the best collaterals, at 6 to 7 per cent. First class single signatures at 4 to 6 months were selling at the rate of 8 @ 9 per cent. For the last week of December the price for bankers' bills on London, at sixty days, ranged from 10½ to 10¾; Paris, 5.15 @ 5.10; Amsterdam, 41½ @ 41¾; on Bremen, 80 @ 80½ cts. per rix dollar; on Hamburg, 36¾ @ 37 cents per marc banco; on Frankfort, 41¾ @ 42 cents per florin.

On the 28th December, the last weekly bank statement of the year was made, and exhibited the following results, as compared with the first of January:

1861.	<i>Loans.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Net Deposits.</i>	<i>Specie, Sub-Tr.</i>
January,.....	\$ 129,625,000	.. \$ 24,839,000	.. \$ 8,698,000	.. \$ 86,454,000	.. \$ 8,645,000
December,.....	154,754,000	.. 29,837,000	.. 8,439,000	.. 116,471,000	.. 4,016,000

The diminished business of the city is shown in the customs duties of the port, which, for the month of December, were only \$1,800,000; and for the whole calendar year 1861, \$21,100,000, against \$36,027,000 in 1860, and \$38,834,000 in the year 1859.

On the 28th December, 1861, (Saturday,) the banks of the city of New-York, in convention, agreed to suspend specie payment. The vote

was twenty-five for suspension and fifteen against. This measure was announced on Monday, the 30th, and the banks acted in accordance therewith. The banks at Philadelphia, Boston and other cities followed suit on the same day.

The flow of specie to the United States during the year 1861 was accompanied by the following extraordinary fluctuations in the prices of bankers' bills on London at sixty days sight :

	London.	Paris.		London.	Paris.
January,...	108½ @ 107	.. 5.87½ @ 5.80	July,.....	104½ @ 107½	.. 5.35 @ 5.23½
February,...	104½ @ 107	.. 5.85 @ 5.80	August,...	107 @ 107½	.. 5.27½ @ 5.25
March,....	105½ @ 108	.. 5.81½ @ 5.25	September,...	107½ @ 109	.. 5.27½ @ 5.25
April,.....	105 @ 108½	.. 5.80 @ 5.21½	October, ..	107 @ 107½	.. 5.80 @ 5.25
May,.....	104 @ 106	.. 5.80 @ 5.27½	November,...	107½ @ 109	.. 5.28½ @ 5.25
June,.....	105½ @ 106	.. 5.85 @ 5.25	December,...	109 @ 111	.. 5.25 @ 5.05½

The year 1861 presented extraordinary fluctuations in the market values of bonds and shares in this market. The lowest prices were generally reached in May and June. The contrast with the lowest prices of the year 1860 are strong; for instance, Virginia 6's in 1860, 73, and in 1861, 36; Tennessee, 64 against 31½; Georgia, 102 in 1860, down to 53 in 1861; North Carolina, 76 to 44; United States 6's, 95 down to 80; Pacific Mail, 70 down to 50; Panama, 106 to 97½; New-York Central, 70 to 68. In a few cases, the lowest prices of 1860 were below the lowest of 1861, viz: Erie Rail-Road shares, 8½ in 1860, and 17 in 1861; Harlem, 8 up to 8½; Michigan Central, 34½ up to 39½ in 1861; Michigan Southern, 5 up to 10½ in 1861; Illinois Central, 51½ in 1860, up to 55½ in 1861; Cleveland and Toledo, 18½ up to 20½. The prices of mercantile bills throughout the year 1861 were usually 1 @ 2 per cent. below those of bankers; but, in many cases, good bills on London, (with bills of lading as collaterals,) were sold as low as 100 @ 102. The real par of exchange on London being about 109½ @ 109¾; (the English gold sovereign, or pound sterling, being worth, in Wall-street, \$4.80 @ \$4.88, instead of our custom-house nominal value of \$4.44;) the reader will appreciate the extraordinary depression prevailing throughout eleven months of the year, when the above low quotations are placed against the real par.

January.—The month of January, 1862, opened with the following position of the New-York city banks, compared with January, 1860 and 1859:

	Loans.	Circulation.	Deposits.	Coin in Sub-Treasury.	Coin in Banks.	Total Coin.
1859,...	\$ 128,588,000	.. \$ 7,980,000	.. \$ 92,826,000	.. \$ 4,202,000	.. \$ 28,400,000	.. \$ 32,602,000
1860,...	124,597,000	.. 8,589,000	.. 74,808,000	.. 7,735,000	.. 17,868,000	.. 25,603,000
1861,...	129,625,000	.. 8,098,000	.. 86,454,000	.. 8,645,000	.. 24,840,000	.. 28,485,000

Foreign exchange exhibited more violent fluctuations in January than at any period since the suspension of 1837-8. Bankers' bills on London, at sixty days, in January, sold at 115 @ 116, and as low as 111 @ 112; Paris, 5.12½ to 4.87½. The high rates for exchange led many merchants, for the first time, into the provision and grain markets to make shipments, as a means of remittance. It was found that wheat,

corn and pork can be shipped with a prospect of profit, and numerous outsiders, for the first time, have availed themselves of these exports, instead of paying 115 @ 116 for sterling bills.

The annexed summary will show the changes at the close of the last four months:

	Oct. 24.	Nov. 21.	Dec. 24.	Jan. 24.
London, bankers' bills,.....	107½ @ 108	.. 109 @ 109½	.. 110½ @ 110½	.. 113 @ 114
" mercantile bills,...	107 @ 107½	.. 108 @ 109	.. 109½ @ 109½	.. 112 @ 118
" with bills of lading, 105	@ 106	.. 107 @ 107½	.. 108 @ 108½	.. 109 @ 110
Paris, bankers' bills,.....	5.88½ @ 5.35	.. 5.25 @ 5.15	.. 5.15 @ 5.10	.. 5.05 @ 4.95
Amsterdam, per guilder,....	40½ @ 40½	.. 40½ @ 40½	.. 41½ @ 41½	.. 48 @ 48½
Bremen, per rix dollar,.....	77½ @ 77½	.. 79½ @ 79½	.. 80 @ 80½	.. 81½ @ 82
Hamburg, per mare banco,...	85½ @ 85½	.. 85½ @ 86	.. 86½ @ 87	.. 88 @ 88½
Frankfort, per florin,.....	40½ @ 43½	.. 41 @ 41½	.. 41½ @ 43	.. 48 @ 48½

The aspects of the stock market, since the close of December, were favorable to holders. There was an improvement visible in the values of State loans generally. United States sixes reached 91½; five per cents ranged from 78 @ 80½; Ohio sixes were quoted at 93, after dividend; Kentucky, 68 @ 69; Virginia sixes ranged from 49 @ 50½, closing at 49; Georgia, 66½; Tennessee, 42 @ 43½; Missouri, 40 @ 42½; North Carolina, 60 @ 61; California sevens, 76½ @ 79.

The statements of the banks of the three principal cities of the Union, for the third week, compare with the corresponding time of 1861, as follow:

	Loans.	Deposits.	Specie.	Circulation.
New-York, January 18,....	\$ 149,081,488	.. \$ 113,827,169	.. \$ 26,120,659	.. \$ 7,860,028
Boston, January 20,.....	61,409,585	.. 25,441,827	.. 8,585,377	.. 6,549,871
Philadelphia, January 20...	80,601,160	.. 20,699,896	.. 5,788,459	.. 2,120,766
Total,.....	\$ 244,092,173	.. \$ 159,466,892	.. \$ 40,489,595	.. \$ 16,085,665
Last year,.....	215,483,160	.. 122,805,580	.. 83,287,144	.. 17,527,980

February.—The market was quite unsettled throughout the month of February, owing to the varied features of the war, and the doubtful course of Congress in reference to the currency and the proposed system of taxation. A bill authorizing the issue of one hundred and fifty millions of Treasury notes, made legal tender, passed the House of Representatives on the 6th February, by a vote of 93 to 59. It passed the Senate on the 13th inst., by a vote of 30 to 7, with important modifications. The seven nays were, COLLAMER, of Vermont, COWAN, of Pennsylvania, KENNEDY, of Maryland, KING, of New-York, PEAROE, of Maryland, POWELL, of Kentucky, and SAULSBURY, of Delaware. The motion to strike out the legal tender clause was rejected by a vote of 17 to 22. The amendment made by the Finance Committee, providing for the payment of the semi-annual interest in coin, was adopted by the Senate.

There were large transactions in sterling and Continental exchanges during the month. For the steamers of the last week, the quotations of bankers' bills on London, at sixty days, were 113½ @ 114; for drafts against bills of lading, 110 @ 111; bankers' bills at short sight, 114½ @ 114½. On Paris, bankers' bills, 5.05 @ 4.97½; short sight, 4.95 @ 4.92½. There were sales, since the 1st inst., of bankers' sixty-day bills on Lon-

don at 116, but the transactions were light, and exceptional cases only. The shipments of coin to Europe were now resumed, pending the suspension of specie payments by the banks.

Money was abundant in Wall-street. The brokers reported a scarcity of commercial paper of a high grade. For loans on call, with first-class securities, the rates were 5 @ 6 per cent., mainly at the latter. On second-class securities, as collateral, the rates are 6 @ 7 per cent., with a limited business only. Strictly prime commercial paper was taken readily by the banks and by brokers as low as 5 @ 6 per cent. First-class single names, 4 to 6 months, was taken at 6½ @ 8 per cent. We annex the current rates at the close of the months of November to February :

	Nov. 25.	Dec. 24.	Jan. 24.	Feb. 23.
	Per cent.	Per cent.	Per cent.	Per cent.
Loans on call, State Stock securities,....	6 @ 7	6 @ 7	6 @ 7	5 @ 6
" other good securities,.....	6 @ 7	- @ 7	7 @ -	6 @ 7
Prime endorsed bills, 60 days,.....	5½ @ 7	- @ 7	5½ @ 7	5 @ 6
First class single signatures, 4 to 6 mo.,	8 @ 10	8 @ 9	8 @ 9	6½ @ 8
Other good bills,.....	10 @ 12	12 @ 15	10 @ 12	8 @ 12
Names less known,.....	18 @ 24	- @ -	12 @ 24	12 @ 18

The government loans improved in value, during the month, under the better advices as to the military movements at the South and West. Holders of government stocks and capitalists looked for a stringent system of finance for the Treasury, so that public creditors might rest assured of prompt payment of claims, and of interest that shall become due. The U. S. six per cents ranged from 88 @ 91; five per cents, 78½ @ 80. State loans were decidedly better, and in keeping with the improved feeling as to the early results of the war. Ohio sixes advanced from 93 to 97; Kentucky sixes, which sold in January at 68, were now up to 85 @ 86; Virginia sixes, which were down to 46 @ 49 recently, this month reached 50½ @ 56. North Carolina sixes advanced 5½ per cent. during the month; Missouri, 5 per cent.; Louisiana, 7; Tennessee, 12.

March.—The money market, for the month of March, improved in tone steadily. This was attributed, in part, to the renewed successes of the Federal troops in the South and West, over the Confederate forces; and more particularly to the financial measures adopted by Congress, and to others under consideration. The Treasury Note bill was passed by both houses of Congress, and approved on the 25th of February by the President. This was followed by an act, approved on the 17th March, whereby all Treasury notes issued under the laws of 1861 and 1862 are made legal tender in payment of all debts, public and private.

These acts were followed by tax bills in Congress, proposing an excise duty on numerous articles, tax on licenses, and tax on manufactures, &c., which, it is supposed, will produce a revenue of one hundred and fifty millions of dollars. The introduction of the tax bill, and the urgent recommendation of such measures by the Committee of Ways and Means and by the Secretary of the Treasury, created more confidence in the public as to the ability of the government to meet the heavy burdens of the war.

Congress also authorized the Secretary of the Treasury to purchase coin to meet the payment of the interest on the public debt: also to

receive deposits from individuals, at five per cent. interest, and to re-issue Treasury notes in lieu of those defaced or mutilated.

The market was easy for money, and at low rates. Capital was offered at 6 @ 7 per cent. "on call," mainly at the latter figure; while prime commercial paper, at short dates, was taken by banks and brokers at 5½ @ 6 per cent. For bills at from four to six months, there were buyers at 6 @ 7 per cent., thus indicating the abundance of money and the stagnation of trade.

There was a more satisfactory feeling as to government securities. The new six per cents (1881) were quoted in February at 90 @ 90½; in March they were worth 94. The five per cents improved eight per cent., there being sales at 88, and holders ask 89. Indiana State fives were in better demand, at an advance of three per cent. since February. Virginia sixes found buyers at 60 @ 63. Georgia sixes found buyers at 74, instead of 69. North Carolina bonds, which left off at 66, in February, advanced to 68 and 70. Missouri sixes suddenly reached 53½, and Louisiana, 71; Tennessee, 60½ @ 61; all which showed renewed confidence among capitalists as to a restoration of peace, good order and the re-establishment of the laws.

The business of the rail-roads, in February and March, gave fresh confidence in their shares and bonds. The rise was satisfactory to holders of N. Y. Central, Erie, Michigan Central, Michigan Southern, Panama, Illinois Central and Galena R. R. shares. The earnings of these and other rail-roads of the country, for the month of January, 1862, compare very favorably with those for the same month of 1861; the increase, in nearly every instance, being large; that of the New-York and Erie is enormous. This road recovered a very profitable winter traffic. The falling off in the earnings of the Illinois Central resulted from the closing of the Mississippi River, which was open in 1861. The whole was very satisfactory for the internal commerce of the country.

April.—The money market for April was much more steady in its tone than in the month of March. There were fewer fluctuations at the stock board, more consistency in market values, and none of the sudden or violent periods which prevailed in former months. With more confidence in a speedy restoration of peace between the North and South, there was, at the same time, a belief prevailing that activity in business would soon follow, and the re-establishment of commercial relations extensively between us and those portions of the country then and now at variance.

It was argued that upon the return of peace there will return a disposition on the part of both to resume their business intercourse. The North will require, and be prepared to pay for, the cotton, tobacco, rice and grain of the South. The South, with less ability, however, than heretofore, will resume their purchases of domestic goods; because these goods can be bought cheaper here than similar goods can be bought elsewhere throughout the world. In other words, the North as well as the South will follow the dictates of common sense, as in former years, by buying where they can buy cheapest, and by selling where they can obtain the highest values for their property.

Foreign exchange reached a higher figure than prevailed in March.

For the steamer of the last week in April, the rates of bankers' bills on London were 112 @ 112½, at sixty days. Produce bills were quoted 110 @ 111. Bankers' bills on Paris, 5.10 @ 5.05. The price of gold, during the month of March, varied from 1½ @ 2½ per cent. premium, and in April, 1½ @ 2½. This, added to the nominal par of exchange between London and New-York, would make the true exchange about 110½ @ 111½.

The City Treasurer of New-York gave notice of being in funds to liquidate the Union Defence Bonds, issued a year previously. The Comptroller gave notice that the "Union Defence Fund Bonds" of the corporation of the City of New-York, (one million dollars,) with the interest thereon, becoming due and payable on the first day of May, 1862, will be paid by him on that day. Holders of said bonds, and others who may desire to invest in "The Union Defence Fund Redemption Bonds" of the corporation, authorized by an act of the legislature, passed April 12, 1862, were invited to signify the same by letter, stating the amount desired, until the first day of May proximo. The Union Defence Fund Redemption Bonds will be issued in sums to suit, and will bear interest at six per cent. per annum, payable semi-annually, on the first days of May and November in each year, and the principal will be redeemed on the first day of November, 1864. They will also be transferable at pleasure, only upon the books of the corporation, at his office.

The Sub-Treasurer at New-York (JOHN J. CISCO, Esq.) was authorized by the Treasury Department to receive money on deposit from individuals, bearing five per cent. interest. Under this order the deposits on the 21st April were over \$2,400,000, and on the 19th over \$600,000.

May.—The market, during the month of May, exhibited a uniform tenor, with a tendency to further ease in the rates on loans. With a larger aggregate of circulation than prevailed a year ago, there was less business, and, of course, less occasion for currency. Hence, it was found that holders of government paper rapidly converted it into six per cent. bonds, which suddenly rose from 93¼, as reported a month ago, to 104 @ 105. Bankers were inclined to make loans, repayable on demand, at 4 @ 5 per cent., with strictly first class collaterals. In fact, there were some transactions on a large scale, on call, at as low a figure as three per cent. On second-class securities the rates were 5 @ 6 per cent. First-class business paper, at short dates, well endorsed, was taken at 4 @ 5 per cent.; the same, at 4 @ 6 months, was selling at 4½, 5½ and 6 per cent. There was a limited supply of first-class paper, single signatures, at 4 @ 6 months. Business paper of a second and third rate stamp became scarce, and money was more abundant than ever.

The increased volume of paper money was shown in advanced rates of foreign exchange. For the steamer at the close of May, the rates for bankers' bills, at sixty days, on London, were 113½ @ 114. During the month the lowest rate was 113. For bills drawn against shipments the rates ranged from 112 @ 113. On Paris, at sixty days, the margin was 4.93½ and 4.97½; at short sight, 4.91½, 4.92½, up to 4.93½. The rates on continental cities were somewhat higher.

The new Treasury notes, bearing 7.30 per cent. interest, were quoted at

104½ @ 105. The banks of the city generally held the amounts taken by them last year, but some few sold out one-third or one half. Those who had the confidence and the judgment to retain their quotas, have realized a large profit, which will go far towards compensation for losses sustained by the commercial failures of 1861.

Ohio State six per cents advanced from 99½ to 102. Kentucky, from 84 to 92; Indiana fives, from 77 to 84; Pennsylvania fives, from 83½ to 89½; California sevens, from 86 to 95½. In Southern State bonds there was a satisfactory rise following the intelligence of the recovery of our ports and property in Virginia, North and South Carolina, Georgia, Florida and Louisiana. Virginia sixes advanced, during the month, from 56½ to 59; North Carolina, from 63½ to 72½; Missouri, from 49½ to 52½; Tennessee, from 55½ to 59½.

It is worthy of note, that as soon as the price of government sixes touched par on the call at the board, on the 3d of May, three rousing cheers were given by the board of brokers, as hearty a three, perhaps, as were ever heard in the stock market. Nor was the enthusiasm confined to the Exchange; there were congratulations on the event throughout Wall-street.

The Assistant Treasurer issued the following notice:

“UNITED STATES TREASURY, NEW-YORK, *May 5, 1862.*

“Under instructions from the Secretary of the Treasury, I hereby give notice to all holders of certificates of deposit bearing interest, issued prior to the 14th day of March ultimo, and payable in ‘United States Notes issued under acts prior to February, 5, 1862,’ that they are required to present such certificates within ten days from the date hereof for payment of principal and interest, or for exchange for certificates payable in ‘lawful money of the United States.’ Any such certificates not so presented, will, after said ten days, be payable in such lawful money as the government may be usually paying out to the public creditors.

“JOHN J. CISCO, *Assistant Treasurer United States.*”

The Auditor of the New-York Canal Department gave notice of funds to pay the awards made by the canal appraisers in 1859, with the interest up to the 1st instant. The Assistant Treasurer at New-York received fifty millions of dollars on deposit, bearing four and five per cent. interest, being the amount limited by law.

June.—The market for the month of June showed an increased supply of capital unemployed, and, consequently, lower rates on loans. There were transactions “on call” at as low a rate as three per cent., and prime business paper taken at 5 @ 6 per cent. There was a more active movement of specie towards Europe, to pay for the balances against this country in its trade with Europe, China, &c. The custom-house returns indicated that the foreign importations were becoming larger, without a commensurate export trade in domestic produce. The current rates on “call loans” were 5 @ 7 per cent., with good collaterals; and occasional transactions, where government securities are used, at 3 @ 4 per cent. First class paper was taken readily at 5 @ 6 per cent. The banks were willing to take all the good paper that offers, at rates varying from 5 @ 7 per cent.

The price of specie rose suddenly from 3 @ 3½ to actual transactions this month at 6 @ 7 per cent. premium; there was consequently a rise in the rates of foreign exchange. For the steamer of the 20th, sales of bankers' bills on London were made at 117½ @ 118, sixty days; Paris, 4.81½ @ 4.76½; Antwerp, 4.80 @ 4.77½. These are severe terms to those who a few months ago made contracts predicated on sterling bills at 112 @ 113.

The demand for government securities increased, with greater ease in money affairs. The United States loan of 1881, coupons, reached 106 @ 106½; Treasury notes, 7 3-10 per cent., were in demand at 105½ @ 106½. The coupon bonds of 1868 sold at 104 @ 104½. There was an improved demand for State loans, at better prices than quoted in May. Sales were reported of Michigan six per cents, 99½ @ 99½; Tennessee, 58½ @ 60½; Virginia, 56½ @ 57; North Carolina, 72.

The New-York State loan of \$800,000, bearing six per cent., was taken on the 18th June, at 110.05 @ 113. There were other bids at 101 @ 110, which were not accepted. As the loan was payable in specie, the market rate for the latter, 6 @ 6½, must be added to the actual cost. The award was as follows, showing an average of about 110.79½. The actual cost in gold will range from 116 @ 119½:

John Cook, Havana, N. Y.,.....	\$ 50,000	at 113.00	or	\$ 57,500	00
Silas Bronson, New-York,.....	10,000	" 111.60	"	11,150	00
Read, Drexel & Co., New-York,.....	300,000	" 111.83	"	333,999	00
Silas Bronson, New-York,.....	15,000	" 110.50	"	16,575	00
T. W. Olcott, Albany, N. Y.,.....	10,000	" 110.80	"	11,060	00
A. G. Story, Little Falls, N. Y.,.....	5,000	" 110.25	"	5,512	50
Trevor & Colgate, New-York,.....	300,000	" 110.17	"	330,510	00
G. W. Cuyler, New-York,.....	15,000	" 110.17	"	16,525	50
J. E. Southworth, New-York,.....	5,000	" 110.16	"	5,508	00
T. W. Cuyler, New-York,.....	90,000	" 110.05	"	99,045	00
	\$ 800,000			\$ 886,376	00

The Indiana bond fraud was in course of legal investigation at New-York. We have never known a case of more flagrant neglect, on the part of State officials, than is exhibited in the present instance. The most gross carelessness was permitted, thus affording ample opportunities for the commission of fraud on the State by their own officials and agents.

The statements of the banks of three principal cities of the Union for June, compare with the previous one and the corresponding time of 1861, as follow:

	<i>Loans.</i>	<i>Deposits.</i>	<i>Specie.</i>	<i>Circulation.</i>
New-York, June 14,.....	\$ 144,014,350	.. \$ 125,642,375	.. \$ 51,102,048	.. \$ 3,514,329
Boston, June 16,.....	63,591,341	.. 25,002,048	.. 7,894,389	.. 5,375,613
Philadelphia, June 16,.....	32,132,654	.. 24,307,057	.. 5,630,508	.. 4,296,026
Total,.....	\$ 239,738,345	.. \$ 175,052,480	.. \$ 64,627,450	.. \$ 13,187,957
Last week,.....	236,339,994	.. 176,306,993	.. 44,864,614	.. 13,940,105
Last year,.....	200,518,154	.. 121,665,410	.. 50,051,416	.. 17,357,399

The transactions in rail-road shares, during the month, were unusually heavy. New-York Central shares were this month sold at 92½ @ 95½; Erie, 37½ @ 39; preferred shares, 41½ @ 45; Hudson River, 47½ @ 49½;

Reading, 56½ @ 59; Michigan Central, 65½ @ 68½; Michigan Southern, 26½ @ 28½; guaranteed stock, 59 @ 64; Panama, 136 @ 140; Pacific Mail, 115 @ 116½; Cleveland and Toledo, 46½ @ 48; Cleveland, Columbus and Cincinnati, 123 @ 124½; Cleveland and Pittsburgh, 21½ @ 23; Chicago and Rock Island, 66 @ 68½; Galena and Chicago, 70½ @ 72½; Chicago, Burlington and Quincy, 79 @ 80. In coal company shares the sales were, Delaware and Hudson, 96½ @ 98; Pennsylvania Coal Company, 97 @ 98; Cumberland Coal, 8½ @ 9½.

July.—The month of July was fruitful in important events. Few months exhibited more severe fluctuations in the money, stock and foreign exchange markets. Congress adjourned on the 17th instant, after adopting a higher tariff, an increased issue of Treasury notes to the extent of one hundred and fifty millions of dollars, and a substitute for small change in the use of postage stamps. Gold sold during the month of July at 119½; and sixty day bills on London sold at as high a figure as 131, or 21 @ 22 per cent. above the specie par.

Money no longer remained at 4 @ 5 per cent. Six per cent. was now the minimum rate among bankers and brokers, and a more active demand has arisen for loans. We may attribute this mainly to the heavy export of gold, which exceeds, for the last six months, thirty-three millions from the port of New-York.

The current rates for loans "on call" were 6 to 7 per cent.; very little commercial paper was taken under 7. We annex the current rates on loans in this market at the close of the past four months:

	April 22. Per cent.	May 22. Per cent.	June 22. Per cent.	July 22. Per cent.
Loans on call, State stock securities,.....	6 @ 6 .. 4 @ 5	4 @ 5 .. 3 @ 5	5 @ 5 .. 6 @ 7	6 @ 7
" other good securities,.....	6 @ 7 .. 5 @ 6	5 @ 6 .. 5 @ 7	7 @ 7 .. 7 @ 7	7 @ 7
Prime endorsed bills, sixty days,.....	5½ @ 6 .. 4 @ 5	4 @ 5 .. 4 @ 5	5 @ 5 .. 5½ @ 6	6 @ 7
First class single signatures, 4 to 6 months, .	6 @ 7 .. 5 @ 7	5 @ 7 .. 5 @ 7	7 @ 7 .. 6 @ 7	6 @ 7
Other good bills,.....	7 @ 10 .. 6 @ 7	6 @ 7 .. 6 @ 7	7 @ 7 .. 7 @ 9	7 @ 9
Names less known,.....	10 @ 12 .. 9 @ 12	9 @ 12 .. 9 @ 12	9 @ 12 .. 9 @ 12	9 @ 12

The fluctuations in foreign exchange were great during the month, and the quotations higher than we had ever known them. For the Liverpool steamers of July 2d, the price of bankers' bills on London, sixty days, had reached 120½ @ 120½. On the 9th they were 122½ @ 123; on the 16th, 128½ @ 129; and by the steamer of the 24th they were 131½ @ 132; Paris, 4.35 @ 4.30. These high rates have induced large numbers of importers to purchase produce for shipments to European markets, taking the risk of a fall in values abroad.

The act of Congress, approved July 11th, authorizes:

1. The Treasury to issue, in addition to amounts before authorized, \$150,000,000 Treasury notes, not bearing interest, payable to bearer, of any denominations the Secretary may direct, provided "no note shall be issued for the fractional part of a dollar, and not more than \$35,000,000 shall be of lower denominations than five dollars. These notes shall be received in payment of all loans made to the United States, and of all taxes, internal duties, excises, debts and demands of every kind due to the United States, except duties on imports and interest; and of all claims and demands against the United States, except for interest upon

bonds, notes and certificates of debt or deposit; and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest."

2. Authorizes the Secretary, if he thinks it expedient, to have said notes engraved and printed at the Treasury Department.

3. The limit of deposits with the Treasury is repealed, and the Secretary is authorized to receive such deposits under such regulations as he may prescribe, to such an amount as he may deem expedient, not exceeding one hundred millions of dollars, for not less than thirty days, in sums not less than \$100, and at a rate not exceeding five per cent.

4. The Secretary is authorized to borrow such part of the sum of \$250,000,000 before authorized as may not have been obtained.

5. The sum of \$300,000 is appropriated for the purpose of detecting and bringing to trial and punishment persons engaged in counterfeiting Treasury notes, bonds or other securities or coins of the United States.

Congress has also passed an act authorizing the use of postage stamps as a currency—the market price of gold and silver being such as to keep them from circulation as money. The same act of Congress prohibits the circulation of small notes or fractions of a dollar by any individual, firm or corporation.

The following are the acts of Congress, of a financial character, during the late session :

1. *Duties*.—An act to increase the duties on tea, coffee and sugar. December 24, 1861. Ch. 2.
2. *Purchase of Coin*.—Demand notes a legal tender. Amount of temporary deposits of United States notes. Re-issue of Treasury notes. An act to authorize the purchase of coin, and for other purposes. March 17, 1862.
3. *Branch Mint in Colorado*.—An act to establish a branch mint of the United States at Denver, in the Territory of Colorado. April 21, 1862.
4. *Tax Act*.—An act to provide internal revenue to support the government, and to pay interest on the public debt. July 1, 1862.
5. *Tariff*.—An act increasing, temporarily, the duties on imports, and for other purposes. July 14, 1862.
6. *Additional Duty on Sugars*.—An act to impose an additional duty on sugars produced in the United States. July 16, 1862.
7. *Postage Stamps*.—An act to punish the fraudulent sale or use of postage stamps. July 16, 1862.
8. *Postage and other Stamps*.—*Bank Notes*.—An act to authorize payments in stamps, and to prohibit circulation of notes of less denomination than one dollar. July 17, 1862.

The proposals for the purchase of the \$50,000 of six per cent. Wisconsin State bonds, authorized to be issued by chapter 226 of the general laws of 1862, were opened in July, in the executive office. The bids and awards were as follow :

A. W. Greenleaf & Co., New-York,	\$ 50,000 par, awarded	\$ 13,000
Isaac Seymour, New-York,	25,000 " "	7,000
D. Ferguson, Cashier, Milwaukie,	30,000 " "	8,000
C. D. Nash, President, "	30,000 " "	8,000
Marshall & Illsley, "	25,000 " "	7,000
Sam'l Marshall, President, "	25,000 " "	7,000
		\$ 50,000

The Bank of England reduced its rate of discount, on the 10th July, to $2\frac{1}{2}$ per cent., and on the 24th, to two per cent. The only previous occasion on which the bank rate was as low as two per cent. was ten years back, during the nine months from April, 1852, to January, 1853. The stock of bullion throughout that period was much higher than the present total; but there was then nothing analogous to the cotton crisis, which now limits our currency requirements. The average amount was £21,350,000, and at one time it stood at £22,232,138—the highest ever attained.

The London *Economist* of July 26, says: "The supply of gold, resulting from realizations of securities in New-York, continues, increasing the amount of money afloat. The bank directors yesterday reduced the rate to two per cent. In the open market, capital does not command so much as the bank rate, and the applications at the bank, therefore, are very limited. Very good paper of short dates can be discounted at $1\frac{1}{2}$ per cent. For longer periods, the rates are unsettled. The Portuguese loan for £5,000,000, of which £500,000 was reserved for Lisbon, and £500,000 previously placed, has been applied for by subscribers to the amount of £21,000,000.

August.—There were no severe fluctuations in the money market of August. There was a large accumulation of capital, at this and other points, unemployed—the bank deposits at New-York having increased from \$111,789,000, at the opening of the year, to \$142,034,000, at the middle of August. At Boston, the bank deposits increased from \$19,975,000, at the close of March, to \$27,315,000 at the opening of August. At Philadelphia, the first week in January, the bank deposits were \$21,396,000; now they were \$24,217,000. This shows an uniform movement and great ease in the market; at the same time, there is no commensurate increase of commercial paper. The bank loans are now less than they were at the beginning of the year, by two millions of dollars; the specie has increased nearly twelve millions.

The banking movement throughout the State is also of the same tenor. The aggregate deposits, at the close of June, exceed those of December by \$25,000,000; circulation, \$3,200,000; due other banks, \$16,100,000; and the specie on hand, \$3,000,000.

There was still a large export of specie to Europe, in discharge of imports of goods under the tariff of 1861. For the present year, up to the middle of August, the shipments were \$37,885,000. This will continue until the large indebtedness to Europe shall be cancelled, and the end of remittances for American securities sold recently on foreign account.

Nothing but a vigorous adherence to the "American system," or domestic manufactures, will prevent this heavy abstraction of specie to foreign ports. If we wish to preserve our own institutions, our capitalists and domestic labor, we must, for a few years at least, confine our importations of foreign goods to the amount of our exports of domestic produce and merchandise.

New-York State seven per cents, long bonds, in August were held at 119; six per cents, of 1877, at 117 @ 118; Illinois war loan, 98 @ 99;

Michigan sixes, 96 @ 98 ; war loan, 100 @ 102 ; Minnesota 8 per cents, 98 @ 102 ; Indiana war loan, 94½ @ 95. On the 20th, Mr. Cisco, Sub-Treasurer at New-York, negotiated \$3,000,000 United States 7 3-10 notes at 104.

In rail-road securities there was, to holders, a very satisfactory advance in market values. New-York Central shares, after the dividend, were quoted at 98½ @ 94 ; Erie shares, since our last month's report, have advanced from 34½ to 38½ ; Harlem, from 14½ to 16½ ; Reading, from 54½ to 59½ ; Hudson River, from 43½ to 48½ ; Michigan Central, from 60½ to 67 ; Michigan Southern, from 25 to 30 ; Panama, from 132½ to 139 ; Illinois Central, from 57½ to 61½ ; Cleveland and Toledo, from 47½ to 52½ ; Rock Island, from 64½ to 67½ ; Galena and Chicago, from 70½ to 73 ; Chicago and Burlington, from 77½ to 85.

Considerable excitement prevailed on Saturday, August 16th, in the principal commercial circles in London, in consequence of a statement having gone abroad that the Bank of England authorities had received information that a large quantity of the paper manufactured for that corporation, for the printing of its notes, had been stolen from the premises of the firm engaged to prepare or manufacture it ; and also, that a determination had been arrived at by the board of directors on the subject. The great obstruction which has hitherto presented itself to the manufacture and passing of forged notes has been the almost insuperable one of imitating the bank note paper, which is manufactured exclusively by one particular firm. It having come to the knowledge of the directors of the Bank of England that many of the forged notes which had been passed and paid were printed upon the *bona fide* Bank of England paper, that body of gentlemen determined to take the most active steps in order to discover how it was that any paper should have been abstracted from the manufactory of Messrs. PORTAL & Co., Laverstoke, near Whitechurch, in Hampshire, that being the only establishment where the genuine paper was made. The city police were consulted upon the matter, and Messrs. FRESHFIELD and NEWMAN, the solicitors to the bank authorities, were also called upon for their advice.

September.—Some discussion arose as to the practicability of an early and safe resumption of specie payments. It is obvious that this can be done only by joint action of the Treasury and the banks of the leading cities, and upon the return of peace. While it is seen that the banks cannot resume, in view of the heavy demand liabilities of the Treasury, it is conceded that, when the latter shall have reached their maximum, at the close of the war, they may then be reduced in bulk one-third or one-half by a conversion into twenty year bonds. The cash liabilities of the government, like those of many suspended but solvent merchants, are too great for a speedy extinction. The government, like many merchants in a period of revulsion, must seek an extension upon these accumulated liabilities ; and this extension will be readily granted by its creditors, who know that their claims are safe beyond any probable contingency. The present debt, or any other that can arise during the present rebellion, can be extinguished in thirty years by this government, through a sinking fund of one per cent. per annum. A more speedy extinction of

the debt may be accomplished, if deemed desirable. Our government will be enabled to apply one hundred millions annually to the payment of the interest and to the extinction of the principal, without waiting for the gradual and certain, but slow, operation of a sinking fund.

The chief feature of the market for September was the extraordinary accumulation of deposits with our city banks. In the middle of September, last year, the net deposits were one hundred and six millions of dollars; they are now officially reported at one hundred and forty-nine millions, and the amount is increasing from week to week. As long as the war continues there will be, as now, a disinclination on the part of capitalists to enter upon new or extended fields of enterprise. Manufactures must remain on a limited scale, and be confined to those branches which are matters of present necessity. Capital, which has of late accumulated largely, must remain uninvested, and will be loaned at unusually low rates. There were transactions this month at as low a rate as three per cent. "on call," and at four per cent. for strictly first class paper. The banks found it difficult to obtain satisfactory commercial paper for their surplus means, and are, therefore, lending freely on stock collaterals at four, five and six per cent.

The foreign imports were unexpectedly large, and as the duties average nearly thirty per cent., the revenue was fully equal to the amount anticipated. The imports for the month of August, with the withdrawals of merchandise from bond, were over \$16,600,000, and for the past eight months, \$152,000,000, which is largely in excess of any former period. The duties for the month of August were \$4,762,000, and for eight months, \$37,037,000. The demand notes now outstanding will, at this rate, soon be exhausted, and the Treasury will, thereafter, receive only gold and silver for its customs duties. Assuming the interest on the public debt to be annually forty millions of dollars, which interest is, by law, payable in gold, the Treasury will be able to meet this demand without any necessity of purchasing coin.

In rail-road shares the market for the month was active and at improved values. The rise was from three to six per cent. We note an advance in New-York Central shares, since the close of August, of three per cent.; Erie shares, 4; Harlem, 1; Reading, 5; Hudson River, 6; Michigan Central, 6; Michigan Southern, 3; Illinois Central, 4; Cleveland and Toledo, 5; Chicago and Burlington, 5; Norwich and Worcester Rail-Road shares have advanced to 58; Erie, preferred, 75½; Harlem, preferred, 41½; Michigan Southern, preferred, 65; Cleveland and Pittsburgh, 27½; Milwaukie and Prairie du Chien, 34; Delaware and Lackawanna, 100; New-Jersey Rail-Road, 133 @ 134.

The Baltimore and Ohio Rail-Road Company has declared a dividend of four and a half per cent. on the stock of the Washington Branch Rail-Road, for the half year ending 30th September, and a dividend of three per cent. on the stock of the Main Stem of the Baltimore and Ohio Rail-Road for the half year.

October.—This was one of the extraordinary months in the financial history of the country, and will long be remembered as indicating the climax of the year in the upward movement of foreign exchanges, and in

the market values of gold and silver. On the 15th, the enormous rate of $37\frac{3}{4}$ per cent. premium on gold was reached at the stock board. There were some slight sales outside at a fraction higher. The price has since declined to 128 @ 129. On the same day the price of silver reached 129 @ 131, and the government demand notes were sold at the same rates. These high prices are the results partly of speculation and partly of fear. Many persons who lose sight of the permanent and the prominent resources of the country, seem to lose all confidence in its recuperative powers, and have hastily converted their spare cash and their securities into solid gold, thereby paying dearly for the exchange. Others, who have surplus capital, have invested in exchange on England and the continent at rates never before known in Wall-street. In some cases the rates for sterling bills were 150 @ 153 per cent.

It was apparent that there was a connection between the rise in gold and the bank expansion of the year. There was in New-York and Boston a conservative bank movement from the early part of January (when the suspension became known) and the month of April. The sudden advance in loans, deposits and circulation since April has been accompanied by a corresponding rise in the value of gold and silver. We refer to the following figures of the Boston bank report to confirm this point :

1862.	Loans.	Specs.	Deposits.	Circulation.	Price of Gold.
January,.....	\$ 65,612,000 ..	\$ 8,920,000 ..	\$ 27,098,000 ..	\$ 6,451,000 ..	....
April,.....	61,208,000 ..	8,674,000 ..	21,014,000 ..	6,557,000 ..	1½ @ 2½
May,.....	59,305,000 ..	8,568,000 ..	28,828,000 ..	5,458,000 ..	2½ @ 4½
June,.....	60,677,000 ..	8,689,000 ..	26,780,000 ..	5,843,000 ..	3½ @ 9½
July,.....	64,590,000 ..	7,924,000 ..	26,568,000 ..	6,948,000 ..	8½ @ 20½
August,.....	66,586,000 ..	7,966,000 ..	27,815,000 ..	6,688,000 ..	12½ @ 16½
September,.....	69,180,000 ..	8,048,000 ..	26,646,000 ..	6,815,000 ..	16½ @ 24
October,.....	72,582,000 ..	7,942,000 ..	29,816,000 ..	7,822,000 ..	22 @ 87½

A general rise was seen in the market values of stocks. The facility existing in Wall-street for borrowing on stocks led to higher prices and very large transactions. We may demonstrate this by reference to the large amount of checks passing through the Clearing-House. Government six per cents of 1881 have advanced to 103½ @ 104; five per cents, 93 @ 93½. California State sevens sold at 114. Pennsylvania fives, 94½ @ 95½; Missouri sixes, 53½ @ 54; Virginia, 63½ @ 64; Tennessee, 54 @ 54½; Michigan seven per cent. war loan, 107 @ 108; Indiana six per cent. war loan, 100; Illinois coupon bonds of 1877, 105 @ 106; Government 7 3-10 bonds in active demand at 105½ @ 106.

In rail-road shares the sales were large, and the market subject to severe fluctuations during the month. New-York Central shares have realized a premium, for the first time for several years. Erie shares have reached 63½ this week; Erie, preferred, 92½; Hudson River shares, 68; Michigan Central, 88; Panama, 150; Rock Island, 82. New-Jersey Rail-Road shares are quoted 140 @ 143; Delaware and Lackawanna, 114; Cleveland and Pittsburgh, 39 @ 40; Norwich and Worcester, 66; Pittsburgh and Fort Wayne, 60 @ 61.

November.—Speculation marked the movements of the stock board and money circles during the month. It was specially observable in the rapid rise of stocks until the first week in November, when suddenly there

was a reaction, and prices declined from 10 to 20 per cent. in one week. These changes arose mainly from the result of the elections in the State of New-York, and other States, and from fears caused by the removal of General McCLELLAN from the command of the army. Slight events (as well as important ones) will sometimes induce holders of public securities to sell out; especially those parties who have but a limited amount to lose, and who cannot always hold their investments during a falling market.

Another cause of disturbance was the unexpected borrowing of twelve millions of dollars on the 12th inst., for account of the Treasury, by the Assistant Treasurer in New-York. This sum was borrowed at the rate of five per cent., for fifteen days, in anticipation of the negotiation then proposed to be made on the 17th, of the balance of the 7.30 per cent. loan, amounting to thirteen and a half millions.

The negotiation was effected on the day named; there being bids for over twenty-nine millions of dollars; one-third of which, at from 3.06 to 4.12½ per cent. premium, and the remainder at par to 3.05 per cent. This is one of the most satisfactory negotiations made during the present war. It will be remembered that one hundred millions of these issues (authorized July 17, 1861) were taken by the banks of the three cities of New-York, Boston and Philadelphia in September—October, 1861, at par—a very profitable operation for these institutions; those notes having since reached 6 per cent. premium in the open market.

The treasurer of the State of Michigan gave notice that he would be prepared, on the 1st of January, to pay off \$27,100 of \$100 bonds, and \$10,400 of \$50 bonds, of the debt known as the "War Loan" of 1861.

The Bank of England, on Thursday, October 30th, advanced the rate of discount from two to three per cent. The bank rate was reduced from 2½ to 2 per cent. on July 24th last, when the coin and bullion were £18,060,617, or £2,543,763 more than at the close of October; and the reserve of notes, £9,652,160, or £1,321,780 more.

December.—The month of December was an excited one, both in politics and in money. The annual report of the Secretary of the Treasury was sent to Congress on Friday, the 5th inst. It was favorably received by large portions of the country; recommending, on national grounds, the adoption of national credit for that of the individual States, as a basis for banking circulation. The sound and conservative banks, who look to the safety, the uniformity and the stability of the paper currency of the country as essential to the prosperity and permanency of commerce and finance, consider the proposed change as desirable for the true interests of the people. In this, however, the banks properly exclude the idea of profit to individuals which now arises from the issue of paper money; but in view of the lamentable evils which have hitherto marked its excesses and abuses, they look at the subject in its broader and national aspects, and conclude that the interests of the whole country and the whole people are paramount to those of individuals and corporations.

A leading additional cause of anxiety in the money market was the repulse of the Union army, on the 13th inst., at Fredericksburg. Public securities were instantly depressed by the temporary loss of confidence among capitalists as to the progress of the war.

To these causes, ample in themselves to produce a revulsion in the stock and money market, was added, on the 20th inst., rumors of dissensions in the Cabinet, of a want of confidence felt by Congress in the administration, and finally, an official statement of the resignation of Secretary SEWARD and Assistant Secretary F. W. SEWARD, of the State Department, and of Secretary CHASE, of the Treasury Department.

On the 22d, when the intelligence became general in Wall-street, there was an instant decline in United States loans. The 7.30 bonds, which have lately ranged from 4 @ $4\frac{1}{2}$ per cent. premium, fell to $\frac{1}{2}$ per cent.

The administration of the affairs of the Treasury Department has been marked by unquestioned integrity, ability and industry, and the public credit stood well, even in the face of the most extraordinary national expenditures that have ever been recorded in the world, and in the face of speculative efforts in Wall-street and elsewhere to embarrass the Treasury. The banks, unfortunately, have aided these individual efforts, by lending freely on deposits of gold; and if these special deposits of gold (now amounting to about ten millions of dollars) were withdrawn, and the gold thrown upon the market, it would fall in price.

The country is now paying the penalty of the abuse of its credit abroad. The markets of Europe have, for years, been besieged for the purchase of American State bonds, rail-road shares and bonds, city and other corporate bonds. These efforts were successful to an amount variously estimated at two hundred to three hundred millions of dollars. Upon the first revulsion of the market at home, these securities have been returned to Wall-street for conversion into gold or exchange on Europe, even at a loss of twenty, or thirty, or forty per cent. These orders, to the extent of fifty or one hundred millions of dollars, have been executed during the current year, and the continual high price of gold and of sterling bills are partly the results.

Up to the 20th inst., before the causes of the disturbance of the market now alluded to were made known, the previous demand for government loans had been sustained. The new 7.30 bonds had sold, in private hands, at 104 @ 105, and at the board, at 103 $\frac{1}{2}$ @ 104 $\frac{1}{2}$. The five per cents of 1874 had advanced from 92 $\frac{1}{2}$ @ 94. State bonds were well held. The bonds of the Confederate States are down in price. Virginia declined from 64 $\frac{1}{2}$ to 60, and there are more sellers than buyers.

A PRISONER FOR THIRTY-SIX YEARS.—Dublin papers announce the death of a person named STERNE, who had been imprisoned for debt in the Four Courts Marshalsea, for 36 years. Mr. STERNE was a gentleman of large fortune, who, in consequence of some interest he had with government, obtained an official position in, it is understood, the commissariat. About the year 1824, he was arrested on account of a debt of about £300, and was committed to the Four Courts Marshalsea. Bereft of resources, and discarded by all his connections, it was impossible for him to procure the means to satisfy all his creditors. He was, however, allowed a sum of ten shillings a week for several years, by an eminent judge who pitied his situation. Mr. STERNE, or, as he was called in the prison, "General" STERNE, was in the latter part of his life morose and reserved. It was exceedingly difficult to obtain from him any information regarding the events of his former life. He seldom mixed with any of the other prisoners, remaining almost entirely in his own room.

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, 1860, 1861 AND 1862.

	YEAR 1860.		YEAR 1861.		JULY, 1862.		AUGUST, 1862.		SEPT. 1862.		OCT. 1862.		NOV. 1862.		DEC. 1862.		YEAR 1862.	
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.
United States six per cents, 1860,...	95	100%	80	100	96%	100	96%	99%	96%	100	100%	100	100	101%	108	108	88	107%
United States six per cents, 1861,...	..	..	85%	95%	96%	100	96%	101%	99	103%	103	104%	108	104%	103%	104%	87%	107%
U. S. five per cents, 1874, coupons,...	85	104%	75	97	85	91	85	91	88	91%	91	94	91%	98	91%	95%	78	97%
Indiana State five per cents,.....	88	98	75	98	..	..	..	..	..	..	..	..	..	..	..	..	78	84%
Virginia six per cent. bonds,.....	73	95	84	81	58	57	51	57	55%	59	59%	65%	65	60	60	60	49	65%
Tennessee six per cent. bonds,.....	64	98	84%	77	47%	57%	49%	58%	45%	51	51	53%	53	55	52%	55%	49	61
Georgia six per cent. bonds,.....	103	100	58	94	75	..	73	..	..	..	..	..	..	80	..	..	69%	80
North Carolina six per cent. bonds,...	78	100	44	89%	64%	73	65	67%	64%	68	71	69	70%	68	70	68	70	74
California seven per cent. bonds,....	69	95	71%	88	91	90	94%	100	99%	100	110	115%	119	114	111%	110%	70%	110%
Missouri six per cent. bonds,.....	61	84%	85	79%	45	81	45%	49%	45%	80%	49%	49%	85	50%	51%	52%	40	58
Cumberland Coal Co., preferred,....	8	17%	4	9%	7%	7%	7	8	8%	15%	9%	17	11	18%	13	14%	5	11
Pacific Mail Steamship Company,....	70	107%	50	100	104%	116%	107%	112%	109%	121%	117%	128	117%	124%	119	127	91	127
New-York Central Rail-Road,.....	70	93%	68	89%	89%	87%	89%	94%	95	104	103%	107%	101	105%	101%	104%	79%	107%
Erie Rail-Road shares,.....	8%	43	17	40%	28	37	38%	39%	36%	43%	49	65%	61	79	73%	77%	85%	79
Hudson River Rail-Road,.....	26	66	81%	49%	48	47%	44%	54%	50	63%	61	79	73	79	72%	77%	85%	79
Harlem Rail-Road shares,.....	8	24	9%	16%	13	17%	14%	17	15	23	20%	35%	18	28	21	23%	11%	25%
Harlem Rail-Road, preferred,.....	37	49%	30%	43	33%	41	35	43	39	43%	46%	53%	44%	53%	50	54%	38%	49
Brooklyn Rail-Road shares,.....	80	49%	39%	43%	54%	59%	56	62%	59%	70	69	79	73%	78%	74%	77%	55	79
Michigan Central Rail-Road,.....	84%	73%	89%	61%	57	63%	59%	65%	65%	81%	81%	93%	85%	91%	83%	93	47	98
Michigan S. & W. Indiana R.R.,....	5	25	10%	30%	25%	27%	24%	23%	31	29%	27%	37	41	37%	43%	36%	41	47
Michigan S. & W. Indiana, genl.,...	13%	50%	33%	41%	39%	40%	35%	34%	41%	41	44	43%	35	35%	33	35	35	35%
Panama Rail-Road shares,.....	106	146%	97%	131	126	127	126%	140%	129%	150	144	154	153%	168	159	170	110	170
Illinois Central Rail-Road shares,...	51%	89%	55%	88%	55%	61%	57	62%	61%	71	75%	94%	74	81%	76%	81	58%	84%
Galena and Chicago Rail-Road,....	55	83%	55	74%	64%	71%	67%	74%	70%	81	79%	88	80	86	80	86%	63%	88
Cleveland and Toledo Rail-Road,...	18%	49%	30%	38%	40	49%	45%	54%	55%	69%	67%	73	65%	70%	66	73%	53%	73
Chicago & Rock Island Rail-Road,...	49%	84%	80%	63	69%	69%	69%	78%	77%	85%	84%	89%	77%	86%	77%	89%	50	86%
Illinois Central Construction bonds,...	51	100%	84%	103%	90%	94	95%	101%	100	107	103%	107	104%	107	111%	113	94%	113
Pennsylvania Coal Company,.....	75%	87	73	81	85	97	95	99%	99	108	110	109%	116	112%	118	118	79%	118
Delaware and Hudson Canal Co.,...	80	101%	79	99	91%	97	97%	100%	100	110	108	110	111%	118	119	119	94%	119
Premium on gold,.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chicago, Burlington and Quincy,...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Demand Notes,.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, 7.30 per cent.,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

HISTORY OF THE BANK OF ENGLAND.

APPENDIX BY THE EDITOR OF THE BANKERS' MAGAZINE.

(Continued from page 589.)

THE YEAR 1848—RATE OF INTEREST EIGHT PER CENT.—REVOLUTION IN FRANCE—CONSOLS DOWN TO 83—SUSPENSION OF THE BANK OF FRANCE—FAILURES IN FRANCE—CHARTIST MOVEMENT—EXTRAORDINARY DECLINE IN RAILWAY SECURITIES—UNSATISFACTORY RESULTS OF THE YEAR—ATTEMPTS TO AMEND THE BANK CHARTER—SPEECH OF SIR R. PEEL—EXAMINATION OF THE GOVERNOR AND DIRECTORY OF THE BANK—PRICES OF STAPLES—YEAR 1849—ELECTION OF PRESIDENT IN FRANCE—IMPROVED PROSPECTS—YEAR 1850—LOW RATE OF DISCOUNT—NEW LOANS TO RUSSIA AND DENMARK—THE SCOTCH EXCHANGE BANKS—EXTRAORDINARY ADVANCE IN COTTON—CALIFORNIA GOLD ARRIVALS—IMPROVEMENT IN RAILWAY SHARES—YEAR 1851—SHORT HARVEST—FAILURES IN U. S.—NEW LOAN TO SARDEGNA—DISCOVERIES OF GOLD IN AUSTRALIA—EXTRAORDINARY COINAGE IN FRANCE AND ENGLAND.

The year 1848 opened under circumstances which, by contrast with those of the preceding year, might be called favorable. The minimum rate of discount at the Bank of England, which had been fixed at eight per cent. per annum by the government letter of the 25th October, 1847, had been successively reduced to seven per cent. on 22d November; to six per cent. on the 2d of December; to five per cent. on the 23d of December, and to four per cent. on the 27th January, 1848. The amount of the banking reserve had risen from a point under three millions in October, 1847, to nearly seven millions in January, 1848, and the market rate of discount had fallen even more rapidly than the bank rate. But the occurrence of the revolution in France, at the close of February, 1848, the utter overthrow of M. GUIZOT, the flight of LOUIS PHILIPPE, and the installation in power of an extreme republican party, were events which had entered into no one's view of the immediate future.*

Consols had ranged, prior to the 24th February, 1848, about 88–90. The effect of the French news will be seen from the following extracts from the city article of the *Economist* of Friday, the 3d March, 1848:

“The fluctuations in the public securities have been more sudden and greater during February than at any time since the termination of the continental war. On Friday, 26th February, consols closed, even with a knowledge of the abdication of LOUIS PHILIPPE, at 88½. On Saturday, however, they opened at 84½ to 85, and suddenly fell to 83, when it was found that a provisional government had been formed instead of a regency.”

* Tooke's *History of Prices*, vol. v. pp. 280, 281.

In the course of March occurred the suspension of specie payments by the Bank of France, and at Brussels by the Bank of Belgium and the *Société Générale*; and indications were given of the violent policy espoused by LEDRU ROLLIN and the party of the Red Republic in France.

During March, April and May, the failures of banking and mercantile houses at Paris, Havre, Marseilles, Hamburgh, Amsterdam, Antwerp, Berlin, and other large continental cities, were so numerous, that in some places the discredit amounted to a literal suspension of all business, and of the payment of any obligations in specie.

Political apprehension was added to commercial disaster. In this country the Chartist failure of the 10th of April removed all fear of any outbreak, but abroad the flame of revolt rapidly overran all Germany and most of Italy.

As the year advanced, the distress and pressure arising from the rapid decline of railway dividends—the utter depreciation in the market of all railway shares and securities—the constant strain of heavy calls upon shareholders already exhausted, and the universal distrust and despondency regarding the future of railway property, became the prominent topic, and excited real alarm.*

The commercial state of France at this period, and the circumstances which rendered the important change in its monetary system which soon after took place necessary, are thus explained in the official report of the Comte ARGOUT, the bank's chairman, for the year 1848: "When the revolution of February broke out, the treasure in the Bank of France and its branch establishments amounted to 225,000,000 francs. The demand for specie, however, rapidly increased on that event, but the bank made the most courageous efforts to meet the drain. From the 26th February to the 15th March, that is, during fifteen working days, the bank discounted in Paris alone 112,000,000 francs. In the branch banks, during the same period, it discounted 45,000,000 francs. By this means it saved from bankruptcy the banks of Rouen, Orleans, Havre and Lille. But the drain of specie was only thereby rendered more alarming. From the 26th February to the 15th March, the metallic reserve at Paris fell from 131,000,000 to 82,000,000 francs. On the 15th March the payments in coin amounted to 10,000,000 francs, and on the evening of that day there remained only 59,000,000 francs. On the succeeding day (16th) it was known the run would be still more considerable, and in a few days more the bank would be entirely drained of specie."

Suspension of Cash Payments.—In these alarming circumstances, the council-general of the bank met and prepared the draft of a decree, which was immediately submitted to the provisional government, received its unanimous sanction on the night of the 15th March, and appeared in the columns of the *Moniteur* on the following day. By this decree the bank was relieved from the obligation of paying its notes in specie, and its notes were declared a legal tender. The power of emission, however, was limited to 350,000,000 francs as the maximum of the circulation; and it was provided that weekly states of the affairs of the bank should

* TOOKER'S *History of Prices*, vol. v. pp. 231, 232.

be published, as in England. The emission of notes for 100 francs was authorized by the same decree. The issue of notes for 50 francs and 25 francs had been anxiously prayed for by the commercial classes; but the council-general of the bank refused its consent to this demand, as likely to lead to an exportation of specie at a time when it was of such importance to keep it in the country. The circulation of the bank at the date of the decree amounted to 275,000,000; so that, even as it stood, this measure afforded a considerable extension to the available circulation of the country, and what was of still more importance, relieved it entirely of the obligation to pay in specie.*

Great effects of this change, and its wisdom.—Thus did the suspension of cash payments result in France from the revolution of 1848, as the emission of assignats in that country in 1791, and the suspension of cash payments in Great Britain in 1797, had arisen from that of 1789. In all the three cases the change was the result of necessity, and the effect was immense, far exceeding what had been either intended or foreseen by its authors. The forced paper circulation of the first revolution in France, which at length was pushed to £750,000,000 sterling, beyond all question brought that country safe through the terrible assault of the European powers in 1793 and 1794; but it did so only by producing a rise of prices which utterly destroyed the capital of the nation, and inflicted an irreparable wound on its industry. The suspension of cash payments in Great Britain in 1797 alone enabled the nation to make head against the power of revolutionary France, and preserved the liberties of Europe when threatened with destruction by the arms of NAPOLEON; but it did this at the cost of a duplication of prices, doubling the amount of the national debt, and imposing a heavy burden on its industry, which will never now be removed. The opposite system, introduced by Sir ROBERT PEEL in 1819, of rendering the currency entirely dependent on gold, and contracting the paper whenever the gold was withdrawn, has induced three terrible monetary crises, under the effects of the last of which the nation was still laboring. Steering the middle course between these two extremes, the measure of M. GARNIER PAGES, based on the principle of *meeting the drain by an issue of paper, bearing a forced circulation, but limited in amount to what the nation really required*, may be regarded as a model of political wisdom, and perhaps the greatest boon ever bestowed by legislative wisdom on an afflicted nation. For if it had not been passed, and either an unlimited issue of the currency, or an unlimited contraction of it, had been practiced, beyond all doubt all the eloquence and courage of LAMARTINE would have been unable to avert another revolution—a second rule of the Jacobins, a second reign of blood, and a second revolutionary war.†

This decree was, in the first instance, confined to the Bank of France; but by two supplementary decrees, issued on the 27th April and 2d May, the protection was extended to the banks of Bordeaux, Rouen, Nantes, Lyons, Marseilles, Havre, Lille and Orleans, which were smal-

* Decree of March 15, 1848; *Moniteur*, March 16.

† ALLISON'S *Europe*, vol. viii. p. 327.

gamated with the Bank of France, and their joint circulation, inconvertible into specie, was extended to 452,000,000 francs, (£18,000,000.) This was fully equal to the necessities of a nation which at that period, strange to say, did not require more than £18,000,000 of discounts, while Great Britain needed £130,000,000! At the same time the greatest efforts were made by the Bank of France, and all its branches, to sustain industry and credit in every possible way. Discount banks (*Comptoirs Nationaux*) and loan offices (*Magasins Généraux*) were established in Paris and all the commercial towns of France, and bills were accepted for discount bearing two signatures only, instead of three, as formerly required. The re-discounting of bills was permitted, contrary to prior usage, and loan offices formed for granting receipts or warrants for goods stored in public warehouses, on which loans of money might be obtained. By these general means, powerfully aided by the limited but inconvertible currency, very great assistance was rendered by the Bank of France, both to individuals and the public treasury, during the remainder of the year—a period which, but for that relief, would unquestionably have been fraught with unparalleled disasters. In the nine months of 1848 after the decree suspending cash payments, the bank at Paris rediscounted bills to the amount of 90,000,000 francs, and in the branches 140,000,000 francs, besides advancing on security of goods in the "Magasins" 62,500,000 more. In addition to these advances to individuals, the bank lent government, on 31st March, 50,000,000 francs; on 31st May, 30,000,000 francs; and on 3d June engaged for a loan of 150,000,000 francs to the treasury, of which 50,000,000 francs was actually paid over. In these immense advances, rendered possible solely by the wise suspension of cash payments, rather than all the eloquence of M. LAMARTINE, the real means are to be found whereby France surmounted the crisis, and averted a second reign of terror. And the fruit of these measures clearly appeared in the rapid diminution of the number weekly admitted into the *Ateliers Nationaux*, which in the fortnight from 16th to 31st March, was 25,250; and from 1st to 15th April, 36,250; but from 16th to 31st May it had fallen to 3,000; and from 1st to 15th of June, to 1,200.

Deplorable State of the Public Finances.—Most fortunate was it for France and the world that the provisional government had either the sense to see, or were forced by the pressure of the working classes to adopt these the only measures suited to the crisis, or capable of meeting its dangers; for the condition of the public finances, in consequence of the revolution, had become all but desperate. Such was the effect of the universal alarm, that the consumption of every individual in the country, from the highest to the lowest, was at once reduced to the smallest possible amount. The *octroi* of the capital, which in 1847, had produced from 75,000 to 80,000 francs a day, immediately fell to 40,000 or 50,000 francs. All other taxes on consumption at once fell off in the same proportion. The imports of France in 1848 were little more than half of what they had been in 1847; and as the revolution only took place in the end of February, this implied a falling off to a still greater amount in the ten months subsequent to that convulsion. The exports, it is true, did not exhibit a decline by any means in the same proportion; but that arose from a peculiar and very distressing cause, which, so far from bespeaking a re-

vival of industry, indicated just the reverse. It arose from the universal desire to turn movable property into cash, and the impossibility of finding a market for it in France itself. This led to a general sending of it abroad; and to such a length did this go, that the foreign trade of France, in 1848, presented the enormous balance of £11,000,000 in favor of that country, which, of course, was paid in specie. This is a most curious and instructive circumstance, indicating at once how fallacious a test of the prosperity of a nation the amount of treasure in its banking establishments is; how erroneous an opinion it is, which is often entertained, that the amount of exports is to be taken as the measure of its manufacturing prosperity; and how great a mistake it is to suppose that the issue of inconvertible paper in moderate quantities will drive specie out of the country. For in this year of unexampled alarm and suffering; when the diminished consumption of all classes brought the imports down a half, and the national industry was sustained only by the issue of inconvertible notes to the extent of £18,000,000 sterling, the balance of trade was £11,000,000 in favor of France. Her exports had undergone very little diminution; the notes in circulation had risen from £11,000,000 to £15,000,000, the bullion in the bank from £3,000,000 to £10,000,000, while the discounts had sunk from £11,000,000 to £8,000,000.*

Two hundred millions sterling had been actually called up on railway shares in the United Kingdom, and expended; that the holders of this two hundred millions had given for the property at least two hundred and fifty millions; that in October, 1848, the market-value of the two hundred and fifty millions was certainly not more than one hundred and fifty millions sterling; and hence, that a loss of at least one hundred millions had been thus sustained, with the certain prospect of further expenditure, and, therefore, of further sacrifice still unprovided for. The following extract is from an elaborate paper in the *Economist* of 21st October, 1848.†

“The chief primary cause which has been in operation during the last twelve months (say since October, 1847) in reducing prices of railway shares, arose from the simple fact that the public had undertaken to make railways far beyond their means to accomplish. Every fresh call that has been made upon exhausted shareholders was attended by one of two effects—either the shares themselves, upon which the call was made, were sold, in order to avoid payment, or some other shares were sold in order to raise money for the purpose. But, whichever plan was adopted, there was a constantly increasing number of sellers, and a constantly diminishing number of buyers.”

Magnitude and Perfection of the Railway System in Britain.—The railway system, which, during these calamitous years, and under all the difficulties arising from a restricted currency and monetary crisis, was carried on and completed in Great Britain, was of the most perfect and magnificent description, and deservedly places this country at the head or all similar undertakings in any part of the world. A comparison of the railways in Great Britain with those in France, Germany, Belgium or America, in the end of 1854, proves that, in proportion to the area of the

* ALISON'S *Europe*, vol. viii. p. 328; NEWMARSH, vi. 58, 59.

† TOOKER'S *History of Prices*, vol. v. p. 234.

country, the system is more complete than in any other, taken as a whole, and exceeded only by those of Massachusetts, in America, in a part of a country. Even in Scotland the progress of these undertakings has been nearly twice as rapid as in Germany; and if allowance is made for the extent of mountain surface, where they are impossible, it enjoys a more complete system than either Belgium, the garden of continental Europe, or the western States of America, where they are constructed at the least expense, and with the greatest facility.*

The Bank of England had reduced the minimum rate of discount from four per cent. to three and a half per cent. on the 15th June, 1848; and to three per cent. on the 2d November. At the latter date, the total bullion stood at fourteen millions, and the private securities at ten and a half millions. The market rate of discount was two and a half to three per cent.†

Comparing the two months—October and December, 1848—described in the extract just given, as the periods between which prices had risen ten per cent., we find as follows :

<i>Circulation of</i>	<i>Oct., 1848.</i>	<i>Dec., 1848.</i>
Bank of England,	£ 19,600,000	£ 17,900,000
Country banks, (Great Britain,) ..	10,000,000	9,400,000
	£ 29,600,000	£ 27,300,000

That is to say, the outstanding circulation has fallen two and one-third millions, concurrently, with a considerable rise of prices; and also concurrently, with a stationary amount of private securities and total bullion at the Bank of England.

This partial recovery at the end of the year somewhat relieved the gloom of the period; but the annual trade circulars, issued at the close of 1848, described the results of the twelvemonth as exceedingly unsatisfactory. There had been a general decline of prices, arising from limitations of consumption.

But Sir ROBERT PEEL, in the debate alluded to, 1848, expressed himself with great vehemence against the idea of any relaxation at all. "The suggestion," he said, "of giving a discretionary power to the bank to relax the restrictions which are imposed upon the bank, I consider most objectionable. I consider it to be at variance with experience and with reason; with the evidence of the witnesses most competent to give an opinion upon the question at issue. Why, in 1844, did you impose restrictions on the bank? Because the experience of preceding years; full knowledge of the course pursued by the bank when the bank had unlimited authority; a deep sense of the evils which had arisen from the uncontrolled power of the bank in 1825, 1837 and 1839; convinced Parliament of the necessity of subjecting the bank to peremptory restrictions. There was, in 1844, an almost unanimous impression, without which the act of that year could not have been passed, that the discretionary power of the bank had been improvidently exercised, and ought to be controlled by law."

* ALBON'S *Europe*, vol. viii.

† TOOKER'S *History of Prices*, vol. v. p. 284.

The governors and directors of the bank, who were examined by the committee on this point, gave opinions equally decided against any relaxing clause. This, however, was a matter of course, seeing that they were uncompromising defenders of the act of 1844. Their views were, consequently, identical with those of Sir ROBERT PEEL, who quoted them as witnesses in favor of the measure.

YEAR 1849.

The year 1849 opened under somewhat hopeful circumstances.

A belief was entertained that by the election of LOUIS NAPOLEON to the French presidency, (20th December, 1848,) the condition of France would become speedily settled, and it was not apprehended that any great peril was connected with the internal disputes of other States of the continent. At home, the prices of food and raw material were low; stocks of goods had been greatly reduced by limitations of production; and it was unquestionable that the interruption of industry on the continent had diverted capital and employment to this country.

The minimum rate of discount at the Bank of England remained at 3 per cent. per annum, as fixed on 2d November, 1848, and the market rate was $2\frac{1}{2}$ to 3 per cent. The total stock of bullion was about fifteen millions, with a tendency to increase. Authentic news had arrived of the discovery of gold in California, and the discussion of the probable effects to flow from the discovery became a prominent and constant topic, the tendency being, on the whole, to expect that the new supplies of gold would produce speedy and marked effects on the price of commodities and securities.*

The Bank of England reduced the minimum rate to $2\frac{1}{2}$ per cent. on the 22d November, 1849, the former alteration having been to three per cent. on the 2d November, 1848; the rate, therefore, had remained at three per cent. for more than a year. In November, 1849, the private securities were low, say nine and a quarter millions, and the total bullion was sixteen millions.

The state of the outstanding circulation in October, 1849; the commencement of the speculative rise of prices just referred to; and in December, 1849, the month during which the rise attained its highest point and greatest extent, was as follows:

	Oct., 1849. Millions.	Nov., 1849. Millions.	Dec., 1849. Millions.
Bank of England,.....	£ 19,700,000	£ 19,500,000	£ 19,000,000
Country banks, (Great Britain,)	10,000,000	9,900,000	9,400,000
	£ 29,700,000	£ 29,400,000	£ 28,400,000

The year 1849 was begun by most commercial men with the confident expectation that it would prove the commencement of better times. It was hoped that the cycle of three years among the most eventful, if not the most disastrous on record, had finished its course. But this hope was not fulfilled. Hostilities were renewed on the continent, and the Punjab war raged in India. The continental disturbances acted most detri-

* Tooke's *History of Prices*, vol. v. p. 241.

mentally on commerce; and it was striking to notice how our markets rose and fell as the political barometer pointed either to a fair or troubled state of affairs abroad.*

COMPARATIVE PRICES, JANUARY, 1848, AND APRIL, 1849.

	Jan. 1848.		April, 1849. ^b	
Coffee,..... Brit. Plant,.....cwt.	25s.	@ 128s.	20s.	@ 100s.
Spirita,..... Rum, Jamaica,....gall.	38d.	@ 44d.	30d.	@ 34d.
Sugar,..... Br. West Indies, .cwt.	21s.	@ 29s.	23s.	@ 27s.
Tea,..... Congou,.....lb.	8d.	@ 18d.	8d.	@ 21d.
Tobacco,..... Virginia,.....lb.	2½d.	@ 5½d.	3½d.	@ 6d.
Cochineal,..... lb.	62d.	@ 81d.	44d.	@ 64d.
Cotton Wool, Bowed Georgia,....lb.	4½d.	@ 6d.	4½d.	@ 5d.
Flax,..... Riga,.....ton	£44	@ £52	£34	@ £40
Hemp,..... St. Petersburg,....ton	£36	@ £37	£30	@ £31
Indigo,..... Bengal,.....lb.	12d.	@ 66d.	15d.	@ 66d.
Logwood,.... Jamaica,.....ton	80s.	@ 85s.	95s.	@ 100s.
Oil,..... Gallipolis,.....tun	£44	@ £45	£42	@ £43
Saltpetre,.... Rough,.....cwt.	30s.	@ 32s.	28s.	@ 30s.
Silk, raw,.... China,.....lb.	10s.	@ 16s.	12s.	@ 17s.
Tallow,..... St. Petersburg, .cwt.	44s.	@ 45s.	38s.	@ 39s.
Timber,..... Dant,.....load,	80s.	@ 90s.	60s.	@ 75s.
Wool, Sheeps, Germ. secunda,....lb.	22d.	@ 25d.	21d.	@ 23d.
Copper,..... Tough Eng. Oaks, ton	£98	@	£88	@
Iron,..... Best bars,.....ton	£ 8	@ £ 8½	£ 6	@ £ 7
Tin,..... Eng. bars,.....cwt.	83s.	@	90s.	@

THE YEAR 1850.

At the opening of the year 1850 the minimum rate of discount at the Bank of England remained at 2½ per cent., as reduced to that rate on the 22d November, 1849; the bullion was gradually increasing; the private securities were low, and in Lombard-street good bills were readily discounted at 2 and 2½ per cent.

There was an absence of exciting topics, the trade of the country was moderately active, and the general impression pointed to the probability of a considerable recovery from the adverse influences of the two preceding years.

One of the earliest events of the year was the negotiation, through Messrs. BARING, in January, of a loan for Russia of £5,500,000, required, it was stated, for the completion of the Peterburg and Moscow Railway. The terms offered were a 4½ stock at the price of 93, interest to commence from 1st January, 1850, with provision for the reimbursement at par, at the end of each year for fifty years, of two per cent. of the principal. The rate really offered was about £4 16s. 10d. † and the whole of the subscription was filled up in a few days, the scrip coming out at a premium.

In March, a loan of £800,000 for Denmark was readily raised by Messrs. HAMBRO & SON in a five per cent. stock, at the price of 90. The scrip sold for two to three premium.

The prices of cotton in Liverpool in the middle of May, 1848–1850, were as follows, taken from the circular of an eminent broker :

* TOOKER'S *History of Prices*, vol. v. pp. 245, 246. † 4.84 per cent. interest.

RAW COTTON.

Description of Cotton.	Quality.	Years.	Price per lb.	Being an Advance of
Bowed and Mobile,...	Ordinary,	.. 1848	.. 3½ to 3¾ ..	} Nearly 84 p. ct.
" " ...	"	.. 1850	.. 6½ to 6¾ ..	
" " ...	Good,	.. 1848	.. 4½ to 5 ..	} Nearly 56 "
" " ...	"	.. 1850	.. 7½ to 7¾ ..	
New-Orleans,	Ordinary,	.. 1848	.. 3½ to 3¾ ..	} About 83 "
"	"	.. 1850	.. 6 to 6½ ..	
"	Good,	.. 1848	.. 5½ to 5¾ ..	} About 33 "
"	"	.. 1850	.. 7½ to 7¾ ..	

The influx of gold from California greatly occupied the public mind, and the interest in the question was much increased by the decree of the Dutch government demonetising gold.

The rate of discount remained very steady till quite the end of the year, when the Bank of England raised their minimum rate somewhat unexpectedly from 2½ to 3 per cent. on the 26th December. This step was perfectly justified by the facts of the case, for there was a considerable increase in the private securities, and a drain of bullion to the continent.

The drain was traced to a temporary disturbance of the previous relative values of gold and silver, arising out of the effects produced by the demonetisation of gold in Holland in July, 1850.

The rejection of gold from the Dutch circulation, and the existence of a double standard in France and other continental states, led to somewhat novel combinations of leading elements in the calculation of the foreign exchanges.*

In the early part of 1851, the drain of gold had ceased. The following extract from the circular of 31st December, 1850, of Messrs. STREAD BROTHERS, of Liverpool, will show the highly disturbed state of the cotton market at Liverpool during 1850: "In reviewing the cotton market during the year 1850, we shall assume middling Orleans as a standard of prices. On the 1st January, 1850, this quality was worth 6½d. per pound, being 50 per cent. higher than at the commencement of 1849."

The price of cotton in September, 1850, was very nearly 30 per cent. higher than it had been in January, 1850, namely, 8d. per pound, against 6½d. And as there is no circulation of country notes at Liverpool and Manchester, it is curious to find that the totals of the outstanding notes of the Bank of England were very nearly the same at the two periods, and that, in point of fact, the note circulation of 1850 was singularly uniform in amount, notwithstanding the occurrence of those violent fluctuations in the price of the greatest raw staple of the import trade.

Among the most satisfactory circumstances of the commercial history of 1850, was a decided improvement in the prices of railway shares, and diminution, to a great extent, of the more pressing difficulties of rail-road shareholders.

It may also be considered that, as a general rule, there was a disposition, in the latter half of 1850, in all the great markets for produce, to

* TOOKER'S *History of Prices*, vol. v. p. 253.

look forward to considerably higher prices, on the twofold ground of increasing consumption and of probable failures of the usual supplies.*

Scotch Exchange Banks, 1845-1850.—The universality of the speculation in railway shares in 1845 created, as a matter of course, a large class of borrowers, who offered as security the shares and scrip of railway companies in which they were interested. These loans were generally required for periods somewhat indefinite; and, in most cases, the proceeds of the loan were intended to facilitate further railway speculations. The ordinary banks had not the means, and, greatly to their credit, not the inclination, to encourage advances of this nature. It might be true that, at the time when the advance was made, the margin reserved on the shares taken in pledge might be considerable, but that margin could not be regarded as solid, nor could the punctual repayment of the advance be reckoned on with certainty. Hence arose the anomaly of a great pressure of borrowers offering high rates of interest for nominally short periods, and on highly marketable securities, and no class of lenders with adequate inclination and means to meet the demand for accommodation.*

Early in 1845, it occurred to Mr. GEORGE KINNEAR, a gentleman of reputation and character as a practical banker, that lending money on railway shares might become the special business of a special class of banks, to be set up for the purpose; that these banks might obtain the necessary amount of funds, to a small extent, by means of their own paid up capital, but, to a large extent, by means of deposits attracted to them by the offer of a high rate of interest; and that the funds so acquired might be exclusively employed in loans on railway shares.*

In May, 1845, Mr. KINNEAR reduced his scheme to practice by founding, in Glasgow, the "Glasgow Commercial Exchange Company." This company became at once eminently successful, and was praised on all hands as a great discovery. The public placed deposits in the Exchange Bank for six months certain, with three months' notice of withdrawal, in consideration of $5\frac{1}{2}$ per cent. per annum; that is, of a rate twice as high as the deposit rates allowed by the ordinary banks. These deposits were, according to the theory of the institution, to be employed in lending money on shares yielding an ample margin for depreciation.

But a single exchange bank was quite insufficient for Glasgow in 1845, and, in a short time, eight of these undertakings were set on foot, and were full of business. Similar banks rose at Edinburgh, Aberdeen and Dundee. Unexceptionable names appeared on the directorates, good dividends were paid, the shares bore a high premium, and, for a period, exchange banks seemed to stand above the reach of danger.*

But after 1845 and 1846 came the disasters of 1847. The choicest railway securities fell 70 or 80 per cent. The pressure of calls produced a pressure of sellers, and margins of 20 and 30 per cent. disappeared in a single turn of the market. In addition to all this, the exchange banks discovered, to their cost, that the very precaution upon which they had prided themselves as completing the fullness of their command over the

* *Tooke's History of Prices*, vol. v. p. 258.

security pledged, namely, transferring the shares from the name of the borrower into their own, was a source of absolute ruin. For as legal owners of shares subject to calls, the exchange banks found themselves stripped not merely of their securities, but they also found themselves compelled to pay, as calls, sums frequently exceeding the original advance. As for the personal security of the debtor, it was generally accounted for in the insolvent court.*

In the early part of 1849, nearly all the exchange banks were in serious difficulties. Before the end of 1850, they had all been swept away.

It then appeared that, not content with lending on railway shares, most of the banks had been dealers and jobbers. That in several cases directors and other leading persons in the management had received undue facilities for speculation, and that, generally, failure had arisen from rash management, as well as from external difficulties. The original bank, the Glasgow Commercial Exchange Company, were understood to have lost £650,000, or nearly double the amount of their capital. The deficiency, of course, had to be provided by the shareholders, and, fortunately for the depositors, the shareholders were, in most of the cases, found to be in a condition to pay the deposits in full.*

THE YEAR 1851.

The year 1851 opened with fair prospects. Great expectations were prevalent of the beneficial impetus to be imparted by the Hyde Park exhibition to most descriptions of trade.

Prices of colonial produce were firm, and rising; and already the export trade to the United States began to exhibit the influences of the large consumption in California. The unfavorable feature of the picture was the straitened means of the farmers, arising out of the shortness of the harvest of 1850, and also, in some degree, from the transition from the old habits and arrangements of protection.

The bank minimum rate of discount was 3 per cent., as fixed on the 26th December, 1850, and remained at that rate during the whole of 1851. In the money market, capital was readily procurable at $2\frac{1}{2}$ or 3 per cent. on first class bills.

In June and July, the accounts received from New-York of discredit and failures in that and other leading American cities, rose to a pitch which excited no small alarm. It appeared that speculative investments in cargoes and goods to San Francisco were one principal cause of the pressure at New-York. The Californian markets had become completely glutted, and for some time all new supplies of goods were wholly unsalable.

In July, 1851, a loan of £3,500,000 was raised by Messrs. HAMBRO, for the Sardinian government. The rate was 85, in a five per cent. stock. The subscription was filled up, but the scrip came out at a discount.

Early in September, an attempt was made to obtain, in London, subscriptions to a loan of £7,000,000, for Austria, the rate of interest to be

* *TOOK'S History of Prices*, vol. v. pp. 365-367.

5 per cent.; but the effort met with no success. Lists were opened at the leading continental cities, and at Vienna very violent measures were employed by the government to force the scrip to a premium. These and other evidences of the financial exhaustion of some of the leading States, combined with the confident reports of an approaching *coup d'état* in France, exercised considerable influence, during the autumn of 1851, in restraining operations.

Attention continued to be directed, during the spring and summer of 1851, to the influx of gold into France, and the substitution, in that country, of a gold for a silver coinage.

The French mint was taxed to the utmost to convert into coin the quantities of gold bullion deposited with it, and had on hand, almost constantly, as much bullion as would require five or six weeks uninterrupted labor of the whole establishment to render it into the form of twenty-franc pieces. About October, however, this pressure was abated. The relative value of gold and silver, in France, was approximated so closely that there was no longer sufficient inducement to force gold through the mint, even at the expense of considerable delay.*

The news of the discovery of gold at Bathurst, in New South Wales, in May, 1851, was published in London on 3d September.

Towards the end of the year, several gold mining companies were started on the stock exchange, for explorations in California; but they met with very small favor from the public, and, with the exception of two or three, they had but a short career.

Advance in Wages.—In Great Britain, during the six years, 1851-'56, there has been established a rise of wages for all kinds of handicraft and factory labor of between 15 and 20 per cent. on the rate current for some time prior to 1851; that the largest per centage of increase has occurred in the wages of unskilled labor; and that, to some considerable extent, more especially in the better cultivated districts, there has been during the same six years a decided tendency to a rise in the wages of agricultural labor; and further, that in Ireland the improvement in wages among mechanics has been nearly as great as in Great Britain, while the rise in the wages of rural laborers has been decidedly greater than among the rural laborers on this side of St. George's Channel.

The seven topics of inquiry which met us at the threshold of this investigation have now been exhausted, so far as our present extent of evidence enables us to deal with questions so large and difficult.

We have found, in a few words, that in 1856, and for four years preceding 1856, the annual supplies of gold have been fourfold the amount of the annual supply in 1848; that in the eight years, 1849-'56, the addition made to the total stock of gold existing in 1848 in various forms, in Europe and America, has been equal to more than one-fourth; that the addition made by new gold coinage to the quantity of metallic circulation in the leading commercial countries has been more than one third; that, according to the best conclusions which can be drawn from the experience of this country, the range of general prices has not been materially

* *Tooke's History of Prices*, vol. v. p. 261.

influenced so far by these large additions to the metallic money; that the wages of labor, particularly of unskilled labor, have risen in the proportion of 15 to 20 per cent.; and that since 1850, the social and commercial phenomena which have been most conspicuous in this country have been the effects produced by the gold discoveries in doubling the export trade; in directing to useful purposes pauper and surplus labor; and, as we have seen in former portions of these volumes, in averting on several occasions the financial perils which, under other circumstances, would have aggravated the pressure of the war, the failures of the seasons, and the reverses of trade.*

The leading events of a commercial and financial character, during the years 1846-1850, were the following: 1846.—Oregon treaty between England and the United States, signed in London, 17th July. Second failure of the potato crop in Ireland. National testimonial to ROWLAND HILL. Bankruptcy spreading widely in Ireland. Steamship GREAT BRITAIN stranded in Dundrum Bay, 22d October. Declaration of war with Mexico by the United States, 12th May. New tariff bill passed by Congress, 28th July. Veto of French spoliation bill by President POLK, 8th August. California taken by United States troops. 1847.—United States ship JAMESTOWN left Boston, 28th March, and frigate MACEDONTIAN, 18th July, with provisions for the relief of the Irish. Great commercial distress throughout Great Britain, and destitution in Ireland, September to November. Baron ROTHSCHILD elected member of Parliament. Oregon treaty with England ratified by United States. 1848.—The State of Maryland resumed payment of interest, 1st January. Treaty of peace between Mexico and United States, signed 30th May. Suspension bridge at Niagara Falls completed, 29th July. French revolution, February 22-26. Abolition of slavery in French West India Islands. Edict to incorporate Bank of France with nine branches, 27th April. India-rubber life-preservers invented. Great chartist meeting on Kensington Common, April 10. JOHN MITCHELL arrested, May. Sir RODERICK MURCHISON suggests the existence of gold in Australia. Gold discovered in California. Deposits in United States mint, December. 1849.—Penny postage adopted in Prussia. First experiment of a submarine telegraph at Folkestone. HUDSON Railway frauds in England. Opening of the London Coal Exchange, October 30. Fraud on the Rochdale Savings Bank, £50,000. 1850.—Invasion of Cuba by LOPEZ. £20,000 reward offered by Parliament for discovery of Sir JOHN FRANKLIN, 8th March. COLLINS' line of steamers to Liverpool commenced operations. Steamer ATLANTIC left New-York, 27th April. The celebrated Koh-i-noor diamond, valued at \$2,000,000, brought to England, July. Tubular bridge over the Menai finished. Death of Sir ROBERT PEEL, July 2, aged 62.

* TOOKER'S *History of Prices*, vol. vi. pp. 176-178.

CHAPTER V.

THE YEARS 1852, 1853, 1854.

THE YEAR 1852—REDUCED VALUES OF FOREIGN STAPLES—FLUCTUATIONS IN PRICES—SPECULATION IN AUSTRALIAN GOLD MINING SHARES—INCREASED CONSUMPTION OF COTTON—IMPORTS AND EXPORTS OF THE PRECIOUS METALS—THE YEAR 1853—EXTRAORDINARY LOW RATE OF INTEREST—OVER-TRADING IN CONSEQUENCE—STRIKES FOR WAGES IN LONDON AND IN THE COTTON DISTRICTS—WAR BETWEEN RUSSIA AND TURKEY—EXTRAORDINARY PROSPERITY OF THE SHIPPING INTEREST—HEAVY IMPORTS OF TIMBER FROM AMERICA—THE YEAR 1854—WAR WITH RUSSIA—CALIFORNIA TRADE IN EXCESS—FORTUNATE RECEIPTS OF GOLD FROM AUSTRALIA—RATE OF INTEREST ON THE CONTINENT—FLUCTUATIONS IN FREIGHTS—SUMMARY OF EVENTS FOR FOUR YEARS PAST.

THE YEAR 1852.

THE discredit in the produce market, which had been so severely felt in 1851, reappeared in some degree during the first two months of 1852. But in almost all other respects, the year opened favorably. Some distrust was occasioned by the then recent *coup d'état* in France, and by perplexities in other parts of Europe.

The bank reduced its minimum rate from 3 to 2½ per cent. on 2d January, and further reduced the rate to two per cent. on the 22d April. About the latter date the total bullion exceeded twenty millions, and consols were at par.

About May, there set in an enormous and increasing tide of emigration to Australia from England and Ireland. Deputations had arrived from Sydney and Melbourne, urging the necessity of large supplies of laborers; and the persons engaged in the woollen manufacture aided the cry, under the apprehension that the wool clip in Australia would be seriously jeopardized by the desertion of shepherds for the diggings. For a considerable period, emigrant vessels could not be dispatched from this country with a rapidity at all proportioned to the demand.

One of the most remarkable circumstances connected with the Australian discoveries, was the extraordinary rise in the value of the shares of the Australian Agricultural Company—a company of great respectability, which had been established in London, since 1825, for the purpose of developing a large tract of land near Sydney, in New-South Wales. Towards the close of 1852, news arrived that gold had been discovered on the estate of the company. The shares were £35 paid, and had been quoted for some time at £15 each. They rose rapidly to £90, then to £150, and then to £300, and remained at the last named price for a few weeks. Ultimately, however, it appeared that the estate did not contain any large quantity of gold, and the shares gradually declined in price.

From July to November, 1852, there was considerable activity in the formation of new joint stock companies, and railway, mining, emigration

and other companies were plentifully announced. This circumstance in the history of 1852, will be found to be alluded to more at length in the fifth part of these volumes, relating to banking.*

Coffee, sugar, tea and tobacco were 25 per cent. cheaper in November, 1851, than in January, 1850; so were cotton, logwood, oil, saltpetre, timber and iron; and yet we find, that at the period when prices were thus reduced, the circulation was more than a million higher than when prices were at their maximum.

We had learned from the various circulars, that 1851 was a year of extensive and ruinous fluctuations in prices, and of fluctuations upon the largest scale, and yet it was a year of remarkable steadiness in the amount of circulation in the rate of discount, and in the price of the public securities.

The highest monthly average of the Bank of England circulation was in July, when the amount was £21,400,000, and July was among the gloomiest months of the whole twelve.

The lowest monthly average was in December, when the figures were £19,900,000, so that there was a difference of only one and a half millions between the extreme points of the scale.

The bank minimum rate remained at three per cent., (as fixed 20th December, 1850,) during the whole of 1851; and the market rate was about two and a half to three per cent. with a decided tendency to decline. The price of consols varied between 96 and 98.*

To what then are we to trace the violent fluctuations of prices in 1851? One of the circulars just quoted gives the answer very plainly, namely:

“In 1850, prices had in most cases risen considerably above the ordinary level, from the expectation that the supplies of 1851 would be inadequate to the demand. The reports from the producing countries, in reference particularly to cotton, coffee, indigo, &c., were very unfavorable. As the year 1851 drew on, these anticipations were all found to be more or less illusory, and prices fell.”

“We have never known, in our long experience, a year of greater activity in the cotton manufacturing districts† of England, than 1852. The consumption of the raw material is without precedent, being 37,000 bales weekly, against 32,000 bales in 1851, and 29,000 in 1850. Still we have not had overstocked markets, either at home or abroad, and at the present time, the stocks both of yarn and goods are small, and there are in hand very extensive contracts. Our spinners and manufacturers have had a prosperous year, and our operatives have exhibited a contentedness and cheerfulness beyond what we have ever before witnessed.”

The imports and exports of the precious metals into and from England in 1852 attained a magnitude far greater than that of any former year.

At the close of the year, the *Morning Chronicle* stated that, according

* *TOOK'S History of Prices*, vol. v. p. 267.

† It will be borne in mind that England was exporting more largely to the United States in her cotton goods, leading in part to the financial revolution of the year 1857.—*Am. Ed.*

to inquiries carefully instituted by it, the following figures might be taken to represent, with approximate accuracy, the magnitude of the imports and exports of the precious metals and of specie, viz. :

1852. Three Months.	GOLD AND SILVER BULLION IMPORTED INTO UNITED KINGDOM.			GOLD AND SILVER COIN EXPORTED FROM UNITED KINGDOM.		
	From Australia. Millions. £	From Other Places. Millions. £	Total. Millions. £	To Australia. Millions. £	To Other Places. Millions. £	Total. Millions. £
Jan.—March, ..	.14	3.64	3.78	.10	1.88	1.98
April—June, ..	2.67	2.73	5.40	.42	1.66	2.08
July—Sept., ...	1.19	3.98	5.17	1.21	2.07	3.28
Oct.—Dec.,	3.28	2.70	5.97	1.21	3.94	5.15
Millions,	7.28	13.04	20.32	2.93	9.56	12.50

This table does not distinguish gold from silver; but the imports from Australia were wholly gold, and so were the exports to Australia. The imports from other places were partly silver, and of the exports to other places—India, for example—the exports were principally silver. The annual circulars at the end of 1852 were exceedingly favorable.*

The Supply of Gold postpones, but does not avert, danger.—A great increase in the supply of the precious metals for the use of the globe, such as has occurred since 1852, from the discovery of the rich gold-fields of California and Australia, which raised the annual produce of the mines from eight or ten to thirty-six millions a year, may for a time avert, but it cannot permanently remove, this danger. When gold is every week pouring in immense quantities into the vaults of the Bank of England, and the drain arising from the balance of trade is met by a never-ceasing influx from the gold regions, credit may, for a considerable period, be maintained, and commerce be prosperous, because a sufficient stock of gold may be retained notwithstanding that drain. But it is obvious that this auspicious state of things cannot be of long endurance, and that, ere long, the old risk must reappear, possibly under still more threatening circumstances. The reason is obvious. The rise of prices consequent on such an increased influx of the precious metals is, or must soon become, *universal over the world*; consequently, the issue of the precious metals to pay the balance of trade must be augmented *in as great a proportion as the influx is increased*. What will it avail the nation that the supply of gold and silver to the Bank of England is increased in a year from ten to thirty millions, if, as fast as it flows in, it is drawn out to meet the increased balance of trade arising from the enhanced price of every species of imported commodity? Accordingly, at the moment when these lines are written, (Nov. 17, 1856,) the stock of gold in both departments of the Bank of England is reduced to £9,540,000, interest is 7 per cent., credit is almost suspended, and two more adverse weeks, such as the two last, would render a suspension of the bank charter act indispensable.† And all that in the face of an annual influx of the precious metals to the

* TOOKE'S *History of Prices*, vol. v. p. 269.

† ALISON'S *Europe*, vol. viii.

extent of between thirty to forty millions a year; and an affluence of capital in the British Islands unequaled in the history of the world.*

Argument on the other side as to the Export of Gold.—It is often said that this great export of the precious metals, which is the invariable result of free trade, is of no consequence, because the gold or silver, being valuable commodities, could not have come to this country but in exchange for something of equal value; and therefore a great import of gold implies a proportionally great export of manufactures to purchase it. But the answer to this is three-fold and decisive. First, it is by its derangement of a currency resting on the retention of the precious metals that this exportation to any great extent becomes so serious a matter. If the nation possessed a currency adequate to its necessities, and yet duly limited, *independent of gold*, that metal might all go away without inducing a greater evil than the efflux of lead or iron. The peril of a great export of gold to pay an adverse balance of trade, therefore, is no-wise lessened, even though the whole of it had come in to pay the price of manufactures exported. In the next place, great part of the gold which finds its way to the Bank of England is not brought to the British shores in payment of any manufactures or British produce whatever, but is simply a remittance of wealth made in the gold regions, or of commercial fortunes realized there, from the impulse given to every species of industry by the gold discoveries. These are remitted home, or brought by the fortunate holders without any corresponding export of British manufactures paid, as money forming part of rents or surplus wealth is remitted from Scotland or Ireland to London to be spent. In the third place, what is most material of all, the import and export of gold, or any other article of import, differs in this vital respect from the export of native produce or manufactures, that a *double* import takes place, but only a *single* export of the produce of *British industry*. If £5,000,000 worth of English manufactures are sent to America or Australia to buy an equal amount of gold, there is an equal balance of imports and exports. But if the £5,000,000 worth of gold is immediately exported to buy foreign grain, the imports are £10,000,000, while the exports of *British produce* are only £5,000,000. This would be immaterial if the gold was a mere article of commerce, like sugar or molasses; but it becomes very different when, in addition to that, it is the sole foundation of currency and credit, on the abstraction of which both fall to the ground.

Danger of Gold passing merely through the richer States.—There is another consideration of the very highest importance connected with this matter of a great influx of gold from the gold regions into the British Islands, especially when a great import of foreign goods is at the same

* This state of things has extorted the following just observations from the ablest organ of the united bullion and free trade systems: "A uniform price of 7 per cent. for the use of money is a state of things which, though happily unintelligible to many of our readers, is equivalent in its effects to a great national disaster. Famine, pest, earthquake, floods, conflagrations and shipwreck, inflict local or personal injury. A very high rate of interest in a country where it is unusual, will produce a greater amount of inconvenience than any one of them. It affects the whole atmosphere of trade, and particularly of that which is not strictly trade, but of a more speculative character, such as transactions in funds and shares.—*Times*, Nov. 15, 1856.

time going on. It is this: when gold in great quantities flows into the rich State, either from its own colonies or foreign countries, it necessarily becomes *cheap, because it is plentiful*, and, of course, all other commodities become comparatively dear. But this state of things cannot long continue; it is speedily corrected by the efflux of gold to, and imports of commodities from, poorer States, in which the former is more valuable, because it is more scarce—the latter cheaper, because labor is less highly paid. Thus, the constant tendency of commerce, in such an old and commercial State, is to run into an *efflux of gold, and influx of commodities*. The country which the gold first reaches becomes a mere siphon, by which it is conducted to foreign States. No state of traffic can be conceived more perilous, especially when currency and credit are rendered dependent on the retention of the precious metals; for the first keeps credit constantly on the verge of paralysis, the last industry, under the weight of irresistible foreign competition. ADAM SMITH long ago stated this low price of gold in Spain, and its constant tendency to leave the country in consequence, arising from the possession of the gold regions, which all the severity of the laws could not prevent, as the main cause of the decline of old Spain; and whoever studies with attention the history of this country, since the gold discoveries came into operation, in 1852, will have too much reason to fear that the same lasting and insurmountable difficulty, as long as the currency is based on gold, is beginning to affect its fortunes.*

THE YEAR 1853.

The year 1853 witnessed the climax of the first series of effects arising from the discoveries in California and Australia. For the rising prices—the expanding consumption—the growth month by month of the export trade—the demand for more ships—the requirements for more labor of every kind, which had marked the latter half of 1852, attained for a time their highest pitch in the first nine months of 1853.

It was also during those nine months that measures were propounded to Parliament, and adopted by it, for enabling the public to convert three per cent. consols into a new stock bearing only two and a half per cent. Within the same period, also, the movement of the working classes for higher wages attained its greatest development. The closing months of the year brought many reversals and correctives of the excitement of the earlier portion.

The possibility of European war had become almost a certainty; an exceedingly bad harvest had aroused serious apprehensions as to the supply and price of food; the rate of interest had risen so rapidly, that for some weeks there was financial pressure; a sharp revulsion had occurred in the demand for goods for Australia, for the markets there were already glutted.†

The opening of 1853 was marked by two measures of the Bank of

* ALBION'S *Europe*, vol. viii.

† TOOKER'S *History of Prices*, vol. v. p. 272.

England for raising the minimum rate of discount. That rate had been two per cent. since April, 1852; on the 6th January, 1853, it was raised to two and a half, and on the 20th January to three per cent. The total amount of bullion had been twenty-two millions in July, 1852; in January, 1853, the bullion had fallen to nineteen and a half millions, and the private securities had risen, from eleven millions, in November, 1852, to fourteen millions. But the maintenance, for nine months, of a rate so low as two per cent., the constant arrivals of new gold, and the evidences of a great prosperity on all sides, had produced a moral effect on the public mind so strong, that the rise of the minimum rate in January, 1853, excited very general surprise, and led to some loud expressions of discontent.

There had occurred in 1852, what has always occurred under similar circumstances of a very low rate of interest, advertised and fostered by the Bank of England. The great mass of the trading public had assumed, or persuaded themselves, that because the Bank of England had thought it consistent with its public duty and its general interest to maintain for a considerable period a rate of two per cent., *it was a safe* and admissible course to enter into large and distant engagements*; and when the course of the bank was changed, there was an evident disposition to find fault, and to affirm, that if the sudden augmentations of January, 1853, were necessary, the extreme depression of April, 1852, ought not to have taken place.†

The minimum rate remained at three per cent. from the 20th January, 1853, to the 2d June, 1853. It was then further raised to three and a half per cent. The total bullion in June was eighteen and a half millions, and the private securities thirteen and a half millions.

The measure of the 2d June led to renewed discussion. The resolution of the directors of the Bank of England to adopt three and a half per cent. as their minimum rate of discount, established a rise in the rate of interest on bills of exchange, and on commercial securities of an analogous character, fully equal to one and a half per cent., in the space of little more than five months. So important an alteration in so short a time, and so little corresponding with views and anticipations which were very generally entertained, could hardly fail to excite attention. In the autumn of 1852, the condition of the money market, as regarded the rate of interest, was very different from what it was in June, 1853. At the former date, the Bank of England minimum rate was two per cent.; the total stock of bullion in the two departments of banking and issue was larger than at any former period.

In the first week of January, 1853, the Bank of England raised its rate of interest from two to two and a half per cent., and that measure taking the public very much by surprise, led to discussions and investigations which were of infinite service in correcting many prevalent opinions. It

* Herein consists, we think, the error of the bank in cheapening money temporarily for the sake of its own profit, not for the public good, but leading the public astray.—*Am. Ed.*

† *Tooke's History of Prices*, vol. v. 273.

was found that the foreign trade, notwithstanding the rapid increase in the value of British exports, was in a condition which seriously affected the rates of exchange, for it had led to an export of bullion from Great Britain of sufficient magnitude not only to carry off, as they arrived, the supplies from Australia, but also to diminish the stock of bullion previously in the possession of the Bank of England. And it was also found, that whatever might have been the previous theories as to a necessary reduction of the rate of interest, the time had arrived when the directors of the Bank of England, guided by the ordinary rules of that establishment, could no longer discount bills at the low rate which had prevailed for some months. In short, it became clear that, whatever might be the cause, *there had been some precipitation in concluding that the supply of capital in the country had become so much greater than the demand, as to render necessary a sensible reduction both in the rate of discount and of interest*; that is to say, both in the rate at which money or capital is advanced on mercantile securities for short periods, and also in the terms on which capital is advanced on mortgages, debentures, and analogous securities of a permanent character for long periods. A second rise of the bank rate took place from two and a half to three per cent., and the increase of the 2d June further raised the minimum rate to three and a half per cent.*

The country had begun to feel the effects of the impetus which had been given to every kind of enterprise and industry; and the higher rate of interest in 1853, instead of being traceable to commercial difficulty or panic, seems rather the natural result of a state of things in which the price of the use of capital had been raised, because the demand for it was so far in advance of the supply as to enable capitalists to obtain more advantageous terms. It was not easy to lay down any specific rules or tests by which to ascertain whether or not we had reached what might be called a normal condition under the altered circumstances. It was clear the three and a half per cent. was a rate of discount likely to exercise considerable influence on the supplies of capital for really useful purposes.

The bank minimum rate was raised from three and a half to four per cent. on the 1st September, to four and a half per cent. on the 15th September, and to five per cent. on the 29th September, 1853. Between June and the end of September, the total bullion had declined three millions, ($18\frac{1}{2}$ to $15\frac{1}{2}$), and the private securities had risen about three millions.*

There cannot be any doubt that the real foundations for the rise in the rate of interest, which had been going on steadily for the first nine months of 1853, were laid widely and deeply during the twelve months ending with December, 1852, and more particularly during the nine months of that year which immediately followed the reduction of the bank rate to two per cent. In all shapes, on all sides, among all classes, engagements were made and enterprises were started, implying sooner or later the employment of more capital. There was every appa-

* *Tooke's History of Prices*, vol. v. p. 279.

rent inducement for embarking in such adventures, for the common topic of conversation was the boundless prospect of wealth opened to us by the Australian discoveries and the Australian markets, and the utter hopelessness of ever seeing again a high rate of interest in this country.

Among the most remarkable of the commercial phenomena of the nine months preceding June, 1853, had been the steady continuance of the export of gold from England to the continent of Europe, and to other places besides Australia. The exportation of gold to Australia had arisen from peculiar causes. The export to foreign countries was still going on, and was likely to do so, in spite of the great expansion of the foreign trade, and in spite of an export of commodities exceeding that of any preceding period.

About the middle of July, 1853, there occurred in London, and in some of the large towns, extensive and systematic strikes, on the part of artisans and laborers, for higher wages.

The example, perhaps, was set by the strike of the London cabmen, against the bill introduced into Parliament by the Home office, for fixing the fares at sixpence per mile, a measure of interference certainly not easy to defend. There were combinations among the lightermen employed on the river, among the laborers in the docks, among large classes of artisans on the south side of the Thames, and among other classes of workpeople. The artisans employed in the building trades in London, namely, masons, bricklayers and carpenters, demanded and obtained a rise of ten per cent. in their wages, and also a diminution of two hours per week in their work.

"Thus, independent of several minor and isolated strikes in Manchester and Bury, where about 1,000 hands are 'turned out,' Bolton, Newton, Heath, &c., there are at least, in the four centres of Burnley, Bacup, Preston and Wigan, closed, 183 mills, of the aggregate force of 7,400 horse-power, with 2,310,086 spindles, and 41,867 looms, and 47,100 operatives unemployed.

"It is no exaggerated estimate, to calculate the number of workpeople now on 'strike' in this county at 50,000, and the average loss of wages at £26,000 weekly."*

On the 3d October, 1853, the Porte declared war against Russia, unless the principalities were evacuated in fifteen days. On the 6th October, the Bank of France raised its rate of discount from three to four per cent. On the 28th October intelligence was received in London of the actual commencement of hostilities between the Turkish and Russian armies on the Danube.

The bank note circulation of 1852 and 1853 was, on the average, about two and a half millions higher than in the preceding year, but the highest range of the circulation was from May, 1852, to July, 1853. The country circulation remained very nearly stationary. The increase of wages and transactions, the remittance and conveyance of bank notes to Australia for emigration and other purposes, and the legal restrictions on

* Mr. HOARNE'S *Report on the Rise of Wages in Lancashire*; TOOKER'S *History of Prices*, vol. v. p. 292.

the amount of the country notes, seem sufficiently to explain the larger quantity of bank notes. The total reserve of bullion in the Bank of England was nineteen and a half millions on the average of January, 1853, and fifteen and a half millions on the average of December, 1853 a decline of four millions. The decline, however, occurred after July, and the drain was heaviest in September, October and November. It happened most fortunately, that during those three months the arrivals of gold from Australia and elsewhere were large and frequent, and, beyond doubt, the appearance of such supplies at so timely a juncture, greatly diminished alarm.

The years 1852 and 1853 had afforded a rich harvest to almost every class of persons connected with ships. The enormous emigration of 1852, and the enormous imports and exports of 1853, created a sudden and large demand for freight, far beyond the resources of the vessels really available.

Thus, in 1853, the aggregate of the London imports of timber have exceeded by 33 per cent. the corresponding importation of 1852; but the larger aggregate supply, finding its approximate consumption, has not added to the aggregate stocks of timber in hand in the United Kingdom.

The importation of timber into London has employed, since 1850, the following quantity of shipping,* viz. :

<i>Year.</i>	<i>Ships.</i>	<i>Tonnage.</i>
1853,.....	1,858	574,000
1852,.....	1,419	432,000
1851,.....	1,457	456,000
1850,.....	951	309,000

The years 1852 and 1853 were a period of great activity, and generally of great prosperity. The demand for labor, for manufactured goods, for shipping, and for the infinite varieties of commodities absorbed by the enormous export trade to Australia and California, produced marked effects on prices and the general condition of the country, effects, however, which were extensively modified by the bad harvest of 1853, and the prospect of the Russian war, then become imminent.

THE YEAR 1854.

The year 1854 was distinguished by a state of things in nearly all respects the reverse of 1853. In 1854, the year opened with the prevalence among the public of feelings of uncertainty and distrust, excited by the near approach of an European war. The bad harvest of 1853 had raised the prices of corn to a scarcity point, and there was a manifest pause in the career of prosperous trade which had marked the early months of 1853.

As the year proceeded, the sources of difficulty increased. The stoppage of trade with Russia raised the price of several important raw ma-

* CHURCHILL'S *London Circular of December 31, 1853*; TOOK'S *History of Prices*, vol. v. p. 228.

terials of manufacture. The reports of the Australian market became worse and worse, and led to extensive and serious failures on this side. In the summer similar difficulties occurred in the trade with the United States, and for a considerable period a severe commercial crisis prevailed at New-York and other leading American cities, *the origin of which was OVER-TRADING to California*, and over-investments in railways and land.†

In the autumn occurred the failures in the shipping trade. The supply of new ships had at length not only overtaken but exceeded the demand. The landing of the army in the Crimea had abated the first great pressure of the government for transports; the cessation to a great extent of the exports to Australia had cut off one of the principal channels of employment; and there was a sudden and severe revolution in the value of shipping property, a revolution which produced failures and discredit.

As regarded the great staple manufactures of cotton and woolens, there was throughout the year a strong and constant tendency to check the advance in prices and wages which had taken place in 1852 and 1853.

The large additions to factory power, made in those years, produced their natural result in 1854, in a rapid increase of production, and the demand having materially lessened, there was a constant tendency in 1854 to work short time, and arrive in various ways at a reduction of wages.

At the opening of the year the Bank of England minimum rate was five per cent., as fixed on 29th September, 1853. The total bullion was fifteen and a half, and the private securities fourteen and a half millions.

The minimum rate was raised to five and a half per cent. on the 11th May, 1854, and at that time the total bullion had fallen to twelve millions; but beyond the rise of the half per cent. there was no unfavorable change in the money market. On the contrary, it was a topic of observation, that the actual commencement of the war had caused scarcely any disturbance.

The minimum rate was again lowered to five per cent. on the 27th July, and remained at that figure till April, 1855.

It can hardly admit of a question that the influx of gold from Australia saved* England from extreme commercial pressure during the close of 1853, and early months of 1854.†

At the end of October, 1853, the total reserve of bullion in the Bank of England was about fifteen millions. In the middle of April, 1854, it was barely fourteen millions, and in the interval of five months the arrivals of gold and silver from Australia, America and other quarters, have been equal to more than ten millions. The amount of the banking reserve at the end of October, 1853, was about six, the securities twenty-eight and the circulation twenty-four and a half millions. These figures were not materially different in April, 1854. The reserve stood at six, the securities at twenty-nine, and the circulation at twenty-three and a half millions. The extra million of securities had been half derived from the

* But continued to give an undue impetus to trade, domestic and foreign.—*Am. Ed.*

† *Tooke's History of Prices*, vol. v. p. 309, &c.

circulation and half from the deposits. But if there had been no arrival of ten millions of new gold in the interval, what would have been the situation in April? As the facts stood, the money market had been firm and quiet. The rate of interest had remained steadily at five per cent.

Large receipts of grain from the United States were reported throughout the year 1854. But in former periods of a similar character, in 1846-47 for example, the effect of a large and sudden demand for American grain was very different. Then the excess of importations was on the side of England, and the money market here was deranged by the consequent efflux of gold. It would have been so again during 1853-4, if the enormous and active demand for imported goods, excited in America by the influx of the California supplies, had not acted so powerfully on the trade between the two countries as to render the large exports of grain to England no more than a corrective of the previously existing adverse state of the exchange as concerned America. The money market remained in a quiet and sound condition throughout the summer.*

There had been a recovery of six or seven per cent. in the price of consols even so early as June; and about the same time it appeared that the rate of interest at Paris, Hamburg and Amsterdam was not only as free from excessive elevation as in London, but was very considerably lower, and comments were very general on the apparent anomaly of differences in the rate of interest so great in places so near to each other, and so intimately connected for trading purposes.

To refer to the rate of interest on the continent. It was stated that in Amsterdam the rate of discount was two per cent., in Hamburg three to three and a half, and in Paris four per cent. In London, the minimum rate of discount at the Bank of England was five and a half per cent., and out of doors the rates were, on the whole, even less favorable to borrowers. In New-York, Boston and Philadelphia, the rate of interest had been for some time ten to twelve per cent. per annum.

The failures consequent on the crisis in America and the glut in Australia, did not occur to any serious extent earlier than July. The greatest failure of all, namely, that of Mr. OLIVER, of Liverpool, who, in the course of a short time, had become the registered owner of a very large fleet of vessels, did not occur till October.

In the United States the month of July was rendered memorable by the discovery of the forgeries of ROBERT SCHUYLER, who had availed himself of his position as president of certain leading American railways to issue forged securities of the several companies, to the extent of nearly a million sterling. The failures and discredit in various parts of the Union were excessive, and a large number of banks were swept away. In San Francisco, about the end of the year, there was something very like a general suspension of payments.*

The following table will show the remarkable changes in the rates of freight paid in London to places as under, during the months of January, April, July and October, 1852-56 :

* TOOKER'S *History of Prices*, vol. v. p. 818.

<i>Dates.</i>	TO NEW-YORK.		CALCUTTA.		MELBOURNE.	
	<i>Per Ton.</i>		<i>Measurement Goods, Per Ton.</i>		<i>Measurement, Per Ton.</i>	<i>Liquids in Bulk, Per Ton.</i>
	<i>s.</i>	<i>d.</i>	<i>s.</i>		<i>s.</i>	<i>s.</i>
1852.						
January,.....	15	..	22	....	42	.... 53
April,.....	12	6	22	....	47	.... 55
July,.....	10	..	22	....	50	.... 70
October,.....	12	6	25	....	60	.... 75
1853.						
January,.....	20	..	30	....	80	.... 110
April,.....	22	6	35	....	80	.... 95
July,.....	28	..	42	....	85	.... 95
October,.....	20	..	45	....	70	.... 85
1854.						
January,.....	20	..	47	....	90	.... 110
April,.....	22	6	50	....	85	.... 110
July,.....	27	6	42	....	65	.... 90
October,.....	20	..	35	....	65	.... 85
1855.						
January,.....	12	6	25	....	45	.... 60
April,.....	10	..	22	....	50	.... 65
July,.....	10	..	20	....	45	.... 65
October,.....	10	..	20	....	37	.... 60
1856.						
January,.....	10	..	25	....	40	.... 55
April,.....	12	6	18	....	37	.... 60
July,.....	10	..	18	....	37	.... 50
October,.....	9	..	20	....	37	.... 47

During the year 1854 vessels rose to a higher price than they had ever been since the last war, and, in some instances, ships which four years ago could have been bought for £15 to £16 per ton, freely sold for £26 to £27, and some cases £28 per ton register.

This arose entirely from the sudden demand for A 1 vessels, suitable for the transport service when war was declared against Russia. At that time, (March, 1854,) the government were paying 33s. to 35s. per register ton per month for sailing vessels; and even at these rates sufficient could not be found to meet the emergency. No sooner had the army embarked than the demand ceased, and in less than two months afterwards similar ships could easily be procured at the reduced rate of 20s. per register ton per month. At that rate far more ships were offering than could find employment.

The blockade of the Russian ports materially stopped the supply of Baltic timber. This led to orders to America to engage, even at most extravagant rates, American vessels to load in the St. Lawrence with timber and deals for England, and these cargoes were, many of them, sold when they arrived at prices which barely paid freight and charges.*

In April, 1851, Mr. THOMSON HANKEY, Jr., who had been elected one

* *Tooke's History of Prices*, vol. v. p. 320.

of the directors of the bank in 1835, succeeded Mr. HENRY JAMES PRES-COTT as governor. Mr. JOHN GELLIBRAND HUBBARD, who was first elected a director in 1838, became deputy-governor in the year 1851. Both these gentlemen were re-elected in 1852. In 1853, Mr. HUBBARD was chosen governor and Mr. THOMAS MATTHIAS WEGUELIN became deputy-governor, both for two years.

1851-1854.

The following were the leading commercial and financial events of the years 1851-1854:

1851.—Gold discovered in large quantities in Australia. Gold fields proclaimed as belonging to the crown. Chamber of Commerce, Melbourne, established. The London exhibition opened, May 1. Contract of Pacha of Egypt with Mr. STEPHENSON for a rail-road from Alexandria to Cairo. Railways completed between St. Petersburg and Moscow, Dublin and Galway. COLLINS' steamer *Pacific* arrived in Liverpool, May. Yacht *America* won the race at Cowes, 22d August. Hudson River Rail-Road opened to Albany, 8th October. Dr. KANE returned from the GRINNELL expedition, October.

1852.—Construction of French Crystal Palace ordered, February. Telegraph communication between London and Paris, November 1. Great free trade banquet at Manchester. Expedition of United States naval forces to Japan, March. Dr. RAE returned from his search for Sir JOHN FRANKLIN, February. Ship *Prince Albert* returned from search for Sir JOHN FRANKLIN, 7th October.

1853.—Trial trip of the caloric steamship *Ericsson* from New-York to the Potomac, 11th January. Second Arctic expedition left New-York, 31st May. American expedition arrived at Japan, 8th July. Loss of the steamship *Humboldt*, 5th December. Cochín-China fowl mania in London. Discovery of the northwest passage, by Capt. McCLURE, R. N. War between Russia and Turkey. Shanghai taken by the rebels, September 7.

1854.—Combined fleets of England and France entered the Black Sea, 11th January. Dr. BOWRING appointed British Commissioner of Trade in China. Loss of the steamer *San Francisco*, 5th January. Steamer *City of Glasgow* lost, March. Declaration of war by England against Russia in behalf of Turkey, 28th March. Treaty of alliance between England, France and Turkey, March. Commercial treaty between United States and Japan. Reciprocity treaty between England and United States, June 7. French loan of 250,000,000 francs, announced March 11, and the Turkish loan of £2,727,400. Distillation from cereals prohibited in France. London joint-stock bankers admitted to the clearing-house, June 7. Crystal Palace at Sydenham opened 10th June. Bombardment of San Juan by ship *Cyane*, 13th July. Loss of steamer *Arctic*, 27th September. Captain McCLURE returns from Arctic discovery, 28th September.

CHAPTER VI.

THE YEARS 1855-1856.

THE YEAR 1855—GREAT GLOOM PREVAILING—WAR WITH RUSSIA CONTINUED—REDUCTION IN FREIGHTS, AND IN SHIP-BUILDING—IMPORTS OF COLONIAL TIMBER—BANK RATE OF DISCOUNT 5 PER CENT. FOR TWENTY-TWO MONTHS—REDUCED TO 4½.

THE YEAR 1855.

IN the course of 1855 the causes of depression which had been in operation in 1854 were still active, but the difficulties did not prove by any means so severe. The year opened amidst great gloom. The public were beginning to understand the lamentable and critical condition of the army in the Crimea, and the prospects of the new campaign were of the most cheerless character. The price of grain was still high, notwithstanding the abundant crop of 1854. The heavy additional taxes occasioned by the war were severely felt by large classes of persons. Butcher's meat was very dear. The commercial collapse in the United States, the discredit in Australia, the civil war in China, and the unsettled state of Europe, all interfered with the progress of trade, particularly the external trade.

The bank minimum rate of discount remained at 5 per cent. (as fixed on the 27th July, 1853) till 5th April, 1855. It was then reduced to 4½ per cent. On the 3d May it was further reduced to 4, and on the 14th June still further reduced to 3½ per cent. With September began, on the part of the Bank of England, *with a view to retrieve the evils arising out of these rapid reductions*, the series of measures which constituted the financial pressure of the close of the year. From 4 per cent., as fixed on the 4th September, the minimum rate was run up to 6 and 7 per cent. by the 17th October.*

In the shipping trade of the year 1855 there has been less fluctuation in freights than might have been expected during a period of war. There has been, in fact, much less fluctuation, and a more steady demand for vessels, than we have found in years of peace. Trade has been more limited, and tonnage has been ample to meet its requirements. Freights have consequently ruled lower than in 1853 and 1854.

The following table* will show the average rates at which vessels were engaged in England in 1853 and 1854 :

Destination.	1853.		1854.		
	£.	s.	£.	s.	
Bombay, (general cargo.)	41	....	30	....	per ton register.
Calcutta, "	44	....	29	....	"
Hong Kong, "	66	....	51	....	"
Sydney, "	80	....	68	....	"
Port Phillip, "	83	....	66	....	"
Odessa, "	86	....	104	....	"

* *Tooke's History of Prices*, vol. v. p. 330.

As regards the extent of ship-building on the Clyde, a Glasgow circular gives the following figures* of iron steamships built and building at 31st December of each of the years 1853-1855 :

Year.	Launched in Year.		Building 31st Dec.	
	No.	Tonnage.	No.	Tonnage.
1855,....	107	85,000	57	38,000
1854,....	129	70,000	54	47,000
1853,....	79	55,000	97	61,000

From the official returns we can compute the importation and home consumption of timber in the United Kingdom, as follows, viz.:

	1852.	1853.	1854.	1855.
<i>Imported.</i>	<i>Loads.</i>	<i>Loads.</i>	<i>Loads.</i>	<i>Loads.</i>
Colonial timber, deals, &c.,....	1,151,000	1,200,000	1,440,000	948,000
Foreign "	891,000	1,326,000	1,050,000	857,000
Total imports,	2,042,000	2,526,000	2,490,000	1,805,000
<i>Consumption.</i>				
Colonial timber, deals, &c.,....	1,156,000	1,219,000	1,441,000	947,000
Foreign "	945,000	1,066,000	1,162,000	950,000
	2,101,000	2,285,000	2,603,000	1,897,000

The changes in the condition of the bank in the year 1855 are represented in the following summary of circulation, deposits, loans, bullion reserve, and rate of discount :

1855.	<i>Circulation.</i>	<i>Public Deposits.</i>	<i>Other Deposits.</i>	<i>Public Securities.</i>	<i>Other Securities.</i>	<i>Bullion.</i>	<i>Rate of Disc't.</i>
April 7,	£ 20,717,199	£ 6,008,895	£ 11,896,875	£ 13,026,749	£ 18,555,995	£ 15,073,513	.. 4½
May 5, ..	21,253,966	4,387,590	12,645,651	13,591,873	12,721,050	15,619,219	.. 4
June 16, ..	20,570,965	5,536,754	13,307,714	12,681,068	12,399,704	13,060,716	.. 3½
Sept. 8, ..	21,183,671	7,591,387	10,970,358	13,081,038	16,687,227	14,217,376	.. 4
" 15, ..	20,703,610	7,833,581	11,146,763	12,799,363	17,383,784	13,693,455	.. 4½
" 29, ..	21,174,423	8,144,309	11,437,955	12,125,026	19,916,768	12,933,023	.. 5
Oct. 6, ..	21,304,102	7,106,524	10,587,648	11,418,043	19,791,293	12,379,231	.. 5½
" 20, ..	21,351,384	8,325,021	11,764,030	10,685,359	18,739,512	11,230,207	.. 6 & 7

THE YEAR 1856.

Early in January, 1856, the rumors of approaching peace were fully confirmed. The disposition on the part of Russia to seek a termination of the war seemed to admit of no question, and the only points left in suspense were the details of the treaty to be framed at the conferences at Paris. The year, therefore, may be considered as having proceeded from the first upon peace anticipations. The Bank of England minimum rate remained at six and seven per cent., (as fixed on 17th October, 1855,) until 22d May, 1856. It was then reduced to six per cent. ; a week afterwards, 29th May, to five per cent., and on the 26th June to four and a half per cent.* On the 1st October the rate was raised to six, and on the 6th October to six and seven per cent., and on the 13th November to seven per

* Took's History of Prices, vol. v. p. 331.

cent. on all classes of bills. The following were the changes in the items of loans, deposits, bullion, &c., during the year 1856 :

Date.	Circulation.	Public Deposits.	Other Deposits.	Public Securities.	Other Securities.	Bullion.	Rate of Disc't. Per ct.
1856.							
May 24.	£ 20,074,819	£ 8,585,208	£ 11,473,461	£ 12,479,416	£ 15,877,046	£ 10,558,804	.. 6
" 31.	20,323,208	8,656,524	10,745,271	12,612,119	14,042,418	11,384,656	.. 5
June, 23.	20,312,801	8,704,570	9,810,045	11,276,155	14,808,958	13,073,758	.. 4½
Sept. 27.	21,151,629	8,409,551	9,956,818	11,964,958	19,616,884	11,769,373	.. 5
Oct. 11.	21,501,201	8,001,501	9,848,912	11,378,905	21,049,117	10,140,067	.. 6 & 7
Nov. 15.	20,825,251	4,924,755	10,113,868	10,457,869	19,054,017	9,684,167	.. 7
Dec. 6.	20,655,149	5,570,709	9,297,193	10,640,867	17,389,715	10,464,198	.. 6½
" 20.	19,335,233	6,891,949	9,493,093	10,870,431	17,654,460	10,518,823	.. 6

The Bank of England has eleven branches, viz., Manchester, Swansea, Birmingham, Liverpool, Bristol, Leeds, Newcastle, Hull, Plymouth, Portsmouth and Leicester. All these branches issue notes of their own, and it is understood that the proportion of the whole of the Bank of England circulation, as between the bank in London and the branches, is that two-thirds are issued from London, and one-third from the branches. Thus, out of a circulation of £21,000,000, the London notes would be £14,000,000 and the branch bank notes, £7,000,000. The notes of each branch only are payable in coin at the branch from which they are issued; but the whole, town and country notes equally, are payable in coin at the bank in London. Otherwise Bank of England notes are a legal tender in England, but *not* in Scotland or Ireland—provisions having been inserted in the acts of 1844–5 to make that clear.

We cannot conclude these observations without calling attention to what must be regarded as a very striking and significant feature, and which is indicated by these returns, and the importance of which will be more plain when taken in connection with the foregoing observations. It is the amount of bullion held by the Bank of England. It will be seen that in no year since 1842 up to 1856, not even excepting 1847, has the bullion stood so uniformly low throughout the year as in 1856—and that notwithstanding the large importations during the year.*

At this time a singular fraud was discovered in France. The person who had the collection of the rents of the houses and apartments in the Passage de la Marmite, in the quartier St. Martin, which belongs to the Administration des Hospices, in paying in the money which he had received at the central office, discovered a forged bank note of 100f. This note, which at the first glance appears to have been admirably done, was executed entirely with the pen. It was thought it must have been the work of a foreigner, as there were several orthographical errors, sufficient to cause the fraud to be detected. These errors might be seen in the words written in the small escutcheons on either side of the note. The water-mark, too, had been managed in such an ingenious way as to deceive the eye of an ordinary observer. The time occupied by the person who had executed the note must have been worth infinitely more than

* London Economist.

100*l.*, which it represented. An inquiry was instituted by the commissary of police, with what result is not known.

Mr. *TOOKER*, an English writer of celebrity, has lately added two volumes on the prices of 1848–1856. From these volumes we extract the following summary of conclusions with reference to the prices of commodities and state of trade in 1848–1856 :

“Without attempting to include in a summary of conclusions all the inferences which arise from the survey and narrative now concluded, as to the changes since the discovery of gold in California, I present the following statements as setting forth those results which are best established and most important, viz. :

“That, as regards the great articles of import, such as colonial and tropical produce, and commodities largely employed in this country as raw materials of manufacture, the course of prices during the nine years, 1848–1856, may be described, in general terms, as follows, viz. : During 1848 and 1849 there was a general, and, in several important instances, a strong tendency to lower prices ; that in 1850, partly in consequence of larger consumption and partly in consequence of actual or apprehended failures of supply, prices sensibly, and, in some cases, materially advanced ; that in 1851 there was again an extensive and severe decline, attributable almost wholly to excess of supply ; that in 1852 there was a manifest tendency towards recovery ; that in the first nine months of 1853 the upward tendency of the previous year reached its highest point, establishing and maintaining for nine months a range of prices considerably higher than had prevailed for a long period ; that, from the autumn of 1853 to the close of 1854, there was a sensible reaction from the previous high rates, except as regards some of the articles immediately affected by operations, or the commissariat consumption of the war ; and that in 1855 and 1856 the markets were quiet and firm, exhibiting only such fluctuations as arose out of ordinary changes in supply and demand. In a future part (VII.) I shall inquire how far the fluctuations of prices now referred to were connected with the influx of the new gold.

“That the first effects of the California discoveries of 1848 were felt in this country in 1850 and 1851, and manifested themselves in the increased demand for British and foreign articles suitable for the export trade to the United States ; that the same effects were still more sensibly felt in the course of 1852 ; that in 1853 the consumption of British goods in California and the United States generally had become so large and rapid, as to counteract almost entirely, as regards this country, any prejudicial effect upon the balance of trade of the vast imports of grain, rendered necessary by the serious failure in these islands of the harvest of 1853 ; that the same large American demand for British exports continued through 1854 and 1855, and had prevailed through 1856, interrupted but casually by the extensive failures and discredit which prevailed in the United States and California during portions of the years 1854 and 1855 ; and that, as the general result of the trade between this country and the United States since 1850, the absorption of British exports, either in California itself, or in those regions of the North American continent to which the supplies of California gold are chiefly sent in the first instance, has increased so rapidly as to render necessary a con-

stant and large transmission of the precious metals from America to this country.

“That the effects of the Australian discoveries of the summer of 1851 were felt in this country in a striking manner early in the following year, (1852,) manifesting themselves in a sudden and large expansion of the stream of emigration from these islands, and in a sudden and large expansion in the shipment of nearly all descriptions of commodities; that the demand for ships hence arising could not, in the then condition of the mercantile marine, be readily supplied; and the consequence was an enormous increase of the rates of freight, and a demand for new ships so urgent, that considerably higher wages were at once conceded in all the ship-building trades; that the same urgent demands for Australia continued in the early part of 1853, were considerably moderated in 1854, still more reduced in 1855, but in 1856 were again marked by considerable activity.

“That the movement for higher wages successfully commenced in the autumn of 1852; in the ship-building trades became almost universal in the first half of 1853; and previous to September, in that year, had led to a very general addition of from 12 to 20 per cent. to the wages current in 1851; but that the effect of the bad harvest of 1853, the war of 1854-'55, and the glut of the Australian markets, was to produce a considerable reaction from this advance, especially in the factory districts.

“That the first and immediate effect of the high prices of colonial and other imported articles in 1852 and 1853, and of the high prices and arge demand for manufactured goods in the same years, was to occasion vigorous efforts and a large expenditure of capital, with a view to opening up new fields of supply, and creating extended means of production; and that it is principally to the operation of these causes that the steady and frequently declining course of prices since 1853 is to be attributed.

“That, as far as trustworthy evidence can be obtained, there are no facts in the experience of the last nine years which justify the conclusion that in this country the fluctuation of prices, the course of trade, or the increased demand for goods arising out of the large exports to America and Australia, were immediately preceded by, or connected with changes in the amount of the aggregate outstanding circulation of bank notes. In other words, all the evidence available to us points distinctly and uniformly to the conclusion that the fluctuations of the bank note circulation were determined and regulated by the consequences flowing from previous applications of capital and credit in particular modes.

“That, further, in a great number of specific instances, it can be shown conclusively that fluctuations of price of the most important kind, and in the largest markets of the country, took place either without the occurrence of any change whatever in the bank note circulation, or contemporaneously with the occurrence of a change the precise opposite of that which, on *a priori* grounds, or on the grounds on which the currency theory is built, would have been expected to precede or accompany the particular alteration in the markets.

“That neither is there any such coincidence between variations in the rate of interest and variations in the markets for produce, as to justify

the inference of a direct connection between them in the relation of cause and effect. That the first effect of the gold discoveries on the financial condition of this country was the remarkable and prolonged depression in the rates of interest and discount which prevailed during the twelvemonth preceding the spring of 1853; that this effect on the rate of interest was the immediate consequence of an excessive accumulation, principally in the Bank of England, of the early remittances from California and Australia; and that the influence produced by these accumulations on opinion and credit was greatly extended and aggravated by the maintenance at the Bank of England of a rate of discount so low as 2 per cent. from April, 1852, to January, 1853.

“That the rise of the rate of discount which commenced in January, 1853, and has been maintained during the subsequent three years, is to be traced in its origin and continuance to extended demand for capital for the purpose of new, distant and costly enterprises, directed either to the construction of public works, to the extension of old and introduction of new processes, or to the exploration of new fields for the supply of commodities; and that, so far as we can judge from recent experience, the absorption of capital for these and other objects becomes more rapid and extensive with every year.

“That the interruption to the trade of the country occasioned by the Russian war of 1854-5, was comparatively slight, and for five reasons, viz.: 1. Because the theatre of war was in a remote part of the east of Europe; 2. Because the enemy had practically no navy that could molest our commerce; 3. Because the raw materials previously obtained from Russia still continued to arrive through neutral ports, or were readily replaced by imports from India and elsewhere; and, 4, lastly. Because the invention of the telegraph, the existence of steam, and the enormous resources of our mercantile marine and postal services, enable us to accomplish in a few weeks operations which, at the commencement of the century, would have occupied a long series of months. That further, in addition to, and far more powerful than any of the five causes just enumerated, was the effect of the continued influx of gold during 1854 and 1855—but especially during the latter portion of 1855, in averting from this country and from France the extreme financial pressure and peril which, in the absence of that influx, must inevitably have been produced by the necessity of providing large and constant remittances of gold to the seat of war; and must inevitably have placed entirely out of question the maintenance of the restrictions of the bank charter act of 1844, and perhaps have even imperiled the maintenance of the act of 1819.

“That during the years 1848 and 1849, and part of 1850, the losses and discredit which fell with crushing force on a large portion of the middle classes involved in the railway expenditure, did, beyond question, produce some important effect in limiting the consumption of commodities.

“That, on the other hand, it was a direct consequence of the railway expenditure of the years 1848, 1849 and 1850, that the working classes were provided with fair employment during a period of interrupted trade; and it was also a direct consequence of the cheapness of food, and

the low range of general prices which prevailed to the year 1852, that the working classes were able to command, by means of their wages, a larger amount of sustenance and comfort than had been within their reach probably at any former period of the century.”*

The leading commercial and financial events of the two years, 1855–1856, were as follows :

1855.—Discovery of Captain FRANKLIN'S remains. £10,000 awarded Captain McCLURE by Parliament. Paris exhibition opened, 15th May. Submarine telegraph wire laid in Black Sea. Resistance by United States to the payment of Sound dues. First rail-road train crossed the suspension bridge at Niagara, 14th March. French loan of 500,000,000 francs taken, 18th January. Suspension of PAGE, BACON & Co., ADAMS & Co., San Francisco, 22d February. Failure of STRAHAN, PAUL & BATES, London, June 16—sentenced to 14 years transportation. English loan of £16,000,000 taken by ROTHSCHILDS, 20th April. Ships *Arctic* and *Releaze*, Capt. HARTSTEIN, left New-York for relief of Dr. KANE and party.

1856.—Russia accepts, unconditionally, terms of peace, January 17. The steamer *Pacific*, Capt. ASA ELDRIDGE, 23d January, leaves Liverpool, and is not again heard from. Great freshets and breaking up of ice in the Ohio and Mississippi; many steamboats destroyed, 23d and 26th February. Seizure of Nicaragua transit steamers, by Gen. WALKER, February. Suicide of Sir JOHN SADLER, February 16. Preliminaries of peace signed at Paris, March 1st. Failure of the Atlas Marine Insurance Company, New-York, March 12th. The steamship *Adriatic* is launched at New-York, 7th April. Denmark proposes to commute the sound dues, May. Dismissal of Mr. CRAMPTON, British Minister at Washington, May 28th. Inundations in France cause a fall of three per cent. in French securities, June. Failure of Mr. HENRI PLACE, one of the administrators of the *Credit Mobilier*; liabilities eighteen million francs. Decision of the New-York Court of Appeals in favor of the New-York and New-Haven Rail-Road Company, June. Honduras Rail-Road contemplated by French capitalists, July. Failure of the Royal British Bank, September. Failure of PALMER, COOK & Co., San Francisco, and of the State of California to pay interest at New-York, July. A formidable insurrection breaks out at Madrid, Spain, 14th July; it is suppressed in Madrid after a bloody contest of 30 hours, 16th July. Canton attacked by the English, 24th October. An insurrectionary movement broke out in Sicily, but was speedily suppressed by the military, 22d November. Failure of JACOB LITTLE & Co., New-York, December 5th. Failure of HENSHAW & SON, Boston, bankers, December. Arrival at Spithead of the “*Resolute*,” Arctic discovery-ship, 10th December. The Arctic discovery-ship *Resolute* was delivered to the British authorities at Portsmouth, 30th December.

Railway expenditure led to the disaster of the year 1857. There are three periods very distinctly marked in the financial history of that expenditure, for example :†

1. To the three excited years, 1844, 1845 and 1846, it is sufficient simply to refer. They were a period of extravagance and delusion.

* TOOK'S *History of Prices*, vol. v. p. 369. † *Bankers' Magazine*, N. Y., 1858–9.

2. The next four years, 1847, 1848, 1849 and 1850, witnessed the extreme pressure entailed by the vast schemes of the previous years.

3. With 1851 began a sensible recovery. The crisis had been passed, and every subsequent year has contributed to improve the value of railway investments.*

In the following table this general statement is illustrated by quotations of the price of stock of seven of the leading lines, from the end of 1846 to the end of 1851 :

PRICES OF ENGLISH RAILWAY STOCK (£100 PAID UP) ON SEVEN LEADING LINES, 1846-1850.

LINES.	1846.	1847.	1848.	1848.	1849.	1849.	1850.
	1 Jan.	1 Jan.	1 Jan.	1 July.	1 Jan.	1 May.	1 Jan.
London and N. Western,.....	215	196	150	131	125	130	109
Great Western,.....	195	150	105	93	93	98	58
South Western,.....	150	170	120	94	80	72	61
Midland,.....	150	130	107	100	85	70	48
Brighton,.....	135	118	82	62	62	76	80
South Eastern,.....	120	120	90	70	72	63	57
York and N. Midland,.....	210	190	144	140	110	74	34

PRICES OF RAILWAY STOCK, (£100 PAID UP,) 1851-1856.

LINES.	1851.	1852.	1853.	1854.	1855.	1856.	1856.
	1 Jan.	1 Aug.					
London and N. Western,.....	123	118	127	102	100	94	108
Great Western,.....	77	86	96	84	70	58	65
South Western,.....	66	87	92	77	84	86	107
Midland,.....	47	57	81	61	70	64	85
Brighton,.....	87	95	109	97	107	94	107
South Eastern,.....	66	64	84	60	60	58	66
York and N. Midland,.....	44	44	60	47	52	45	60

Among the greatest achievements of this period are the opening up of new fields of supply, and the deepening of old channels of consumption. They have brought into profitable use mines, forests, quarries, arable and grazing districts, fisheries, harbors and rivers previously inaccessible. The produce arising from these various and numerous sources is so much additional wealth placed at the command of the community.* But still greater even than these achievements are the advantages arising from the cheap and rapid conveyance of passengers over long distances. Every enterprise is now carried on with, perhaps, ten times as much dispatch, and with ten times less trouble than forty years ago; and the facility of personal superintendence is certainly twenty times greater than it was then. It is not difficult, therefore, to comprehend, that to accelerate even by a few years the completion in a country of an extensive system of railways, is to confer upon it advantages, the real value of which it is impossible to represent in terms of money; and we shall find, in the considerations connected with this mode of viewing the facts, a correction of many prevalent errors relative to the cost of English railways. Let us see what was the comparative progress which, at the end of 1854, had been

* Tooke's *History of Prices*, vol. v. pp. 360-364.

made by the countries of Central and Western Europe, and by the United States, in providing themselves with railways :

GENERAL SUMMARY OF THE COMPARATIVE EXTENT OF RAILWAY OPEN AT THE CLOSE OF 1854, IN DIFFERENT COUNTRIES.

Country.	Area in Eng. Square Miles. No.	Miles of Railway open in 1854. No. of Miles.	Miles of rail open to each 100 Sq. Miles of Area.
England and Wales,.....	57,800	.... 6,100	.... 15.2
Scotland,.....	30,240	.... 1,040	.... 3.5
Ireland,.....	31,870	.... 900	.... 2.8
	119,910	.... 8,040	.... 6.7

In April, 1855, Mr. THOMAS MATTHIAS WEGUELIN, who had been elected a director in the year 1838, and deputy governor in 1853, was made governor of the bank, and again in April, 1856, Mr. SHEFFIELD NEAVE being deputy-governor for both years. The extreme views of writers in reference to the charter of the bank are in part indicated by the following letter :

THE ACT OF 1844 A SWINDLE.

To the Editor of the "Money Market Review."

Sir,—Allow me to call the attention of your readers to the fact, that the act of 1844 operates on the interests of both employers and their workpeople as a gigantic swindle, unintentionally, no doubt, but nevertheless it is a fact. The act alters periodically the value of the measure by which the labor of the operative and the goods of the employers are measured, producing the same effect as if false weights and measures were used for the benefit of the moneyed class to the prejudice of all other classes. In illustration of this fact, imagine a pair of scales for the purpose of weighing value; put a piece of cloth, or any other product of labor into one scale, worth, in ordinary times of trade and credit, a pound sterling, and into the other scale a pound, either in the shape of a sovereign or bank note, and the scales will balance each other. Now, let a monetary panic occur, such as took place in 1847 and 1857, arising from gold being taken from the Bank of England, and the money of the country to the same amount reduced by the destruction of bank notes, as compelled by the act of 1844, and mark the consequences. The price of all stocks of goods in traders' hands will fall some 30 to 70 per cent., as was the case in those panics. We will assume, for the sake of clearness, the fall to be 50 per cent., or one-half in value. The owner of the pound sterling then gets double the quantity of cloth in exchange, whilst the manufacturer gets only 10s. instead of 20s. for his article. He must then, in self-defence, either reduce the wages of his workpeople, or run short time, or close his mill and turn them adrift. In this way does the law, by altering at times the measure of value, ruin hundreds of masters, and reduce thousands of the working-classes to beggary and starvation.

* * * * *

I am, sir, your obedient servant,

HAMER STANSFELD.

Highfield, Windermere, April 22, 1862.

THE BANK OF ENGLAND IN 1862.

CIRCULATION, DEPOSITS, SECURITIES, COIN AND RATE OF DISCOUNT.

1862.	Circulation.	Public Deposits.	Private Deposits.	Securities.	Coin and Bullion.	Rate of Discount.
Jan. 1..	£ 20,818,190	£ 7,845,833	£ 15,036,062	£ 30,419,780	£ 15,961,489	3 pr. ct.
" 8..	21,086,675	4,542,974	18,206,488	31,022,505	16,046,017	2½ "
" 15..	21,460,925	4,638,353	16,480,452	29,509,864	16,291,626	2½ "
" 22..	21,697,928	5,467,840	15,866,081	29,464,720	16,350,989	2½ "
" 29..	21,183,376	4,758,063	14,751,486	28,696,456	16,280,368	2½ "
Feb. 1..	21,427,554	5,788,441	14,179,917	28,834,352	15,956,908	2½ "
" 12..	21,236,813	4,884,989	15,526,334	29,010,241	16,082,949	2½ "
" 19..	20,772,726	5,897,144	15,085,843	28,771,812	15,894,405	2½ "
" 26..	20,736,715	5,762,849	14,939,742	29,024,962	15,749,065	2½ "
Mar. 5..	21,217,246	6,755,287	13,737,507	29,692,441	15,673,898	2½ "
" 12..	20,013,685	7,527,911	13,763,718	29,489,795	16,027,111	2½ "
" 19..	20,483,509	8,011,694	13,840,928	28,953,089	16,548,586	2½ "
" 26..	20,814,655	8,413,275	13,154,258	29,140,207	15,812,798	2½ "
April 2..	21,501,595	8,456,468	13,622,532	30,398,790	16,849,198	2½ "
" 9..	21,822,105	5,625,314	16,386,169	29,981,798	16,881,940	2½ "
" 16..	22,048,463	5,235,132	15,710,260	29,325,868	16,743,434	2½ "
" 23..	21,655,553	5,534,973	15,915,247	29,022,128	17,172,204	2½ "
" 30..	21,946,997	6,867,375	14,367,007	29,164,075	17,089,446	2½ "
May 7..	21,752,884	7,503,961	13,866,643	28,961,214	17,265,745	2½ "
" 14..	21,618,780	6,804,683	14,943,308	29,076,079	16,919,147	2½ "
" 21..	21,539,430	6,557,811	14,567,671	29,433,044	16,844,940	3 "
" 28..	21,265,561	6,937,808	14,635,087	29,824,704	16,178,815	3 "
June 4..	21,515,263	7,518,007	13,188,136	29,841,864	15,489,723	3 "
" 11..	21,829,641	8,825,516	13,156,662	31,396,492	15,036,100	3 "
" 18..	21,076,059	5,323,949	13,785,271	31,342,547	15,268,453	3 "
" 25..	21,172,057	9,629,594	13,399,245	31,424,641	15,909,638	3 "
July 2..	22,242,361	9,672,349	13,851,869	32,709,039	16,220,771	3 "
" 9..	22,504,490	5,429,939	17,109,715	31,287,912	17,055,537	2½ "
" 16..	22,085,409	5,223,380	17,063,630	30,942,358	17,671,890	2½ "
" 23..	22,942,503	5,291,213	17,202,923	30,631,501	18,09,617	2 "
" 30..	22,933,086	5,895,840	16,903,068	30,542,050	18,448,443	2 "
Aug. 6..	22,378,393	6,157,358	15,232,959	30,162,297	17,966,938	2 "
" 13..	22,920,727	6,838,546	15,594,854	29,929,353	17,778,846	2 "
" 20..	22,900,555	7,150,252	14,568,007	30,309,703	17,674,604	2 "
" 27..	22,079,390	7,508,882	14,865,006	30,106,295	17,678,698	2 "
Sept. 3..	22,343,918	7,671,934	14,973,470	30,808,748	17,825,220	2 "
" 10..	21,895,385	7,768,329	13,809,643	30,504,527	17,611,537	2 "
" 17..	21,610,987	9,064,279	13,733,905	30,700,116	17,365,753	2 "
" 24..	21,300,731	9,268,106	13,825,230	30,874,552	17,166,742	2 "
Oct. 1..	22,365,351	8,486,834	13,595,337	31,140,897	16,949,137	2 "
" 8..	22,137,670	8,333,779	13,530,122	31,101,260	16,548,156	2 "
" 15..	22,395,352	6,253,982	15,712,485	31,192,658	16,230,260	2 "
" 22..	22,271,497	5,944,238	15,197,661	30,566,930	15,912,699	2 "
Nov. 29..	21,732,523	6,091,697	16,455,543	31,839,976	15,516,854	3 "
" 5..	21,878,952	6,271,105	14,797,889	30,788,134	15,425,810	3 "
" 12..	21,234,960	6,928,047	14,738,147	30,503,289	15,389,522	3 "
" 19..	20,080,182	7,854,390	14,004,015	30,372,843	15,164,571	3 "
" 26..	19,883,135	7,390,865	15,169,589	30,434,535	15,018,993	3 "
Dec. 3..	19,784,285	8,195,360	14,450,218	30,367,758	15,009,814	3 "
" 10..	19,350,880	8,490,519	14,344,612	30,354,472	14,823,063	3 "
" 17..	19,185,780	8,507,144	14,780,580	30,442,363	15,031,658	3 "

EUROPEAN FINANCES AND COMMERCE.

I. *Commerce of France for three years, 1860-1862.* II. *Finances of France, 1859-1861.* III. *The Rail-Roads of France.* IV. *Revenues of Great Britain, 1841-1861.* V. *Finances of Russia.* VI. *Finances of Spain.*

I. IMPORTS AND EXPORTS OF FRANCE FOR THREE YEARS.

The following is a detailed account of the actual value of the imports taken out of bond for consumption:—

	1859. <i>france.</i>	1860. <i>france.</i>	1861. <i>france.</i>
Oxen, cows, and sheep,.....	50,700,000	55,800,000	69,900,000
Wines,.....	7,800,000	10,200,000	11,000,000
Alcohols,.....	4,900,000	9,200,000	12,700,000
Grain and flour,.....	37,700,000	22,200,000	390,000,000
Rice in grain,.....	10,400,000	9,100,000	10,800,000
Cotton,.....	163,700,000	202,700,000	270,800,000
French colonial sugar,.....	59,000,000	80,600,000	75,400,000
Foreign sugar,.....	44,700,000	32,700,000	58,600,000
Coffee,.....	44,500,000	50,000,000	68,200,000
Tea,.....	1,400,000	1,200,000	1,200,000
Cocos,.....	6,100,000	7,100,000	7,700,000
Pepper,.....	3,600,000	3,400,000	3,600,000
Cotton yarn,.....	1,800,000	1,000,000	5,100,000
Hemp and flax yarn,.....	2,200,000	3,700,000	5,300,000
Oleaginous seeds—linseed,.....	7,000,000	14,100,000	13,200,000
do. other sorts,.....	26,200,000	29,400,000	38,600,000
Coal,.....	83,200,000	89,100,000	92,100,000
Olive oil,.....	22,400,000	27,200,000	22,100,000
Wool,.....	125,700,000	178,600,000	166,100,000
Machinery,.....	4,100,000	3,600,000	9,700,000
Pig iron,.....	5,700,000	3,800,000	13,100,000
Bar iron, (including rails,).....	400,000	100,000	2,300,000
Copper,.....	32,100,000	35,700,000	38,000,000
Lead,.....	13,500,000	9,500,000	9,700,000
Zinc,.....	13,100,000	16,800,000	17,300,000
Nitrates,.....	5,300,000	6,300,000	4,500,000
Silk,.....	193,700,000	222,700,000	171,400,000
Indigo,.....	15,800,000	25,900,000	31,500,000
Cochineal,.....	2,500,000	3,000,000	3,900,000
Flax and hemp fabrics,.....	5,700,000	7,800,000	14,200,000
Other articles,.....	656,300,000	734,800,000	804,600,000
Total,.....	1,640,700,000	1,897,300,000	2,442,400,000

The above table is very interesting, especially in the items of yarn, coal, iron, machinery, indigo, &c., which particularly concern the English. On the whole, it is a new demonstration of the excellence of the commercial reforms which have recently been accomplished.

The following was the actual value of the exports of articles of French productions:—

	1859. <i>francs.</i>	1860. <i>francs.</i>	1861. <i>francs.</i>
Oxen, cows and sheep,.....	18,800,000	22,200,000	19,000,000
Wines,.....	232,000,000	221,000,000	195,900,000
Alcohols,.....	92,600,000	52,200,000	50,100,000
Grain and flour,.....	152,000,000	120,400,000	34,100,000
Flax and hemp,.....	2,500,000	3,000,000	4,000,000
Cotton yarn,.....	1,000,000	1,300,000	1,100,000
Flax and hemp yarn,.....	1,000,000	2,300,000	3,600,000
Madder,.....	14,200,000	9,200,000	11,100,000
Books, engravings and music, ..	17,400,000	19,600,000	14,900,000
Machinery,.....	6,800,000	8,300,000	7,300,000
Furniture,.....	7,500,000	6,900,000	8,000,000
Millinery, &c.,.....	6,400,000	5,500,000	4,200,000
Articles in wood, cast iron, cop- per, lead, tin, zinc,.....	42,100,000	44,800,000	38,800,000
Paper,.....	13,300,000	13,000,000	12,600,000
Prepared skins,.....	56,100,000	46,500,000	32,200,000
Gloves,.....	74,300,000	86,500,000	59,300,000
Soap,.....	6,800,000	4,400,000	6,000,000
Salt,.....	2,000,000	1,600,000	1,500,000
Silk, raw,.....	38,600,000	31,400,000	30,600,000
do. dyed,.....	2,300,000	2,700,000	1,700,000
Refined sugar,.....	45,700,000	46,200,000	42,000,000
Flax and hemp tissues,.....	14,700,000	14,900,000	14,400,000
Woolen tissues,.....	180,600,000	229,300,000	188,000,000
Silk tissues,.....	499,200,000	454,200,000	332,900,000
Cotton tissues,.....	67,200,000	69,600,000	56,700,000
Crystal and glass,.....	20,100,000	23,500,000	18,700,000
Porcelain and pottery,.....	11,300,000	11,600,000	8,400,000
Other articles,.....	639,900,000	725,600,000	731,700,000
Total,.....	2,266,400,000	2,277,100,000	1,926,300,000

II. FINANCES OF FRANCE, 1859-1860-1861.

A return respecting the direct and indirect taxes shows that, in the year 1861, the amount of direct taxes paid was 479,327,000 francs, (£19,173,080,) out of 492,936,000 francs owing, leaving 13,609,000 francs due. As direct taxes in France can only be levied in monthly instalments, the said 479,327,000 francs exceeded by 27,469,000 francs what could legally have been exacted; and, moreover, the expense of proceedings to enforce payment was not more than 1*f.* 3*3c.* per 1,000 francs, which is considered a very moderate rate. As to the indirect taxes, they amounted in 1861 to 1,099,566,000 francs, (£43,982,640,) in 1860, to 1,073,712,000 francs, (£42,948,480,) and in 1859 to 1,094,644,000 francs, (£43,785,760.) Thus 1861 presents an increase of 2,584,000 francs compared with 1860, and of 4,922,000, compared with 1851. On the whole, these returns must be considered satisfactory. They show that the direct taxes are paid remarkably well; whilst as to the indirect it is to be noticed, first, that in 1861 the heavy falling off produced in the customs duties, by commercial reforms, was not indeed

made up, but greatly reduced; secondly, that in most of the principal branches of revenue there is an increase. It is true, however, that in two of these branches—wines and alcohols, and tobacco—the duties have been augmented. The following is a detailed account of the indirect taxes:

	1861. <i>francs.</i>	1850. <i>francs.</i>	1859. <i>francs.</i>
Registration and mortgage dues...	297,127,000 ..	301,069,000 ..	271,811,000
Stamp duties,.....	58,421,000 ..	58,419,000 ..	53,504,000
Custom duties on import of grain, " of different sorts of mer- chandise,.....	4,271,000 ..	1,385,000 ..	1,227,000
" of French colonial sugar,	68,950,000 ..	76,124,000 ..	109,810,000
" of foreign sugar,.....	27,558,000 ..	33,149,000 ..	43,565,000
Customs duties on exports,.....	25,961,000 ..	20,727,000 ..	34,891,000
Navigation dues,.....	1,810,000 ..	3,427,000 ..	4,221,000
Various customs duties and re- ceipts,.....	4,870,000 ..	4,440,000 ..	4,351,000
Tax on the consumption of salt levied within the Customs dis- tricts,.....	1,547,000 ..	1,848,000 ..	2,024,000
Tax on wines, brandies, &c.,.....	26,846,000 ..	30,843,000 ..	28,348,000
Tax on the consumption of salt be- yond the Customs districts,....	195,816,000 ..	176,036,000 ..	174,271,000
Duty on the manufacture of native sugar,.....	11,184,000 ..	9,834,000 ..	8,723,000
Various duties and receipts,.....	30,260,000 ..	36,239,000 ..	57,585,000
Sale of tobacco,.....	52,000,000 ..	56,184,000 ..	52,685,000
Sale of gunpowder,.....	215,255,000 ..	194,191,000 ..	178,744,000
Post-Office,.....	13,273,000 ..	10,812,000 ..	9,416,000
Duty of 2 per cent. on money or- ders,.....	61,272,000 ..	58,387,000 ..	56,498,000
Duty on conveyance of securities and articles by post,.....	1,758,000 ..	1,696,000 ..	1,810,000
Duty on transit of foreign mails,..	551,000 ..	454,000 ..	183,000
Various receipts,.....	1,467,000 ..	1,403,000 ..	1,495,000
	60,000 ..	45,000 ..	32,000
Total,.....	1,099,566,000 ..	1,073,712,000 ..	1,094,644,000

III. THE RAIL-ROADS OF FRANCE.

The customary half-yearly returns of the French railways show that on the 30th June of the year 1862, the total length of railway worked was 10,460 kilometres, or 6,537 English miles, and that on the corresponding date of last year the length was only 9,566 kilometres, or 5,916 miles. It shows also that the total receipts of the first six months of the present year were 221,620,660 francs, which makes £8,864,826 English; and that those of the corresponding period of 1861 were 210,567,546 francs, or £8,421,702. The term "Old Network" in the subjoined table means the old original concessions; and "New Network" signifies new lines or embranchments and prolongations of old ones. The distinction is made, because on the new network the government guarantees a certain interest. The kilometre is $\frac{5}{8}$ ths of a mile, and 25 francs makes £1.

THE RAILWAYS OF FRANCE IN 1861 AND 1862. — (From Official Returns.)

NAMES OF RAILWAYS.	First Six Months of 1862.			First Six Months of 1861.			Difference in Receipts.		Per Kilometre.		Differences between 1862 and 1861.	
	Total length worked on June 30.	Average length worked during half-year.	Receipts.	Total length worked on June 30.	Average length worked during half-year.	Receipts.	Plus.		Total.		Per cent.	
							1862.	1861.	Plus.	Minus.	Plus.	Minus.
Northern,.....	k. 967	k. 967	f. 30,226,324	967	967	30,571,431	964,908	468,588	689	8.36	3.68	
Eastern,.....	963	963	22,196,156	963	963	25,650,694	..	458,243	639	..	6.66	
Western,.....	900	900	21,976,690	900	900	25,493,983	..	458,243	639	..	9.13	
Orleans,.....	1,417	1,417	31,014,393	1,417	1,417	34,068,359	..	3,048,887	4,391	..	8.88	
Lyons and Mediterranean,.....	1,412	1,412	60,087,583	1,412	1,412	65,401,384	4,866,449	196,413	588	..	8.88	
Lyons to Geneva,.....	287	287	3,150,064	287	287	3,806,476	9,065,661	18,938	16,863	..	15.87	
Southern,.....	707	707	15,109,446	706	706	18,098,845	90,890	6,501	5,974	..	8.88	
Victor-Emmanuel,.....	116	111	721,588	104	104	631,308	80,338	6,501	5,974	..	9.23	
Ceduire, (round Paris),.....	17	17	1,064,906	17	17	974,368	11,608	62,640	57,817	..	28.61	
Grasse-ssac to Beziers,.....	51	51	822,962	51	51	951,809	41,408	28,073	21,776	..	5.95	
Bessegus to Alais,.....	32	32	738,315	32	32	694,846	57,198	14,308	11,943	..	26.77	
Anzin to Somain,.....	19	19	270,815	19	19	313,623	91,398	10,731	8,714	..	33.15	
Carmaux to Albi,.....	15	15	160,968	15	15	181,765	91,398	..	..	..	..
Lyons to La Croix Rousse,.....	1	..	..	..	..	..	..	..	..	..	..
Totals and averages,.....	7,004	6,998	187,069,769	6,987	6,980	188,048,594	8,116,064	4,090,019	26,738	26,294	508	1.94

NEW NETWORK.

Northern,.....	187	163	1,171,331	81	81	97,769	1,078,622	7,156	3,152	4,004	127.93	
Eastern,.....	745	740	9,480,000	743	740	9,655,513	19,725	13,088	668	..	9.77	
Ardennes,.....	240	240	2,384,542	164	164	1,806,648	577,899	9,727	11,012	1,285	11.67	
Western,.....	313	313	2,079,437	313	313	2,067,359	12,174	..	6,665	89	..	
Orleans,.....	658	658	4,407,326	460	460	2,732,291	1,654,435	6,698	5,919	779	13.16	
Lyons and Mediterranean,.....	178	163	12,898,116	165	165	9,440,549	3,457,567	16,882	10,180	6,702	5.76	
Dauphine,.....	179	163	1,486,371	135	135	1,374,275	112,096	..	9,119	10,180	10.43	
Southern,.....	271	180	693,772	99	99	339,489	364,289	..	3,854	8,328	15.51	
Totals and averages,.....	3,456	3,225	84,550,591	2,479	2,468	27,524,322	57,026,269	265,515	10,715	11,150	439	3.94

RECAPITULATION.

Old network,.....	7,004	6,998	187,069,769	6,987	6,980	188,048,594	4,090,545	26,738	26,294	508	1.94
New network,.....	3,456	3,225	84,550,591	2,479	2,468	27,524,322	7,026,569	10,743	11,152	439	..
T total,.....	10,460	10,223	271,620,360	9,466	9,448	210,572,916	11,117,114	21,679	22,957	698	2.79

In the Senate there has been a discussion about the usury laws, but it has led to nothing practical; and, as far as depends on that "august body," those laws will continue to be maintained in spite of their opposition to the principles of economic science, and of the injury they do to commerce. M. MICHEL CHEVALIER, in a most able speech, supported some petitions praying that the said laws might be repealed. He stated that the Chambers of Commerce of the principal towns of the Empire—Paris, Lyons, Havre, Rouen, Bordeaux and Strasburg—were anxious to see them abolished; he showed that the Bank of France had been exempted from them, so as to be able to discount at a higher rate than they fix; that the government itself had more than once borrowed at a higher rate, and that the Mont de Piété lends to the poor at a higher one; he showed that those laws impede commercial transactions, and that they are justifiable neither on scientific nor moral grounds. M. FORCADE DE LA ROQUETTE, ex-Minister of Finance, repeated many of M. MICHEL CHEVALIER's arguments. But M. DUPIN, Procureur-General, in his very flippant way made some remarks in reply to them, quoting the old Roman law and Cato; and the wise Senate pronounced in favor of M. DUPIN.

A treaty of considerable commercial importance was concluded between Great Britain and France on the 30th April, 1862, and has been promulgated by the French government. Its stipulations are these: Art. 1. The high contracting parties declare that they mutually recognise to all companies and other commercial, industrial or financial associations, constituted and authorized according to the peculiar laws of one of the two countries, the power of exercising their rights and of pleading before the courts, either to bring an action or defend one, in all the States and Possessions of the other Power, without any other condition than to conform to the laws of the said States and Possessions. Art. 2. It is understood that the stipulation which precedes, applies both to the companies and associations constituted and authorized previous to the signature of the present convention, and to those which may be so hereafter. Art. 3. The present convention is concluded without any limits as to its duration. However, either of the contracting Powers shall have the right to put an end to it, by denouncing it a year in advance. The two high contracting Powers reserve to themselves besides the power of introducing by common accord into this convention the modifications of which experience shall have demonstrated the utility.

IV. THE REVENUE OF GREAT BRITAIN, 1831-1841-1851-1861.

The following return of the total gross and net amounts of the revenue of the United Kingdom in each of the years 1830-31, 1840-41, 1850-51 and 1860-61, shows the per centage cost of collecting the revenue at each of those periods, and also in what proportions the revenue was derived from each of the following sources:—Customs, Excise, Stamps, Taxes other than Income Tax, Income Tax, Post-Office, Crown Lands and Miscellaneous; and, further, the amount per head of the gross revenue according to the census returns of the population in the years 1831, 1841, 1851 and 1861.

1830-1831.

	Gross Revenue after deduct- ing Drawbacks, &c.	Net Revenue after deduct- ing Charges of Collection.	Per centage Cost of Collecting Gross Revenue before deduction of Drawbacks, &c.	
Customs,	£ 19,527,101	£ 18,281,912	£ 6	2s. 10½d.
Excise,	19,817,382	18,605,220	5	8 5½
Stamps,	7,818,010	7,115,967	2	12 6
Taxes other than Income Tax, Income Tax,	5,347,222	5,063,991	5	5 9
Post-Office,	2,212,206	1,517,952	30	3 4
Crown Lands,	363,742	335,771	7	13 9½
Miscellaneous,	227,662	226,568		....
	£ 54,811,325	£ 51,097,881	£ 6	5s. 7d.
Population of the United Kingdom,				24,892,485
Amount of gross revenue per head of population,			£ 2	4s. 11½d.

1840-1841.

Customs,	£ 23,341,813	£ 22,055,460	£ 5	8s. 8½d.
Excise,	14,785,595	13,762,337	6	10 11½
Stamps,	7,287,823	7,123,724	2	3 8½
Taxes other than Income Tax, Income Tax,	4,157,754	3,966,781	4	11 9
Post-Office,	1,342,604	405,913	60	15 8½
Crown Lands,	483,421	444,835	7	15 9½
Miscellaneous,	295,500	295,500		....
	£ 51,698,510	£ 48,144,500	£ 6	14s. 1½d.
Population of the United Kingdom,				27,036,450
Amount of gross revenue per head of population,			£ 1	18s. 2½d.

1850-1851.

Customs,	£ 23,019,784	£ 20,735,979	£ 5	16s. 8½d.
Excise,	15,260,640	14,397,975	5	7 11½
Stamps,	6,706,761	6,555,915	2	3 7½
Taxes other than Income Tax, Income Tax,	4,540,564 } 5,510,860 }	9,729,909	3	3 3½
Post-Office,	2,361,262	823,362	58	12 10½
Crown Lands,	365,810	318,582	12	18 2½
Miscellaneous,	766,116	766,116		....
	£ 57,431,797	£ 53,327,838	£ 7	1s. 0½d.
Population of the United Kingdom,				27,724,849
Amount of gross revenue per head of population,			£ 2	1s. 5d.

1860-1861.

Customs,	£ 23,278,250	£ 22,263,870	£ 4	6s. 3d.
Excise,	19,548,133			
Stamps,	8,368,870	40,472,228	3	11 9
Taxes other than Income Tax, Income Tax,	3,145,070 } 10,957,060 }			
Post-Office,	3,407,063	1,400,769	58	12 2
Crown Lands,	412,451	369,294	12	5 6
Miscellaneous,	1,453,101	1,453,101		....
	£ 70,569,998	£ 65,959,262	£ 6	10s. 0d.
Population of the United Kingdom,				29,340,253
Amount of gross revenue per head of population,			£ 2	8s. 1½d.

V. FINANCES OF RUSSIA.

Public Debt, 1854-1859—Treasury Circulation.

The silver rouble is equal to about eighty cents United States currency.

Description of Debt.	1854.		1855.		1856.	
	SIL. ROUBLES.		SIL. ROUBLES.		SIL. ROUBLES.	
FUNDED DEBT.						
<i>Terminable.</i>						
Old Dutch Loan,.....	53,448,000	..	55,332,000	..	51,495,000	..
New Dutch Loan,.....						
Internal Debt,.....	145,338,045	..	131,578,375	..	156,817,244	..
<i>Perpetual.</i>						
External and Internal Loan,...	267,990,012	..	221,093,494	..	314,996,290	..
Railway Loan in £ Sterling,...	5,060,000	..	5,170,000	..	4,950,000	..
Total,.....	476,615,039	..	417,746,245	..	533,273,782	..
{ Silver Roubles,.....						
{ £ Sterling,....	75,464,047	..	66,143,156	..	84,435,015	..
UNFUNDED DEBT.						
Treasury Bonds bearing interest,	....	..	....	..	....	..
Credit Bills in circulation, not bearing interest,.....	356,589,021	..	333,695,008	..	509,181,397	..
Total,.....	356,589,021	..	333,695,008	..	509,181,397	..
{ S. R.	£ 56,459,928	..	52,835,043	..	80,620,338	..
Total of Funded and Unfunded Debt,....	833,204,060	..	751,441,253	..	1,042,455,179	..
{ S. R.	£ 131,923,975	..	118,978,199	..	165,055,403	..
FUNDED DEBT.						
<i>Terminable.</i>						
Old Dutch Loan,.....	49,470,000	..	30,600,000	..	30,000,000	..
New Dutch Loan,.....						
Internal Debt,.....	150,074,872	..	151,530,113	..	154,116,786	..
<i>Perpetual.</i>						
External and Internal Loan, ...	312,220,843	..	309,222,582	..	306,147,068	..
Railway Loan in £ Sterling, ...	4,840,000	..	4,730,000	..	4,620,000	..
Total,.....	521,987,810	..	518,334,007	..	515,988,012	..
{ S. R.	£ 82,648,070	..	82,069,551	..	81,698,102	..
UNFUNDED DEBT.						
Treasury Bonds bearing interest,	93,000,000	..	90,000,000	..	93,000,000	..
Credit Bills in circulation, not bearing interest,	689,279,844	..	785,297,006	..	644,448,790	..
Lombard Bank,.....	....	..	320,000,000	..	320,000,000	..
Total,.....	782,279,844	..	1,145,297,006	..	1,057,448,790	..
{ S. R.	£ 123,860,976	..	181,338,693	..	167,429,392	..
	1,304,267,654	..	1,668,631,013	..	1,573,436,802	..
Deduct Sinking Fund, &c.,	....	..	146,000,000	..	115,000,000	..
Total,.....	1,304,267,654	..	1,517,631,013	..	1,458,436,802	..
{ S. R.	£ 206,509,046	..	240,291,577	..	230,919,160	..

VI. FINANCES OF SPAIN.

The following statement of the position of the certificate question has been issued by the committee :

1. Spain contracted loans of money in England when she was in need.
2. For a considerable period she regularly paid the interest on those loans.

3. Owing to a pressure on her finances, the payment thereof fell into arrear.

4. In August, 1851, this arrear amounted to £16,227,075.

5. At that period the Spanish Cortes passed a decree directing payment of one-half of the said arrears in bonds called "Deferred Bonds," and cancelling the other half.

6. The bondholders accepted payment of the one-half in the "Deferred Bonds," and they issued their protest against the cancelling the other half, reserving their full right to the payment thereof.

7. This protest was placed in the hands of the Spanish government by Lord HOWDEN, the British Minister at Madrid, and the receipt thereof was acknowledged by the Marquis de MIRAFLORES, the Spanish Minister of Foreign Affairs.

8. The existing certificates represent the unpaid portion of the said debt.

9. The said Deferred Bonds were, at the time of their being issued, of so low a value that they were sold in the market at 20 per cent., so that the holders who were under the necessity of selling, did not realize more than 10 per cent. of the sum due to them.

10. The revenue of Spain has increased within the last four years from £13,000,000 to £20,000,000 per annum.

11. The settlement of this claim by the issue of Deferred Bonds for the same, would only involve Spain in the payment of about £100,000 per annum at the present time, and £240,000 per annum at the end of the year 1870.

12. The whole facts of the case having been placed before Dr. PHILLIMORE, of London, and three eminent lawyers of Madrid, they have declared as follows :

1. That the contract for the loans was perfectly legal.

2. That no decree of the Spanish Cortes could deprive the creditors of any part of their rights without their own consent.

3. That their acceptance of the one-half, and under protest, did not in the slightest degree affect their claim to the other half.

4. That, by the laws of Spain, no debtor can be released from his debts by any compromise which shall not be accepted by the majority of the creditors; and

5. That the claim of the certificate-holders is incontrovertible on the principles both of civil and international law.

Means are being taken up to bring all these considerations in a respectful manner to the attention of the Spanish nation, when it is to be hoped that a satisfactory solution may be arrived at, and the existing impediment removed to the employment of British capital in Spain.

*Committee of Spanish certificate-holders, }
11 Austinfriars, March 13, 1862. }*

BANK CAPITAL OF TOWNS AND CITIES.

MAINE.

<i>No. Banks.</i>	<i>Capital.</i>	<i>No. Banks.</i>	<i>Capital.</i>
Alfred,	1 .. \$ 50,000	Newcastle,	1 .. \$ 50,000
Auburn,	1 .. 75,000	North Berwick,	1 .. 50,000
Augusta,	4 .. 363,000	Old Town,	1 .. 50,000
Bangor,	9 .. 975,000	Orono,	1 .. 50,000
Bath,	5 .. 625,000	Portland,	7 .. 2,675,000
Belfast,	2 .. 175,000	Richmond,	1 .. 75,000
Biddeford,	2 .. 225,000	Rockland,	3 .. 270,000
Bowdoinham,	1 .. 50,000	Saco,	2 .. 200,000
Brunswick,	3 .. 150,000	Searsport,	1 .. 50,000
Bucksport,	1 .. 75,000	Skowhegan,	2 .. 125,000
Calais,	1 .. 100,000	South Berwick,	1 .. 100,000
Damariscotta,	1 .. 50,000	Thomaston,	2 .. 100,000
Eastport,	1 .. 75,000	Waldoboro',	2 .. 100,000
Farmington,	1 .. 75,000	Waterville,	3 .. 275,000
Gardiner,	3 .. 200,000	Winthrop,	1 .. 75,000
Hallowell,	2 .. 175,000		
Kennebunk,	1 .. 100,000	Totals,	69 .. \$7,983,000
Lewiston,	1 .. 200,000		

NEW-HAMPSHIRE.

<i>No. Banks.</i>	<i>Capital.</i>	<i>No. Banks.</i>	<i>Capital.</i>
Claremont,	1 .. \$ 100,000	Nashua,	3 .. \$ 345,000
Charlestown,	1 .. 100,000	New Ipswich,	1 .. 75,000
Concord,	4 .. 400,000	New-Market,	1 .. 80,000
Derry,	1 .. 60,000	Newport,	1 .. 50,000
Dover,	4 .. 420,000	Ossipee,	1 .. 50,000
East Jeffrey,	1 .. 50,000	Peterboro',	1 .. 50,000
Epping,	1 .. 37,500	Pittsfield,	1 .. 50,000
Exeter,	1 .. 100,000	Portsmouth,	4 .. 648,700
Farmington,	1 .. 75,000	Rochester,	2 .. 140,000
Francestown,	1 .. 60,000	Rollinsford,	1 .. 50,000
Hampton Falls,	1 .. 50,000	Sanbornton,	1 .. 70,000
Hillsboro',	1 .. 50,000	Sandwich,	1 .. 50,000
Keene,	8 .. 300,000	Somersworth,	2 .. 250,000
Lancaster,	1 .. 50,000	Warner,	1 .. 50,000
Laconia,	1 .. 80,000	Winchester,	1 .. 100,000
Lebanon,	1 .. 100,000	Wolfboro',	1 .. 75,000
Manchester,	4 .. 625,000		
Milford,	1 .. 100,000	Totals,	53 .. \$4,891,200

VERMONT.

<i>No. Banks.</i>	<i>Capital.</i>	<i>No. Banks.</i>	<i>Capital.</i>
Bellows Falls,	1 .. \$ 100,000	Burlington,	4 .. 550,000
Bennington,	1 .. 50,000	Castleton,	1 .. 50,000
Bethel,	1 .. 75,000	Chelsea,	1 .. 60,000
Bradford,	1 .. 100,000	Danville,	1 .. 75,000
Brandon,	1 .. 75,000	Derby Line,	1 .. 75,000
Brattleboro',	2 .. 300,000	Hyde Park,	1 .. 50,000

	No. Banks.	Capital.		No. Banks.	Capital.
Irasburg,	1 ..	50,000	Springfield.....	1 ..	50,000
Jamaica,	1 ..	100,000	St. Albans.....	2 ..	250,000
Lyndon,	1 ..	100,000	St. Johnsbury, ..	1 ..	100,000
Manchester,	1 ..	75,000	Sheldon,.....	1 ..	100,000
Middlebury,	1 ..	100,500	Scranton Falls, ..	1 ..	75,000
Montpelier,	2 ..	200,000	Vergennes,.....	1 ..	150,000
Northfield,	1 ..	100,000	Waterbury,.....	1 ..	80,000
Orwell,	1 ..	100,000	Wells River,.....	1 ..	75,000
Poultney,	1 ..	100,000	Windsor,	1 ..	50,000
Proctorsville, ..	1 ..	50,000	Woodstock,.....	1 ..	100,500
Royalton,	1 ..	50,000			
Rutland,	1 ..	300,000	Total:.....	40 ..	\$2,916,000

MASSACHUSETTS.

	No. Banks.	Capital.		No. Banks.	Capital.
Boston,	44 ..	\$38,631,700	Millbury,.....	1 ..	100,000
Abington,.....	1 ..	150,000	Milford,	1 ..	250,000
Andover,.....	1 ..	250,000	Monson,.....	1 ..	150,000
Athol,.....	1 ..	150,000	Nantucket,.....	1 ..	200,000
Attleborough, ..	1 ..	100,000	Newburyport, ..	8 ..	560,000
Beverly,	1 ..	125,000	New Bedford, ..	4 ..	2,400,000
Blackstone,	1 ..	100,000	Newton,.....	1 ..	150,000
Brighton,	2 ..	450,000	Northampton, ..	2 ..	400,000
Cambridge,	6 ..	800,000	North Adams, ..	1 ..	350,000
Canton,	1 ..	100,000	N. Bridgewater, ..	1 ..	100,000
Charlestown, ..	2 ..	450,000	Northboro',	1 ..	100,000
Chelsea,	1 ..	150,000	Oxford,.....	1 ..	100,000
Chicopee,	1 ..	150,000	Pittsfield,	2 ..	700,000
Concord,.....	1 ..	100,000	Plymouth,	2 ..	360,000
Conway,	1 ..	150,000	Provincetown, ..	1 ..	100,000
Danvers,	1 ..	150,000	Quincy,.....	2 ..	300,000
Dedham,	1 ..	300,000	Randolph,.....	1 ..	150,000
Dorchester,	2 ..	250,000	Rockport,.....	1 ..	150,000
Edgartown,	1 ..	100,000	Roxbury,.....	2 ..	300,000
Fairhaven,	1 ..	300,000	Salem,.....	7 ..	1,802,000
Fall River,	6 ..	650,000	Salisbury,.....	1 ..	100,000
Falmouth,	1 ..	100,000	Shelburne,	1 ..	150,000
Fitchburg,	2 ..	500,000	Springfield,	5 ..	1,200,000
Framingham,	1 ..	200,000	Southbridge,	1 ..	150,000
Gloucester,	2 ..	450,000	South Adams, ..	1 ..	100,000
Grafton,	1 ..	100,000	South Danvers, ..	2 ..	400,000
Great Barrington, ..	1 ..	200,000	South Reading, ..	1 ..	100,000
Greenfield,	2 ..	400,000	Stockbridge,.....	1 ..	200,000
Harwich,	1 ..	150,000	Taunton,	3 ..	1,100,000
Haverhill,	4 ..	680,000	Townsend,	1 ..	100,000
Hingham,	1 ..	140,000	Uxbridge,	1 ..	100,000
Holliston,	1 ..	100,000	Waltham,	1 ..	200,000
Holyoke,	1 ..	200,000	Ware,.....	1 ..	350,000
Hopkinton,	1 ..	150,000	Wareham,	1 ..	100,000
Lancaster,	1 ..	200,000	Westfield,.....	2 ..	300,000
Lawrence,	2 ..	475,000	Weymouth,.....	1 ..	150,000
Lee,	1 ..	300,000	Woburn,	1 ..	150,000
Leicester,	1 ..	200,000	Worcester,.....	6 ..	1,700,000
Lowell,	6 ..	1,500,000	Wrentham,	1 ..	150,000
Lynn,	8 ..	600,000	Yarmouth Port, ..	1 ..	350,000
Malden,	1 ..	100,000			
Marblehead,	2 ..	220,000	Total,.....	188 ..	\$67,543,700
Methuen,	1 ..	100,000			

RHODE ISLAND.

	No. Banks.	Capital.		No. Banks.	Capital.
Providence,.....	38	\$ 15,688,950	North Providence, ..	4	645,150
Alton,.....	1	50,000	Pascoag,.....	1	60,000
Ashaway,.....	1	75,000	Phenix,.....	1	64,500
Bristol,.....	4	317,500	Scituate,.....	1	55,575
Carolina Mills,.....	1	50,000	Smithfield,.....	1	100,000
Chepachet,.....	1	50,000	Slaterville,.....	1	100,000
Cranston,.....	2	120,150	Warren,.....	3	401,300
Coventry,.....	2	150,000	Warwick,.....	1	100,000
East Greenwich,....	1	62,500	Westerley,.....	3	540,100
Exeter,.....	1	35,844	Woonsocket,.....	7	938,650
Newport,.....	8	871,760			
Kingston,.....	5	400,000	Total,.....	88	\$ 20,877,079

CONNECTICUT.

	No. Banks.	Capital.		No. Banks.	Capital.
Ansonia,.....	1	100,000	New Milford,.....	1	125,000
Bethel,.....	1	60,000	Norfolk,.....	1	100,500
Birmingham,.....	1	306,700	Norwalk,.....	2	600,000
Bridgeport,.....	5	1,179,920	Norwich,.....	6	1,760,168
Brooklyn,.....	1	106,400	Rockville,.....	1	300,573
Clinton,.....	1	75,000	Southport,.....	1	112,400
Danbury,.....	2	577,700	Stafford Springs, ..	1	158,000
Deep River,.....	1	150,000	Stamford,.....	1	202,020
East Haddam,.....	2	197,380	Stonington,.....	3	237,000
Essex,.....	1	83,900	Thompson,.....	1	70,000
Falls Village,.....	1	200,000	Tolland,.....	1	81,600
Hartford,.....	12	7,550,830	Waterbury,.....	2	814,100
Jewett City,.....	1	62,160	West Meriden,.....	1	283,161
Meriden,.....	1	300,000	Westport,.....	1	200,000
Middletown,.....	3	829,600	West Winsted,....	2	465,475
Mystic,.....	2	153,450	Windham,.....	1	104,700
New Britain,.....	1	100,000			
New Haven,.....	8	2,478,800	Total,.....	75	\$ 21,791,787
New London,.....	4	666,250			

NEW-YORK.

	No. Banks.	Capital.		No. Banks.	Capital.
New-York City,....	54	\$ 69,125,820	Canastota,.....	1	110,000
Adams,.....	1	125,000	Carmel,.....	1	87,800
Addison,.....	1	10,000	Catskill,.....	2	197,094
Albany,.....	8	3,091,100	Cazenovia,.....	1	150,000
Albion,.....	2	171,200	Chatham Corn.,....	1	100,000
Amsterdam,.....	2	300,000	Cherry Valley,....	1	200,000
Auburn,.....	4	850,000	Chester,.....	1	125,500
Ballston Spa,.....	1	125,000	Chittenango,.....	1	150,000
Batavia,.....	2	190,000	Clinton,.....	1	100,000
Bath,.....	2	200,000	Clyde,.....	2	50,500
Binghamton,.....	3	400,000	Cohoes,.....	1	77,400
Brooklyn,.....	7	2,500,000	Cooperstown,.....	3	450,000
Buffalo,.....	9	2,191,018	Corning,.....	3	70,000
Canajoharie,.....	2	225,000	Cortland,.....	2	100,000
Canandaigua,.....	1	26,000	Coxsackie,.....	1	142,000

	No. Banks.	Capital.		No. Banks.	Capital.
Cuba,	1 ..	\$ 100,000	Oneida,	1 ..	\$ 105,000
Dansville,	1 ..	150,250	Orangeburg,	1 ..	80,000
Delhi,	1 ..	150,000	Oswego,	3 ..	787,400
Dover Plains,	1 ..	100,000	Otego,	1 ..	100,000
Deposit,	1 ..	125,000	Owego,	2 ..	300,000
Dunkirk,	2 ..	82,000	Painted Post,	1 ..	10,000
Elmira,	3 ..	850,000	Palmyra,	1 ..	74,000
Fayetteville,	1 ..	115,000	Pawling,	1 ..	175,000
Fishkill,	1 ..	150,000	Peekskill,	1 ..	200,000
Fonda,	1 ..	100,000	Penn Yan,	1 ..	25,000
Fort Edward,	2 ..	369,850	Perry,	1 ..	85,000
Fort Plain,	1 ..	150,000	Pine Plains,	1 ..	90,000
Frankfort,	1 ..	105,000	Plattsburg,	1 ..	10,000
Fredonia,	1 ..	100,000	Port Jervis,	1 ..	130,000
Fulton,	2 ..	180,500	Potsdam,	1 ..	100,000
Geneseo,	1 ..	150,000	Poughkeepsie,	5 ..	1,095,800
Geneva,	1 ..	205,000	Pulaski,	2 ..	85,000
Gloversville,	1 ..	150,000	Rhinebeck,	1 ..	125,000
Glens Falls,	2 ..	148,400	Rochester,	10 ..	2,354,475
Goshen,	2 ..	220,000	Rome,	3 ..	350,380
Greenwich,	1 ..	200,000	Rondout,	1 ..	200,000
Hamilton,	1 ..	110,000	Sag Harbor,	1 ..	20,000
Havana,	1 ..	50,000	Salem,	1 ..	123,000
Herkimer,	1 ..	10,000	Saratoga Springs, ..	2 ..	225,000
Hudson,	1 ..	550,000	Saugerties,	2 ..	275,000
Ilion,	1 ..	100,000	Schenectady,	2 ..	170,412
Ithaca,	2 ..	340,000	Schoharie,	1 ..	50,000
Jamestown,	2 ..	69,400	Schuylerville,	1 ..	110,000
Johnstown,	1 ..	100,000	Seneca Falls,	1 ..	50,000
Kinderhook,	2 ..	450,000	Setauket,	1 ..	100,000
Kingston,	3 ..	425,000	Sherburne,	1 ..	50,000
Lancaster,	1 ..	50,000	Silver Creek,	1 ..	95,800
Lansingburg,	3 ..	453,200	Somers,	1 ..	111,150
Leonardsville,	1 ..	100,000	South East,	1 ..	107,500
Le Roy,	1 ..	150,000	Syracuse,	7 ..	1,099,400
Lima,	1 ..	50,000	Troy,	11 ..	3,033,500
Little Falls,	1 ..	200,000	Utica,	5 ..	1,335,000
Lockport,	3 ..	254,000	Unadilla,	1 ..	148,000
Lowville,	1 ..	102,450	Vernon,	1 ..	100,000
Ludingtonville,	1 ..	111,940	Warsaw,	1 ..	50,000
Lyons,	3 ..	68,320	Waterford,	1 ..	200,000
Malone,	1 ..	150,000	Waterloo,	1 ..	29,000
Medina,	1 ..	25,000	Watertown,	6 ..	568,240
Middletown,	2 ..	300,000	Waterville,	1 ..	120,000
Mohawk,	1 ..	150,000	Waverly,	1 ..	106,000
Monticello,	1 ..	150,000	Weedsport,	1 ..	100,000
Mount Morris,	1 ..	130,000	Westfield,	2 ..	90,000
Newark,	1 ..	50,000	West Troy,	1 ..	250,000
Newburgh,	3 ..	800,000	West Winfield,	1 ..	125,000
New-Paltz,	1 ..	125,000	Whitehall,	2 ..	208,000
Newport,	1 ..	93,125	Whitestown,	1 ..	120,000
North Castle,	1 ..	100,000	Williamsburg,	3 ..	810,000
N. Wh. Creek,	1 ..	172,000	Yonkers,	2 ..	200,000
Norwich,	2 ..	275,000			
Nyack,	1 ..	96,800			
Ogdensburg,	2 ..	222,000			
			Total,		\$ 108,606,062

NEW-JERSEY.

	No. Banks.	Capital.		No. Banks.	Capital.
Belvidere,.....	1 ..	\$ 200,000	Morristown,.....	1 ..	\$ 45,000
Bordentown,.....	1 ..	50,125	Mount Holly,.....	2 ..	185,000
Bridgeton,.....	1 ..	102,100	Middletown Point,..	1 ..	100,000
Burlington,.....	2 ..	100,000	Newark,.....	5 ..	2,258,650
Camden,.....	2 ..	438,490	New Brunswick,...	2 ..	353,350
Clinton,.....	1 ..	80,000	Newton,.....	1 ..	201,500
Deckertown,.....	1 ..	80,000	Orange,.....	2 ..	279,800
Dover,.....	1 ..	100,000	Paterson,.....	1 ..	20,000
Elizabeth,.....	1 ..	400,000	Perth Amboy,.....	1 ..	25,000
Flemington,.....	1 ..	100,000	Philipsburg,.....	1 ..	147,535
Freehold,.....	1 ..	100,000	Plainfield,.....	1 ..	40,000
Frenchtown,.....	1 ..	85,012	Princeton,.....	1 ..	100,000
Hackettstown,.....	1 ..	102,100	Rahway,.....	1 ..	200,000
Hightstown,.....	1 ..	75,000	Salem,.....	1 ..	75,000
Hoboken,.....	2 ..	160,000	Somerville,.....	1 ..	100,000
Jersey City,.....	4 ..	946,600	Trenton,.....	9 2	700,000
Lambertsville,.....	1 ..	50,000	Woodbury,.....	1 ..	100,000
Medford,.....	1 ..	70,000			
Millville,.....	1 ..	50,000	Total,.....	50	\$ 8,220,263

PENNSYLVANIA.

	No. Banks.	Capital.		No. Banks.	Capital.
Philadelphia,.....	20 ..	\$11,917,235	Middletown,.....	1 ..	200,000
Allentown,.....	1 ..	160,000	Milton,.....	1 ..	33,224
Bristol,.....	1 ..	92,220	Mount Joy,.....	1 ..	51,270
Brownsville,.....	1 ..	200,000	New Brighton,.....	1 ..	47,775
Cannonsburg,.....	1 ..	9,690	Newcastle,.....	1 ..	73,476
Carlisle,.....	1 ..	72,000	Morristown,.....	1 ..	399,250
Chambersburg,.....	1 ..	256,838	Northumberland, ..	1 ..	200,000
Catasauqua,.....	1 ..	120,000	Oxford,.....	1 ..	58,725
Chester,.....	1 ..	200,000	Phenixville,.....	1 ..	76,800
Clearfield,.....	1 ..	28,050	Pittsburgh,.....	7 ..	4,643,500
Coatsville,.....	1 ..	150,000	Pittston,.....	1 ..	100,675
Columbia,.....	1 ..	322,500	Pottstown,.....	1 ..	100,000
Danville,.....	1 ..	200,000	Pottsville,.....	2 ..	590,810
Downington,.....	1 ..	20,494	Reading,.....	3 ..	608,160
Doylestown,.....	1 ..	105,000	Shamokin,.....	1 ..	65,875
Easton,.....	2 ..	760,000	Shrewsbury,.....	1 ..	12,500
Gettysburg,.....	1 ..	145,150	Stroudsburg,.....	1 ..	100,000
Hanover,.....	1 ..	50,000	Tamaqua,.....	1 ..	99,800
Harrisburg,.....	3 ..	400,000	Tioga,.....	1 ..	56,610
Honesdale,.....	1 ..	150,000	Uniontown,.....	1 ..	50,000
Jersey Shore,.....	1 ..	50,000	Washington,.....	1 ..	100,000
Kittanning,.....	1 ..	50,881	Waynesburg,.....	1 ..	150,000
Lancaster,.....	2 ..	655,245	Westchester,.....	1 ..	225,000
Lebanon,.....	2 ..	266,080	Wilkesbarre,.....	1 ..	150,000
Lewisburg,.....	1 ..	99,920	Williamsport,.....	1 ..	100,000
Lock Haven,.....	1 ..	110,000	York,.....	2 ..	607,625
Mauch Chunk,.....	1 ..	100,050			
McKeesport,.....	1 ..	50,662	Total,.....	91	\$ 25,924,109
Meadville,.....	1 ..	75,912			
Mechanicsburg,....	1 ..	50,000			

DELAWARE.

<i>No. Banks.</i>		<i>Capital.</i>	<i>No. Banks.</i>		<i>Capital.</i>
Delaware City,.....	1 ..	\$ 50,000	Newport,.....	1 ..	\$ 200,000
Dover,.....	1 ..	186,000	Odesa,.....	1 ..	75,000
Georgetown,.....	1 ..	120,000	Smyrna,.....	1 ..	100,000
Middletown,.....	1 ..	50,000	Wilmington,.....	5 ..	946,010
Newcastle,.....	1 ..	188,000			
Newark,.....	1 ..	50,000	Total,.....	14 ..	\$ 1,915,010

MARYLAND.

<i>No. Banks.</i>		<i>Capital.</i>	<i>No. Banks.</i>		<i>Capital.</i>
Annapolis,.....	1 ..	\$ 251,700	Hagerstown,.....	1 ..	\$ 250,000
Baltimore,.....	16 ..	10,305,295	Port Deposit,.....	1 ..	100,000
Chestertown,.....	1 ..	100,000	Westminster,.....	2 ..	157,517
Cumberland,.....	2 ..	162,937	Williamsport,.....	1 ..	150,000
Easton,.....	1 ..	200,000			
Frederick,.....	8 ..	475,430	Total,.....	30	\$ 12,202,879
Frostburg,.....	1 ..	50,000			

ILLINOIS.

<i>No. Banks.</i>		<i>Circulation.</i>	<i>No. Banks.</i>		<i>Circulation.</i>
Alton,.....	1 ..	\$ 21,000	Hardin,.....	1 ..	\$ 142,000
Benton,.....	1 ..	40,000	Marvin,.....	1 ..	6,000
Bloomington,.....	2 ..	98,000	New-Haven,.....	1 ..	16,000
Chicago,.....	1 ..	11,000	Ottawa,.....	1 ..	5,000
Fairfield,.....	1 ..	56,000	Paris,.....	1 ..	6,000
Galena,.....	1 ..	14,000	Sparta,.....	2 ..	34,000
Golconda,.....	1 ..	6,000			
Griggsville,.....	1 ..	16,000	Total,.....	16 ..	\$ 471,000

INDIANA.

<i>No. Banks.</i>		<i>Capital.</i>	<i>No. Banks.</i>		<i>Capital.</i>
Indianapolis,.....	1 ..	\$ 229,200	Lawrenceburg,.....	1 ..	\$ 200,000
Attica,.....	1 ..	50,000	Logansport,.....	1 ..	125,000
Bedford,.....	1 ..	150,000	Madison,.....	2 ..	308,500
Cambridge,.....	1 ..	86,800	Mt. Vernon,.....	1 ..	50,000
Columbus,.....	1 ..	50,000	Muncie,.....	1 ..	150,000
Connersville,.....	1 ..	100,000	New-Albany,.....	2 ..	338,085
Corydon,.....	1 ..	50,000	Paoli,.....	1 ..	50,000
Evansville,.....	1 ..	200,000	Richmond,.....	1 ..	300,000
Elkhart,.....	1 ..	67,000	Rockville,.....	1 ..	100,000
Franklin,.....	1 ..	25,100	Rushville,.....	1 ..	123,850
Fort Wayne,.....	1 ..	125,000	Salem,.....	1 ..	50,000
Goshen,.....	2 ..	100,000	South Bend,.....	1 ..	150,000
Jeffersonville,.....	1 ..	100,000	Terre Haute,.....	3 ..	428,700
Greencastle,.....	1 ..	50,350	Vincennes,.....	1 ..	150,000
Lafayette,.....	1 ..	200,000			
Laporte,.....	1 ..	150,000	Total,.....	37 ..	\$ 4,357,585
Lima,.....	2 ..	200,000			

IOWA.

No. Banks.		Capital.	No. Banks.		Capital.
Iowa City,.....	1 ..	\$ 48,600	Lyons,.....	1 ..	\$ 40,000
Burlington,.....	1 ..	99,800	Mt. Pleasant,.....	1 ..	50,000
Council Bluffs,.....	1 ..	25,000	McGregor,.....	1 ..	25,000
Dubuque,.....	1 ..	60,000	Muscatine,.....	1 ..	40,390
Davenport,.....	1 ..	50,600	Oskaloosa,.....	1 ..	50,000
Des Moines,.....	1 ..	64,000	Washington,.....	1 ..	41,440
Ft. Madison,.....	1 ..	72,000			
Keokuk,.....	1 ..	80,600	Total,.....	14 ..	\$ 746,830

KENTUCKY.

No. Banks.		Capital.	No. Banks.		Capital.
Ashland,.....	1 ..	\$ 300,000	Louisville,.....	9 ..	\$ 5,310,000
Barbourville,.....	1 ..	100,000	Mayfield,.....	1 ..	100,000
Bowling Green,.....	2 ..	333,000	Maysville,.....	1 ..	800,000
Burkesville,.....	1 ..	150,000	Monticello,.....	1 ..	50,000
Carrollton,.....	1 ..	200,000	Mt. Sterling,.....	1 ..	200,000
Columbus,.....	2 ..	200,000	Owensboro,.....	2 ..	250,000
Covington,.....	2 ..	1,000,000	Paducah,.....	2 ..	600,000
Cynthiana,.....	1 ..	25,000	Paris,.....	2 ..	420,000
Danville,.....	2 ..	320,000	Princeton,.....	1 ..	300,000
Flemingsburg,.....	1 ..	100,000	Richmond,.....	1 ..	150,000
Frankfort,.....	2 ..	650,000	Russellville,.....	1 ..	400,000
Georgetown,.....	1 ..	200,000	Shelbyville,.....	1 ..	200,000
Glasgow,.....	1 ..	150,000	Smithland,.....	1 ..	300,000
Greensburgh,.....	1 ..	125,000	Somerset,.....	1 ..	100,000
Harrodsburg,.....	2 ..	250,000	Springfield,.....	1 ..	50,000
Henderson,.....	1 ..	250,000	Stanford,.....	1 ..	50,000
Hopkinsville,.....	1 ..	250,000	Versailles,.....	1 ..	150,000
Lancaster,.....	1 ..	33,000			
Lebanon,.....	1 ..	150,000	Total,.....	56 ..	\$ 15,365,500
Lexington,.....	3 ..	1,149,500			

MISSOURI.

No. Banks.		Capital.	No. Banks.		Capital.
Arrow Rock,.....	1 ..	\$ 82,790	Liberty,.....	1 ..	\$ 250,000
Booneville,.....	1 ..	200,000	Louisiana,.....	1 ..	195,950
Bloomington,.....	1 ..	63,000	Milan,.....	1 ..	70,008
Brunswick,.....	1 ..	212,410	Osceola,.....	1 ..	215,000
Canton,.....	1 ..	70,725	Palmyra,.....	1 ..	120,084
Cape Girard,.....	1 ..	300,000	Paris,.....	1 ..	150,006
Charleston,.....	1 ..	75,000	Richmond,.....	1 ..	150,598
Chillicothe,.....	1 ..	150,000	Savannah,.....	1 ..	87,700
Columbia,.....	1 ..	250,000	St. Charles,.....	1 ..	100,000
Fayette,.....	1 ..	125,000	St. Genevieve,.....	1 ..	72,050
Fulton,.....	1 ..	53,300	St. Joseph,.....	2 ..	461,052
Gallatin,.....	..	..	St. Louis,.....	7 ..	7,243,885
Glasgow,.....	2 ..	500,000	Springfield,.....	1 ..	181,600
Independence,.....	1 ..	200,000	Warsaw,.....	1 ..	160,025
Jefferson City,.....	1 ..	200,000	Warrenburg,.....	1 ..	100,000
Kirksville,.....	1 ..	100,000	Weston,.....	1 ..	138,000
La Grange,.....	1 ..	800,000			
Lexington,.....	1 ..	600,000	Totals,.....		

MINNESOTA.

		<i>No. Banks.</i>	<i>Capital.</i>			<i>No. Banks.</i>	<i>Capital.</i>
La Crosse,.....	1	..	\$50,000	Winona,	1	..	\$100,000
St. Peter,.....	1	..	50,000	Totals,.....	3	..	\$200,000

		<i>No. Banks.</i>	<i>Capital.</i>	
MICHIGAN.—Detroit,.....		4	..	\$786,465.

OHIO.

		<i>No. Banks.</i>	<i>Capital.</i>			<i>No. Banks.</i>	<i>Capital.</i>
Ashtabula,.....	1	..	\$100,000	Mt. Pleasant,	1	..	\$100,000
Athens,.....	1	..	100,000	Mt. Vernon,.....	2	..	125,000
Bridgeport,.....	1	..	100,000	Norwalk,.....	1	..	125,000
Cadiz,.....	1	..	100,000	Painesville,.....	1	..	50,000
Canton,.....	1	..	25,000	Piqua,.....	1	..	100,000
Chillicothe,.....	2	..	363,000	Portsmouth,.....	1	..	100,000
Cincinnati,.....	2	..	550,000	Ravenna,.....	1	..	103,000
Cleveland,.....	4	..	450,000	Ripley,.....	1	..	100,000
Columbus,.....	2	..	300,000	Salem,.....	1	..	100,000
Cuyahoga Falls,....	1	..	100,000	Springfield,.....	2	..	250,000
Dayton,.....	2	..	182,000	Steubenville,.....	1	..	100,000
Delaware,.....	2	..	116,200	Toledo,.....	2	..	215,750
Eaton,.....	1	..	100,000	Troy,.....	1	..	100,000
Elyria,.....	1	..	75,000	Urbana,.....	1	..	26,000
Franklin,.....	1	..	25,000	Warren,.....	1	..	75,500
Ironton,.....	1	..	96,800	Washington,.....	1	..	100,000
Lancaster,.....	1	..	100,000	Wooster,.....	1	..	100,000
Logan,.....	1	..	100,000	Xenia,.....	1	..	100,000
Mansfield,.....	1	..	100,000	Youngstown,.....	1	..	50,000
Marietta,.....	1	..	100,000	Zanesville,.....	1	..	100,000
Marion,.....	1	..	50,000	Total,.....	53	..	\$5,539,959
Massillon,.....	2	..	187,200				

WISCONSIN.

		<i>No. Banks.</i>	<i>Capital.</i>			<i>No. Banks.</i>	<i>Capital.</i>
Baraboo,.....	1	..	\$40,000	Oshkosh,.....	2	..	\$60,000
Beloit,.....	2	..	55,000	Platteville,.....	1	..	30,000
Beaver Dam,.....	1	..	25,000	Portage City,.....	2	..	100,000
Calumet,.....	1	..	40,000	Prairie du Chien,...	1	..	20,000
Chilton,.....	1	..	35,000	Prescott,.....	1	..	50,000
Delavan,.....	1	..	30,000	Racine,.....	2	..	125,000
Elkhorn,.....	2	..	50,000	Ripon,.....	2	..	50,000
Fond du Lac,.....	3	..	150,000	Sauk City,.....	1	..	50,000
Fox Lake,.....	1	..	60,000	Sheboygan,.....	2	..	50,000
Green Bay,.....	1	..	30,000	Sparta,.....	2	..	75,000
Hudson,.....	1	..	25,000	Stevens Point,.....	1	..	30,000
Janesville,.....	2	..	175,000	Watertown,.....	3	..	105,000
Jefferson,.....	1	..	50,000	Waukesha,.....	2	..	80,000
Kenosha,.....	1	..	35,000	Waupun,.....	1	..	50,000
La Crosse,.....	2	..	65,000	Wausau,.....	1	..	40,000
Madison,.....	5	..	180,000	Weyauwega,.....	1	..	35,000
Manitowoc,.....	1	..	25,000	Whitewater,.....	1	..	25,000
Milwaukee,.....	5	..	1,000,000	Totals,.....	60	..	\$3,105,000
Monroe,.....	1	..	25,000				
Oconomowoc,.....	1	..	25,000				

BANKS OF THE STATE OF MISSOURI.

COMPARATIVE CONDITION. JANUARY, 1861, JULY, 1861, JANUARY, 1862.

RESOURCES.

	January, 1861.	July 1, 1861.	January, 1862.
Capital stock in Branches,.....	\$ 4,761,064	.. \$ 4,808,794	.. \$ 1,514,317
Notes discounted,.....	5,778,843	.. 6,815,373	.. 7,972,223
Exchange matured,.....	97,560	.. 897,242	.. 261,644
Bills of Exchange,.....	11,196,542	.. 6,491,382	.. 3,009,022
Suspended debt,.....	398,085	.. 1,095,293	.. 1,443,054
Due from banks,.....	1,251,748	.. 1,747,455	.. 2,047,551
Expense account,.....	218,140	.. 232,102	.. 119,343
Notes of other banks,.....	1,531,816	.. 2,838,878	.. 3,160,123
Coin in hand,.....	3,820,530	.. 4,181,932	.. 2,967,108
State bonds,.....	970,550	.. 1,277,600	.. 1,285,966
Real estate,.....	321,756	.. 891,106	.. 528,966
Total resources,.....	\$ 30,376,634	\$ 30,297,157	\$ 24,309,315

LIABILITIES.

	January, 1861.	July 1, 1861.	January, 1862.
Capital owned by the State,.....	\$ 1,086,300	.. \$ 1,086,300	.. \$ 1,086,300
" owned by individuals,.....	10,047,600	.. 10,118,620	.. 10,166,690
Deposits,.....	3,352,680	.. 2,994,860	.. 2,068,473
Unpaid dividends,.....	7,705	.. 9,569	.. 12,340
Interest and exchange,.....	879,503	.. 833,283	.. 418,460
Contingent and surplus fund,.....	554,776	.. 701,866	.. 1,096,310
Due to other banks,.....	1,247,336	.. 1,321,512	.. 1,450,734
Circulation.....	8,204,845	.. 8,111,730	.. 6,511,851
Due Parent Bank,.....	75,684	.. 161,673	.. ..
Do. do. for capital,.....	4,920,205	.. 4,957,744	.. 1,498,167
Total liabilities,.....	\$ 30,376,634	\$ 30,297,157	\$ 24,309,315

The Union Bank of England and France.—The only new undertaking of importance that has been announced this week is a bank formed under the above title. The auspices under which it is established are respectable, and the field of operations contemplated is extremely large and promising. The company, in fact, proposes to embark in a class of business in which thousands of private fortunes have already been realized. The remarkable extension of commerce which has followed the inauguration of the new commercial treaty, and which will probably increase greatly, renders the establishment of an undertaking of this kind additionally desirable. The French law lately promulgated by imperial decree confers peculiar advantages upon companies formed in England. This project has been received by the market with extraordinary favor. The capital of £1,000,000 is divided into 10,000 shares of £100 each, of which the first issue is to be limited to 5,000 shares, and already, in three days, as many as 7,000 shares have been paid upon.—*London Money Market Review, November, 1862.*

THE PRICE OF GOLD.

In our numbers from August to January, we published the daily fluctuations in the value of gold; the highest quotations being 137½ for gold, and 31 per cent. premium for silver. This occurred on the 15th October.

The extreme range of premium on gold, since March last, has been as follows:

April, 1862,	1½ @ 2½	September, 1862,	16½ @ 24
May, "	2½ @ 4½	October, "	22 @ 37½
June, "	3½ @ 9½	November, "	28½ @ 33½
July, "	8½ @ 20½	December, "	28½ @ 34
August, "	12½ @ 16½	January, (to 27th,) 1863, ...	35½ @ 54½

Dec. 1, .. 128½ @ 131½ ..	Dec. 19, .. 132½ @ 132½ ..	Jan. 10, .. 138½ @ 139
2, .. 131 @ 131½ ..	20, .. 132 @ 132½ ..	12, .. 140½ @ 142
3, .. 131 @ 132 ..	22, .. 132½ @ 132½ ..	13, .. 142 @ 144
4, .. 133 @ 134 ..	23, .. 132½ @ 132½ ..	14, .. 146½ @ 147½
5, .. 131½ @ 132½ ..	24, .. 132 @ 132½ ..	15, .. 148 @ 148½
6, .. 130½ @ 132 ..	26, .. 131½ @ 132 ..	16, .. 145½ @ 147
8, .. 131½ @ 131½ ..	27, .. 131½ @ 132½ ..	17, .. 146½ @ 147½
9, .. 132½ @ 133½ ..	29, .. 131½ @ 132½ ..	19, .. 147½ @ 148½
10, .. 132½ @ 132½ ..	30, .. 132½ @ 133 ..	20, .. 147½ @ 148
11, .. 132½ @ 132½ ..	Jan. 2, .. 133½ @ 135 ..	21, .. 147½ @ 148½
12, .. 131½ @ 131½ ..	3, .. 133½ @ 134½ ..	22, .. 147½ @ 148
13, .. 131½ @ 132 ..	5, .. 134½ @ 135 ..	23, .. 147½ @ 148
15, .. 131½ @ 132½ ..	6, .. 134 @ 134½ ..	24, .. 148½ @ 149½
16, .. 132 @ 132½ ..	7, .. 134½ @ 135 ..	26, .. 148½ @ 151½
17, .. 132½ @ 133 ..	8, .. 135½ @ 136½ ..	27, .. 153 @ 154½
18, .. 132½ @ 132½ ..	9, .. 137½ @ 138½ ..	

THE FIRST PAPER MONEY IN EUROPE.—The following account of the first issue of paper money in Europe, is taken from WASHINGTON IRVING'S *Chronicle of the Conquest of Grenada*:

"After the city of Alhambra was taken from the Moors, the veteran Count DE TENDILLA was left governor, and we are informed that this cavalier at one time was destitute of gold and silver wherewith to pay the wages of his troops, and the soldiers murmured greatly, seeing that they had not the means of purchasing necessaries from the people of the towns.

"In this dilemma what does this most sagacious commander? He takes him a number of little morsels of paper, on which he inscribes various sums, large and small, according to the nature of the case, and signs them with his own hand and name. These did he give to the soldiery in earnest of their pay. How! you will say, are soldiers to be paid with scraps of paper? Even so, I answer, and well paid too, as I will presently make manifest; for the good Count issued a proclamation, ordering the inhabitants of Alhambra to take these morsels of paper for the full amount thereon inscribed, promising to redeem them at a future time with silver and gold, and threatening severe punishment to all who should refuse.

"The people having full confidence in his words, and trusting that he would be as willing to perform the one promise, as he certainly was able to perform the other, took those curious morsels of paper without hesitation or demur. Thus by a subtle and mysterious kind of alchemy, did this cavalier turn a useless paper into precious gold, and make his impoverished garrison abound in money. It is but just to add, that the Count of TENDILLA redeemed his promise like a loyal knight; and this miracle, as it appeared in the eyes of ANTONIO AGREPEDA, is the first instance on record in Europe of paper money, which has since inundated the civilized world with unbounded opulence."

BANK ITEMS.

REVENUE STAMPS.—The Commissioner of Internal Revenue has decided that any revenue stamp, except property, can now be used for its amount on any instrument, thus virtually abolishing the great variety of stamps now used.

NEW-YORK.—Mr. VAN DYKE, Superintendent of the Banking Department of New-York, reports the total actual circulation of the State banks at \$37,557,373, which is an increase of \$9,541,625 during the year. \$19,022,890 of New-York State stocks was held in trust for all the banks on the 1st of October last. Of this amount \$5,928,966 was held for banks in the city of New-York, and \$13,093,924 10 for those in other sections of the State. The total amount of New-York stock held December 1, 1862, was \$19,812,225 10, and of United States stock at the same date, \$12,729,450. Mr. VAN DYKE reports a decrease in the bonds and mortgages held as securities during the past year by the department, and also that, with the exception of \$414,466 67 Illinois and Michigan stock, all the stock held in trust by this department has been issued under the authority of New-York State and of the United States.

“Since the suspension of specie payments by the banks, there has been paid by the State \$2,100,000, principal of the Canal debt, and \$800,000, principal of the General Fund debt, besides the quarterly interest on the whole debt, making altogether about \$4,600,000, all of which has been paid in coin, or its equivalent. The two amounts of principal and all the interest prior to July last, were paid without any expense to the State. Of the Canal debt, the sum of \$1,200,000, due in January last, was paid by the bank of the Manhattan Company, from the specie and specie funds which had been deposited with it before the suspension. For the quarterly interest due in April, and for the \$900,000 of principal due in June, the banks which held the deposits were invited to pay in coin to the extent of thirty per cent. of the amounts which they had in hand at the time of the suspension. To this invitation all the deposit banks, over fifty in number, responded favorably, with three unimportant exceptions. Nearly all the coin required for those payments was thus furnished, and the deficiency was generously made up by the Manhattan Company.”

Eighth Avenue Bank.—The time for the redemption at the Bank Department, Albany, of the outstanding certificates of the “Eighth Avenue Bank,” of New-York city, having expired, the Superintendent, Mr. VAN DYKE, gives notice that a final dividend of one per cent. has been declared on the amount of notes deposited, and will be paid on presentation of the Superintendent's certificate, endorsed.

MASSACHUSETTS.—The annual report of the Auditor of the State says, no new banks have been established under the general law during the past year. There are seven organized in this way, with a capital of \$3,900,000, and an outstanding circulation on the first of January of \$1,928,931, secured by stocks to the amount of \$2,812,850. By the law of 1862, all the expenses incurred in the Auditor's department, pertaining to these banks, are required to be paid by them, and the amount assessed October 1, on account of the previous six months, was \$458 95. This is believed to be sufficient to pay for the amount of labor performed in the office on their account.

Excise Stamps.—A meeting of officers from rail-road, insurance, bank and manufacturing corporations, was held at the Boston Clearing-House. ANDREW T. HALL, President of the Tremont Bank, was chosen Chairman, and HORACE WILLIAMS, Treasurer of the Boston and Worcester Rail-Road, Secretary. On motion it was voted, as the opinion of the meeting, that in all transfers of stock, the excise stamp upon the certificates should be paid for by the purchaser. Other questions were also discussed and referred to the Commissioner of Internal Revenue.

Haverhill.—Mr. ELBRIDGE G. WOOD, of Haverhill, has received the appointment of Cashier of the Union Bank, in that town, in place of LUTHER JOHNSON, deceased. Mr. Wood has for several years held a responsible position in the Suffolk Bank, Boston.

Bank of Mutual Redemption.—An adjourned meeting of the stockholders of the Bank of Mutual Redemption was held January 9th, in the rooms of the Board of Trade, for the choice of Directors. The investigating committee of stockholders proposed the names of Messrs. WILLIAM D. FORBES, J. N. TURNER and SAMUEL HALL, as candidates for Directors, in place of Messrs. JAMES G. CARNEY, THOMAS W. PEIRCE and EZRA FARNSWORTH of the present board. The stockholders' ticket was elected, Mr. FORBES receiving 674 votes, against 418 for Mr. CARNEY. The complete result of the balloting was as follows:

Franklin Nichols, . . . President, . . .	Thames Bank,	Norwich, Ct.,	1,092
H. P. Hickok,	President, . . .	Merchants' Bank,	Burlington, Vt., 1,092
Stephen N. Mason, . . . Director, . . .	Globe Bank,	Woonsocket, R. I.,	1,092
John Gardner,	Director, . . .	Shawmut Bank,	Boston, 1,092
F. M. Johnson,	President, . . .	Mt. Wollaston Bank,	Quincy, 1,092
J. N. Turner,	President, . . .	Elliot Bank,	Boston, 694
H. N. Case,	President, . . .	Pyncheon Bank,	Springfield, 1,092
F. H. Dewey,	Director, . . .	Mechanics' Bank,	Worcester, 1,092
Elijah W. Upton, . . . Director, . . .	Warren Bank,	South Danvers,	1,092
Jacob H. Loud,	President, . . .	Old Colony Bank,	Plymouth, 1,092
George W. Thayer, . . . President, . . .	Exchange Bank,	Boston,	1,092
Wm. D. Forbes,	Stockholder, . . .	Blackstone Bank,	Boston, 674
Samuel Hall,	President, . . .	Maverick Bank,	Boston, 684
James G. Carney,	Stockholder, . . .	Lowell Bank,	Lowell, 418
Ezra Farnsworth, . . . Director, . . .	National Bank,	Boston,	408
Thomas W. Peirce, . . . Director, . . .	Bank of Commerce,	Boston,	398

All the above, except Messrs. CARNEY, PEIRCE and FARNSWORTH, were accordingly elected. It has been stated that Messrs. PEIRCE and FARNSWORTH had declined re-election previous to the report of the stockholders. The following gentlemen were appointed to constitute the stockholders' committee: J. B. PAGE, of Vermont, J. A. APPLETON, of Massachusetts, JOSEPH TITCOMB, of Maine, E. C. SCRANTON, of Connecticut, JOSEPH H. SMITH, of New-Hampshire, and BENJAMIN MUMFORD, of Rhode Island. WILLIAM D. FORBES, Esq., one of the Bank Commissioners, has been chosen President of this institution. The choice is regarded as excellent.

The Legislature.—The Senate Committee on Banks consists of Messrs. DWIGHT, of Hampden, and JOHNSON, of Norfolk county. The Bank Committee of the House of Representatives consists of Messrs. A. C. MAYHEW, (President Milford Bank,) E. SAWIN, (late President Fairhaven Bank,) CLARK, of Framingham, JOHN A. BUTTRICK, of Lowell, (Cashier of the Wamesit Bank,) and BULLARD, of Dedham.

MAINE.—Citizens of Anson, Me., have given notice that they shall petition the Legislature for a charter for a bank at that place.

RHODE ISLAND.—At a meeting of the Directors of the High-street Bank, Providence, December 15th, DUTY GREENE, Esq., was elected President, in place of ROBERT KNIGHT, Esq., deceased. JAMES E. BUTTS remains as Cashier.

ALTON.—At a meeting of the Directors of the Richmond Bank, Alton, R. I., Jan. 2d, AMOS G. NICHOLS was elected President, in place of FRANCIS B. SEGAR, deceased. J. B. POTTER continues as the Cashier.

CONNECTICUT.—The office of Treasurer of the Connecticut Savings Bank, of New-Haven, made vacant by the death of Hon. JOEL IVES, has been filled by the election of JOHN W. MANSFIELD.

NEW-LONDON.—At a meeting of the stockholders of the Bank of Commerce, New-London, January 5th, WILLIAM H. BARNES, Esq., was chosen President, in place of his father, the late Capt. ACORS BARNES.

JEWETT CITY.—DANIEL S. ANTHONY, Esq., has been elected President, and JAMES JOHNSON, Esq., Cashier, of the Jewett City Bank, of Jewett City, Conn.

NEW-HAMPSHIRE.—The amount of capital stock of all the banks in New-Hampshire is stated at \$4,732,300; debts due the banks, \$3,584,981 24; specie in the vaults, \$329,607 47; bills of other banks, \$344,805 89; deposits, \$1,724,779 59; deposits in other banks, \$1,878,851 87; bills in circulation, \$3,325,765.

Peterboro.—WM. G. LIVINGSTON has been chosen Cashier of the Peterboro (N. H.) Bank, in place of C. G. CHENEY, who lately resigned on account of ill health.

New Jersey.—Five bills of the Newark City Bank, of the denomination of \$500, having been fraudulently obtained by means of a forged check, notice is hereby given, that bills of this description—only five of which are in circulation—will be redeemed for the present only at the counter of this bank, and that their further issue will be discontinued. Banks, bankers and all others are cautioned against receiving such bills. A similar fraud having been practised on two other banks in Newark, a reward of \$1,000 has been offered for the detection and conviction of the forger.

The United States Stock Bank, a new institution in Jersey City, N. J., is bringing itself into unfavorable publicity. The bills or notes which it issues are so similar in general appearance to the United States Government small issues (legal tender,) that without scrutiny or examination they might easily pass or be taken by mistake for the latter. This is owing to the name of the bank, "United States Stock Bank," and style of engraving, (which is excellent,) and the bills being "green backs." This bank purports to be secured by pledge of public stocks, and if such be the case, of course it is one of the new free banks of New Jersey; but we have understood from many, that it is viewed by some with disfavor, if not suspicion. It is plain that it is unjust to the government, if not criminal, to imitate its legal tender notes, and it is the duty of the public to discourage every thing of the sort, even if the bank does not violate any law.

Hudson City.—It is reported that another bank is to be started in Hudson County, New Jersey, to be called the Highland Bank of Hudson City.

New Banks.—Quite a number of new banks have recently been started in New Jersey, among which are, City Bank of Jersey City, Bank of America, Jersey City, United States Stock Bank, Jersey City. We do not know that any of these banks have been started for the purpose of swindling the public with their issue, but this we do know, that many of the banks which have been started in that State for the last five or six years have been downright swindles, among which are the Cataract City Bank, Beverly Bank, Egg Harbor, Merchants' Bank of Trenton, N. J. Hence it would be well to let these new banks run a year or two before giving them credit away from their own State and vicinity.—*Peterson's Reporter.*

MARYLAND.—The Farmers and Merchants' Bank of Cecil County, at Elkton, Md., went into operation on the 1st January. JAMES T. McCULLOUGH, Esq., President, and GEORGE H. BROWN, Esq., Cashier.

DISTRICT OF COLUMBIA.—The Bullion Bank, of Washington, D. C., a shinplaster mill of a year's age, and a most impudent misnomer, failed on the 22d December, with floods of its irredeemable rags in the hands of the poor and throughout the army.

PENNSYLVANIA.—Four new banks were established in Pennsylvania, in the year 1862, viz.:

<i>Names and Location.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Clearfield Co. Bank, Clearfield, . . .	RICHARD SHAW,	JAMES B. GRAHAM,	\$ 50,000
Downingtown Bank,	CHARLES DOWNING,	M. T. RUTH,	50,000
Farmers' Bank, Mt. Joy,	M. B. PEIFER,	J. HOFFMAN,	25,000
Venango Bank, Franklin,	F. D. KENNEAR,	SAMUEL B. FAY,	100,000

Application has been made to the Legislature of Pennsylvania for an act to incorporate a bank of issue, with general banking and discounting privileges, with a capital of two hundred thousand dollars, with authority to increase the same to four hundred thousand dollars, to be located at Scranton, Luzerne County, under the name and style of the Bank of Scranton.

Also for a bank to be called the Farmers' Bank of Mount Joy, to be located in the borough of Mount Joy, with a capital stock of one hundred thousand dollars, with the privilege of increasing the same to any amount not exceeding three hundred thousand dollars.

The following banks have increased their capital since November, 1860:

<i>Names.</i>	<i>Location.</i>	<i>Capital, Nov., 1860.</i>	<i>Capital, Nov., 1862.</i>
Jersey Shore Bank,....	Jersey Shore,.....	\$ 50,000 ..	\$ 75,150
Kittanning Bank,.....	Kittanning,.....	50,680 ..	70,000
Farmers' Bank,.....	Lancaster,.....	385,850 ..	450,000
Lancaster Co. Bank,...	"	269,085 ..	269,455
Lebanon Bank,.....	Lebanon,.....	179,905 ..	180,080
Lebanon Valley Bank,.	"	86,000 ..	90,000
Lewisburg Bank,.....	Lewisburg,.....	99,920 ..	100,000
Bank of Crawford Co.,	Meadville,.....	75,913 ..	101,320
Mt. Joy Bank,.....	Mt. Joy,.....	51,270 ..	54,710
Bank of Beaver Co.,...	New-Brighton,.....	44,575 ..	56,550
Bk. of Montgomery Co.,	Norristown,.....	398,590 ..	399,350
Octararo Bank,.....	Oxford,.....	50,675 ..	59,975
Bank of Phenixville,.	Phenixville,.....	76,800 ..	82,015
Bank of Pittsburgh,...	Pittsburgh,.....	1,142,950 ..	1,148,500
Exchange Bank,.....	"	902,250 ..	920,000
Pittston Bank,.....	Pittston,.....	100,675 ..	200,000
Miners' Bank,.....	Pottsville,.....	490,810 ..	492,970
Union Bank,.....	Reading,.....	98,150 ..	100,000
Northumberland Co.Bk.	Shamokin,.....	41,725 ..	66,475

The capital of the Farmers' Bank, Reading, has been reduced to \$375,000; Mechanicsburg Bank to \$70,000; Bank of Lawrence Co. to \$73,476.

IOWA.—*Fairfield*.—Mr. SAMUEL C. FARMER has bought out BERNHART, HENN & Co., bankers, and will continue their business.

ILLINOIS.—The following is the State Auditor's statement of the securities and circulation of the banks of Illinois, as they existed on Monday, the 15th day of September, 1862:

Illinois 6's,.....	\$320,900 00
Illinois and Michigan Canal,.....	151,583 33
Illinois new internal improvement stock,.....	65,649 00
United States 5's,.....	15,000 00
Ohio 6's,.....	6,000 00
Missouri 6's,.....	4,000 00
North Carolina 6's,.....	2,000 00
	<hr/>
	\$574,532 58
Circulation,.....	511,986 00

In consequence of the unexpectedly rapid influx of volunteers, the government is inadequately prepared to pay the bounties of the troops of this State, and Governor MORRIS has been compelled to procure temporary accommodations from various banks in order to supply the deficiency.

KENTUCKY.—On Friday, September 26th, an extensive fire occurred at Lexington, Ky., by which the buildings of the Bank of Kentucky, the Northern Bank of Kentucky and the post-office were destroyed.

INDIANA.—We noticed, some time ago, the efforts of Governor MORRIS to procure money to pay the bounties of volunteers, hastily ordered to the field to defend Kentucky, when the general government was, at the moment, unable to meet the demand, and commended the promptness and liberality with which the banks to which he had appealed for aid had responded. Since that time other demands have been made, and as promptly met. Within a few days past, the government has provided the money to re-pay all these loans, and it is due to the banks to say, that in every case, interest was refused. The Cincinnati bankers, when tendered the interest, replied, "No; when we thought MORRIS was about to advance on our city, and applied to Governor MORRIS for ammunition, which could not be obtained elsewhere, he sent it at once, without waiting for any 'red tape' orders. The interest is paid.

This liberality is worthy of note, and we take pleasure in publishing the list of banks, with the amount obtained from each:—*Indianapolis Journal*, Sept. 20.

Bank of the Ohio Valley, Cincinnati,.....	\$ 20,000	
Commercial Bank, "	20,000	
Gilmore, Dunlap & Co., "	20,000	
Lafayette Banking Company, "	20,000	
Culbertson, Kilgour & Co., "	20,000	
	<hr/>	\$ 100,000
A. & J. C. S. Harrison, Indianapolis,.....	26,250	
S. A. Fletcher, "	42,250	
Fletcher and Sharpe, "	25,000	
Muncie Branch Bank, Muncie,.....	25,000	
		118,500
Harrison's Bank, Indianapolis,.....	25,250	
S. A. Fletcher, "	25,000	
		50,250
Harrison's Bank, Indianapolis,.....	30,000	
S. A. Fletcher, "	30,000	
Fletcher & Sharpe, "	25,000	
Indianapolis Branch Bank of the State,.....	10,000	
Richmond Branch Bank of the State,.....	10,000	
Muncie Branch Bank of the State,.....	25,000	
From Cincinnati,	32,000	
From Terre Haute Banks,.....	17,000	
	<hr/>	179,000
Total,.....		\$ 447,750

MICHIGAN.—*Coldwater*.—CLARKE & STARR are the successors of LEWIS & STARR.

MISSOURI.—*St. Louis*.—MR. JNO. M. TAYLOR continues the business of the late firm of BARLOW & TAYLOR.

OHIO.—We have received from Ohio a communication in reference to the paragraph in our January No., p. 568-569, as to the movement of the State Bank and its branches. We have not space for the communication this month, but will give it in our next, in justice to those banks, which, proverbially, have been well managed, and maintain fully the confidence of the community.

Youngstown.—MR. JOHN S. EDWARDS has been appointed Cashier of the Mahoning County Bank, at Youngstown, Ohio, in place of C. B. WICK, Jr., resigned.

Scarcity of Currency.—Some of the leading discount houses are again complaining bitterly of a lack of currency, and, to supply themselves, have sold New-York exchange to bankers at one-quarter per cent. discount, rather than to pay large balances in currency. None of the leading houses, so far as we could learn, sold above par, and round lots were sometimes drawn to customers at one-quarter per cent. discount. With the larger houses par was the current rate. The brokers charged one-eighth per cent. premium, and, as heretofore, one-quarter per cent. was the useful figure on collections. The amount of money, or what is, by a convenient fiction, called such, now required to move the crops and produce of the West, is enormous. As might be inferred from the facts above stated, as well as the crowds on the sidewalks, and the drays and vehicles that throng our streets, business, in all departments, is intensely active.—*Chicago Tribune*, Oct. 13.

WISCONSIN.—The Bank of La Crosse, with an authorized capital of \$25,000, and an actual paid up capital of \$15,000, the circulation of which is secured by Wisconsin State stocks, will go into immediate operation under the personal management of W. D. BANISTER, Esq., President, and Hon. E. D. CAMPBELL, Cashier. Mr. BANISTER is from Western New-York.

CANADA.—*Premium on Bogus Bills*.—The bills for twenty-five shillings or five dollar bills of the Bank of Montreal, Canada, have been successfully counterfeited, and such was the good execution of the work, that large numbers were passed upon brokers in Baltimore, Washington and other cities, at a premium of twenty to twenty-five per cent.

LONDON.—A prospectus has been issued in London of the London and Colonial Bank, with a capital of £500,000, in shares of £100. In the first instance it is intended to confine the operations of the Company to Canada, a branch to be established at Montreal under a local board, while the head office will be in London.

BANK DIVIDENDS, JANUARY, 1863.

CONNECTICUT.—Farmers' Bank, Bridgeport, 3 per cent.; Pequonnock Bank, 3 per cent.; Bridgeport City Bank, 3½ per cent.; Waterbury Bank, 3½ per cent.; Citizens' Bank, Waterbury, 3½ per cent.

NEW-YORK.—Atlantic Bank, Brooklyn, 5 per cent.; Mechanics' Bank, Brooklyn, 6 per cent.; Manufacturers' Bank, Brooklyn, 5 per cent.; Delaware and Hudson Canal Co., 3½ per cent.

BALTIMORE.—Chesapeake Bank, 3 per cent.; Merchants' Bank, 3 per cent.; Bank of Baltimore, 3 per cent.; Citizens' Bank, 3 per cent.; Western Bank, 3 per cent.; Franklin Bank, 2½ per cent.; Farmers and Planters' Bank, 5 per cent.; Bank of Commerce, 3 per cent.; Union Bank, 3½ per cent.; Fell's Point Bank, 3 per cent.

KENTUCKY.—The Bank of Kentucky, 2½ per cent.; the Northern Bank of Kentucky, 3 per cent.; the Farmers' Bank of Kentucky, 3 per cent.; Bank of Louisville, 3 per cent.

NEW-YORK BANK DIVIDENDS, JANUARY, 1863, COMPARED WITH JANUARY AND JULY, 1862.

NAME OF BANKS.	Capital.	Dividends.			Amount, Jan., 1863.
		Jan., 1862.	July, 1862.	Jan., 1863.	
Atlantic Bank,	\$ 400,000	..	..	..	..
Bank of America,	3,000,000	.. 3½	.. 3½	.. 4	\$ 120,000
Bank of Commerce,	9,222,320	.. 3	.. 3	.. 3½	322,781
Bank of New-York,	3,000,000	.. 3	.. 3	.. 3½	105,000
Bank of North America,	1,000,000	.. 3	.. 3½	.. 3½	85,000
Bank of Commonwealth,	750,000	.. 3	.. 3	.. 3	22,500
Broadway Bank,	1,000,000	.. 5	.. 5	.. 5	50,000
Butchers and Drovers' Bank,	800,000	.. 5	.. 5	.. 5	40,000
Chatham Bank,	450,000	..	..	.. 3	13,500
Chemical Bank,	800,000	.. 6	.. 6	.. 6	18,000
Continental Bank,	2,000,000	.. 3	.. 3	.. 3	60,000
East River Bank,	206,525	.. 3½	.. 3½	.. 3½	7,228
Grocers' Bank,	800,000	.. 3½	.. 3½	.. 4	12,000
Hanover Bank,	1,000,000	..	.. 3	.. 3	30,000
Importers and Traders' Bank,	1,500,000	.. 3	.. 3½	.. 3½	52,500
Manufacturers and Merchants' Bk.,	500,000	.. 3	.. 3	.. 3	15,000
Market Bank,	1,000,000	.. 3	.. 3	.. 3	30,000
Mechanics' Bank,	2,000,000	.. 3½	.. 3½	.. 3½	70,000
Mercantile Bank,	1,000,000	.. 4	.. 4	.. 4	40,000
Merchants' Exchange Bank,	1,235,000	.. 3	.. 3	.. 3	37,050
Metropolitan Bank,	4,000,000	.. 3	.. 3	.. 4	160,000
New-York County Bank,	200,000	.. 3	.. 3	.. 3½	7,000
New-York Exchange Bank,	150,000	.. 3½	.. 3½	.. 5	7,500
North River Bank,	400,000	..	.. 3½	.. 3½	14,000
New-York Dry Dock Bank,	200,000	.. 3½	.. 3½	.. 3½	7,000
Park Bank,	2,000,000	.. 4	.. 4	.. 4	80,000
People's Bank,	412,500	.. 3½	.. 3½	.. 3½	14,437
Phenix Bank,	1,800,000	.. 3	.. 3	.. 3½	63,000
Seventh Ward Bank,	500,000	.. 5	.. 5	.. 5	25,000
Tradesmen's Bank,	1,000,000	.. 3	.. 3½	.. 3½	35,000
Total,	\$ 41,326,345				\$ 1,493,495

The dividends for January, 1863, amount to \$1,493,496 on a capital of \$41,326,345, or a fraction over 3.61 per cent.

Notes on the Money Market.

NEW-YORK, JANUARY 24, 1868.

Exchange on London, at sixty days' sight, 160 @ 162.

THE excitement and uneasiness in the money market prevailing at the close of December have not diminished since, nor can it be expected that capitalists, proverbially sensitive to the least signs of disturbance, should be at ease during the discussion of such important principles and measures as now occupy both Congress and the public mind. A very large portion of the shares and bonds of the market is held on speculation, and by parties who, with moderate means, have borrowed money on the deposits of such collaterals. Hence every movement of Congress and of commerce is observed, and felt both by borrowers and lenders, in order to shape their own plans: by borrowers, in order to avail themselves of any fair opportunity to change their investments, if desirable; and by lenders, in order to discover whether there is yet a safe margin to provide against approaching or anticipated depreciation in their collateral securities.

The chief feature of the month was the passage of an act by the House of Representatives on the 14th inst., providing for the immediate issue of government notes to the extent of one hundred millions of dollars, to meet the arrearages of pay, &c., due the army and navy. This bill passed to its third reading on the same day that it was presented, and was concurred in by the Senate on the 15th, by a vote of 88 to 9.

On Monday, 19th instant, at the instance of Mr. F. A. CONKLING, the House of Representatives adopted the following resolution:

Resolved, As the sense of this House, that no creditors of the government are so meritorious as the soldiers of the Union, and that no more money should be paid to any civil officers of the government until every arrearage due to any regiment in the service has been fully paid.

Mr. Secretary CHASE, in answer to a resolution of the House relative to delays in payment of troops, alleges, as a cause of such delay, the impracticability of raising money by the means allowed to him under existing laws. The five-twenty bonds, to be sold at market rates, by conversions from United States notes, could not be disposed of with such limitations. The supplementary act, leaving out the conversion and market-sale clause, (he claims,) would have avoided the difficulty. The result is a conversion of only \$25,500,000. Since July he has obtained from all sources \$288,804,617 91, besides receipts from customs and other revenues, swelling the total to \$825,000,000. There has been paid:

To the soldiers,.....	\$ 70,825,588 67
Quartermaster's Department,.....	110,482,486 27
Commissary Department,.....	80,617,492 88
Miscellaneous,.....	31,886,209 22
Total,.....	\$ 243,761,691 99

A marked feature of Mr. Hooper's bill, introduced in the House of Representatives, is the clause giving the Secretary of the Treasury the option to issue either six per cent. bonds or three years Treasury notes, bearing interest not to exceed six per cent., or the ordinary legal tender notes, according to the exigency of the country and his judgment. The rate of interest on these Treasury notes is to be left to the discretion of the Secretary; but it is supposed that it will be fixed either at 8.65 per cent., or 5.40 per cent.; that is, 1 cent a day on every 100 dollars, or 1½ cents a day on every 100 dollars. Another section looks to a system of receiving gold deposits by the United States Assistant Treasurers and issuing certificates, and allowing the issue of certificates of deposits of gold to an extent one-fifth greater than the deposit.

In the House of Representatives, on the 6th January, on motion of Mr. WICKLIFFE, it was

Resolved, That the Committee of Ways and Means be instructed to inquire into the expediency of issuing Treasury notes bearing 3.65-100 interest.

2. The amount to be issued to be equal to the amount of tender notes in circulation, and such other sums as the demands of the public service for the current year shall require.

3. That there be issued an equal amount of United States six per cent. twenty year bonds; which bonds, with the interest, shall constitute a fund for the redemption of the 8.65 Treasury notes, the bonds to be of equal date of the Treasury notes. The interest to be paid in specie. The holders of the tender notes shall have the right to surrender them whenever the amount of \$100 is presented, and receive at the par value for the same the 8.65 Treasury notes. The holders of the 8.65 Treasury notes shall have the right to invest the same in the twenty years six per cent. bonds, when an amount equal to \$500 is presented.

The contemplated increase of legal tender notes and government bonds to the extent of \$900,000,000 has had its effect upon the market value of gold. The premium has increased from 23 @ 28, at the close of December, to 47 @ 49½. There were sales in the street at 49.

The banking movement of the month shows remarkable changes. In four weeks ending 17th inst., the deposits increased \$10,000,000; the specie, \$2,000,000; the loans, \$8,000,000. The most remarkable feature, however, and one indicating the extraordinary degree of inflation and speculation, is the volume of weekly exchanges, which have increased from 107 millions in January, 1862, to 283 millions in December, and to 314 millions for the week ending 17th instant—a daily average of \$52,400,000.

The loans, specie, circulation, deposits and exchanges of the last twelve months, at New-York, have been as follows, at the dates mentioned:

1862.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
January 4,.....	\$ 154,415,000 ..	\$ 28,983,000 ..	\$ 8,586,000 ..	\$ 111,789,000 ..	\$ 100,642,000
February 1,.....	144,675,000 ..	27,479,000 ..	6,404,000 ..	112,057,000 ..	98,791,000
March 1,.....	187,674,000 ..	29,826,000 ..	5,868,000 ..	107,974,000 ..	109,854,000
April 5,.....	194,477,000 ..	28,764,000 ..	7,069,000 ..	94,062,000 ..	111,886,000
May 8,.....	183,406,000 ..	25,175,000 ..	8,482,000 ..	109,684,000 ..	140,952,000
June 7,.....	142,818,000 ..	31,248,000 ..	8,818,000 ..	125,566,000 ..	148,128,000
July 5,.....	148,648,000 ..	31,790,000 ..	9,370,000 ..	127,496,000 ..	149,748,000
August 2,.....	150,517,000 ..	34,023,000 ..	9,311,000 ..	127,112,000 ..	149,167,000
Sept. 6,.....	153,425,000 ..	36,183,000 ..	9,645,000 ..	142,668,000 ..	154,074,000
October 4,.....	165,057,000 ..	38,825,000 ..	9,900,000 ..	157,944,000 ..	229,018,000
Nov. 1,.....	176,847,000 ..	37,980,000 ..	9,843,000 ..	167,485,000 ..	213,246,000
Dec. 6,.....	171,488,000 ..	37,662,000 ..	9,924,000 ..	158,602,000 ..	232,491,000
" 27,.....	173,644,000 ..	35,760,000 ..	9,853,000 ..	155,193,000 ..	166,111,000
Jan. 3,.....	173,310,000 ..	35,954,000 ..	9,754,000 ..	159,168,000 ..	186,861,000
" 10,.....	175,816,000 ..	36,770,000 ..	9,551,060 ..	163,878,000 ..	249,796,000
" 17,.....	170,600,000 ..	37,531,000 ..	9,241,000 ..	164,666,000 ..	314,471,000
Jan. 18, 1863,	149,081,000 ..	26,190,000 ..	7,869,000 ..	118,837,000 ..	107,729,000

We annex the highest cash prices offered, for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Nov. 10th.	20th.	Dec. 1st.	16th.	20th.	Jan. 1st.	10th.	20th.
U. S. 6's, 1891, coupons,...	108½	108½	104	104½	108½	99	98	95
U. S. 5 per cents, 1874,....	92½	92½	92½	92½	94	92	92	88½
Ohio 6 per cents, 1886,....	109½	118	118	116	108½	118	118	116
Kentucky 6 per cents,....	96	96	96	99	96	100	100	99
Indiana 5 per cents,.....	80	80	80	80	80	95½	95½	95
Pennsylvania 5 per cents, 94	96	96	98½	94	96	96	96	98
Virginia 6 per cents,.....	64	64	65	61½	60	61	68	65½
Georgia 6 per cents,.....	75	80	79	80	80	80	80	80
California 7 per cents, 1877, 118½	118½	111½	111½	114	115	116	121	129
North Carolina 6 per cents, 70	70½	69½	69½	69½	69½	78	78	74
Missouri 6 per cents,.....	57	51½	52	52	51½	62	62½	65½
Louisiana 6 per cents,....	57	58	57	60	64	64	68	66
Tennessee 6 per cents,....	58½	54	58½	54½	54	56	60	62

The fluctuations in the Stock market have been of a most extraordinary character. Both dividend and non-paying dividend shares have gone up from 10 to 20 per cent. during the past four weeks. The business on the leading lines of railway has reached such an extent during the years 1861-1862 as to enable several to resume dividends. The Hudson River Rail-Road Company have just paid off their entire floating debt, amounting to \$750,000, besides taking care of all their mortgages, and putting their road in complete order. The company, it is understood, have pur-

chased a large amount of their stock at a low price. The earnings of the road are enormous, rising \$400,000 last month. A dividend of three per cent. has been declared, payable January 25th. The Illinois Central Rail-Road Company have declared a dividend of two per cent.

We annex the current cash quotations for leading shares in this market within the past two months. Those with a star [*] paid no dividend last year.

	Nov. 20th.	Dec. 1st.	10th.	20th.	Jan. 1st.	10th.	20th.
N. Y. Central R. E. shares,.....	102½	104½	104	108½	109	113	119½
*N. Y. and Erie R. E. shares,.....	61½	60½	62½	63	68½	68½	78½
*Harlem R. E. shares,.....	22½	21½	21½	22½	29½	30½	41½
*Reading R. E. shares,.....	74½	75½	76	76	78	85	91½
*Hudson River R. E. shares,.....	74	73½	77½	76½	88½	88½	96½
Michigan Central R. E. shares,....	88	89½	91½	91	92	98½	97½
*Michigan Southern R. E. shares,...	59½	87	40	40½	46	48	61½
Panama R. E. shares,.....	154	154	158	159	170	180	180
Baltimore and Ohio R. E. shares,...	77	77	77½	78	88	84	86
*Illinois Central R. E. shares,.....	76	74½	79½	79	83	86	95
*Cleveland and Toledo R. E.	66½	68	69½	71	78	81	94½
Chicago and Rock Island R. E.	79½	78	81	82	84½	84½	94½
Galena & Chicago R. E. shares,...	81½	80½	81½	88	84	85½	95
Chicago, Burlington & Quincy,...	88½	84½	87	87½	91	93	106
Pacific Mail Steamship shares,....	121½	119½	122½	126	126½	148	165

The current rates of foreign exchange are regulated at present by the market values of gold and silver. For bankers' bills on London, at sixty days, the quotations for this week's steamer are 160½ @ 163; Paris, short sight, 8.48½ @ 8.42½; Cologne, Leipsic and Berlin, at sixty days, 108; Antwerp, 8.47½. We annex the changes of the last four months:

	Oct. 23.	Nov. 24.	Dec. 24.	Jan. 24.
London, bankers' bills,.....	145 @ 147	144 @ 145	145½ @ 146	160½ @ 163
" mercantile bills,...	148 @ 145	143 @ 148	144 @ 145	159 @ 160
" with bills of lading, 149	@ 148	140 @ 141	148½ @ 144½	158 @ 160
Paris, bankers' bills,.....	4.00 @ 8.85	890. @ 8.85	8.90 @ 8.88½	8.47 @ 8.45
Amsterdam, per guilder,....	58½ @ 55	55 @ 55½	55½ @ 55½	60 @ 61
Bremen, per rix dollar,.....	102 @ 104	105 @ 105½	105 @ 105½	115 @ 117
Hamburg, per marc banco,...	47 @ 49	48½ @ 48½	48½ @ 49½	58½ @ 54½
Frankfort, per florin,.....	54½ @ 55½	55 @ 55½	55½ @ 55½	63 @ 68

The proposed increase of government bonds has driven prices below par. The six per cents of 1861 sold as low as 92, but have recovered in part. State loans are advancing. New-York, Ohio and Illinois have paid their January interest in gold.

The State of Connecticut, on 5th inst., negotiated a loan of \$1,000,000 six per cent. twenty year bonds, at 108.50 to 112.

DEATHS.

At PORTLAND, Maine, December 31st, NATHAN NUTTER, Esq., aged seventy-five years, formerly President of the Bank of Cumberland in that city.

At NEW-YORK CITY, on Wednesday, 14th January, JOHN DUPUY, (for twenty-five years in the service of the Seamen's Bank for Savings,) aged 78 years and 9 months.

At HAVERHILL, Mass., LUTHER JOHNSON, Esq., Cashier of the Union Bank, Haverhill, drowned on Christmas Day, while skating upon Kenosa Lake.

At RANDOLPH, Mass., December 31st, 1862, ROYAL TURNER, Esq., President of the Randolph Bank, aged 70 years. COL. TURNER was a graduate of Harvard University, of the class of 1813, and has been connected with the Randolph Bank, as Cashier and President, since its establishment in 1826.

THE

BANKERS' MAGAZINE,

AND

Statistical Register.

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 VOL. XII. NEW SERIES.

MARCH, 1863.

No. 9.  
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THE FINANCIAL MOVEMENTS OF THE YEAR 1862.

I. *Imports of Dry Goods at New-York.* II. *Lowest and Highest Prices of Stocks at New-York, 1860, 1861, 1862.* III. *Fluctuations of the London Market, 1862, and Highest and Lowest Prices of Bank Stock and Consols.* IV. *Circulation and Specie of Banks, 1862.* V. *Stock Fluctuations of Boston, year 1862—Banks, Rail-Roads, Manufacturing Companies, Insurance, Gas-Light and Copper Stocks.* VI. *Philadelphia Stock Movements of the Year 1862.*

In dry goods the great increase has been during the last six months, as will appear from the following monthly summary of the whole year :

TOTAL IMPORTS OF FOREIGN DRY GOODS AT NEW-YORK.

Months.	1859.	1860.	1861.	1862.
January,	\$ 10,576,607 ..	\$ 11,770,005 ..	\$ 10,956,857 ..	\$ 2,965,952
February,	10,516,205 ..	13,880,688 ..	6,782,986 ..	5,844,514
March,	10,561,967 ..	9,022,408 ..	5,836,076 ..	6,471,901
April,	8,040,668 ..	4,865,743 ..	2,767,645 ..	3,296,498
May,	8,104,409 ..	5,581,598 ..	2,489,823 ..	2,944,483
June,	8,165,037 ..	5,535,042 ..	1,205,382 ..	3,535,102
July,	15,818,091 ..	12,707,213 ..	1,476,887 ..	5,628,014
August,	15,146,907 ..	14,989,044 ..	3,536,333 ..	8,707,710
September,	6,528,066 ..	6,740,185 ..	2,102,064 ..	6,185,192
October,	4,712,793 ..	5,327,907 ..	1,971,541 ..	3,865,798
November,	6,224,968 ..	5,797,556 ..	2,506,926 ..	3,710,357
December,	8,756,906 ..	7,709,721 ..	2,004,219 ..	3,466,405
Total,	\$ 118,152,624 ..	\$ 108,927,100 ..	\$ 43,686,689 ..	\$ 56,121,327

The year opened with a great decline in imports, and the most rapid gain was during the months of July, August and September.

The total value of dry goods landed at New-York during the last twelve months is less than half the value imported in 1859, which was the largest year on record, but it is thirteen and a half millions in excess of the total for the year 1861. The following will show the description of goods, and the relative totals in each of the last three years :

IMPORTS OF DRY GOODS AT NEW-YORK FOR THE YEAR.

Description of Goods.	1860.	1861.	1862.
Manufactures of wool.....	\$ 34,975,011	\$ 16,720,931	\$ 25,718,592
do. cotton.....	18,415,258	7,192,524	8,501,512
do. silk.....	35,682,035	13,334,411	11,568,807
do. flax.....	8,052,812	3,580,303	7,666,946
Miscellaneous dry goods.....	6,901,984	2,808,520	2,665,370
Total imports.....	\$ 103,927,100	\$ 43,636,689	\$ 56,131,227

The lowest and highest Prices of leading Stocks in the New-York Market, during the years 1860, 1861, 1862, with the difference between 1861 and 1862.

	1860.		1861.		1862.		Ad- vance.
	Low.	High.	Low.	High.	Low.	High.	
U. S. 6 per cents, 1863.....	95	@ 109½	80	@ 100	85	@ 107½	.. 23½
" 6 " 1861.....	..	..	85½	@ 95½	87½	@ 107½	.. 19½
" 5 " 1874.....	85	@ 104½	75	@ 97	78	@ 97½	.. 19½
" Demand notes.....	..	..	..	..	119	@ 120	.. 11
" 7.80 notes.....	..	..	..	..	100½	@ 105½	.. 4½
Indiana State, 5 per cents.....	88	@ 98	75	@ 98	75	@ 84½	.. 8½
Virginia " 6 ".....	73	@ 95	86	@ 81	49	@ 65½	.. 16½
Tennessee " 6 ".....	64	@ 98	84½	@ 77	43	@ 61	.. 19
Georgia " 6 ".....	102	@ 105	58	@ 94	66½	@ 80	.. 12½
North Carolina State, 6 per cents.....	78	@ 100	44	@ 83½	60	@ 74	.. 14
Missouri " 6 ".....	61	@ 84½	85	@ 72½	40	@ 63	.. 13
California " 7 ".....	82	@ 95	71½	@ 88	76½	@ 119	.. 42½
Cumberland Coal Co.....	8	@ 17½	4	@ 9½	5	@ 17	.. 13
Pennsylvania Coal Co.....	73½	@ 87	73	@ 81	79½	@ 119	.. 39½
Delaware and Hudson Canal Co.....	80	@ 101½	79	@ 92	84½	@ 119	.. 34½
Pacific Mail Steamship Co.....	70	@ 107½	50	@ 100	91	@ 127	.. 43
Panama Rail-Road Co.....	106	@ 146½	97½	@ 121	110	@ 170	.. 60
New-York Central Rail-Road Co.....	70	@ 92½	63	@ 89½	79½	@ 107½	.. 28½
Chicago and Burlington Rail-Road Co.....	..	..	..	..	86½	@ 119	.. 33½
Michigan Central Rail-Road Co.....	84½	@ 78½	89½	@ 61½	47	@ 98	.. 46
Galena and Chicago Rail-Road Co.....	55	@ 82½	55	@ 74½	65½	@ 88	.. 23½
Illinois Central Rail-Road Co.....	51½	@ 89½	55½	@ 88½	55½	@ 84½	.. 29½
" " " bonds.....	81	@ 100½	84½	@ 109½	86½	@ 112	.. 26½
Chicago and Rock Island Rail-Road Co.....	42½	@ 84½	80½	@ 63	50	@ 85½	.. 25½
Hudson River Rail-Road Co.....	86	@ 66	81½	@ 49½	25½	@ 79½	.. 44
Cleveland and Toledo Rail-Road Co.....	18½	@ 49½	20½	@ 88½	23½	@ 77½	.. 44½
Reading Rail-Road Co.....	90	@ 49½	29½	@ 48½	25	@ 79	.. 44
Michigan Southern Rail-Road Co.....	5	@ 25	10½	@ 20½	19	@ 47	.. 28
" " " guaranteed.....	12½	@ 50½	23½	@ 41½	29½	@ 65½	.. 46
New-York and Erie Rail-Road Co.....	8½	@ 43	17	@ 40½	31½	@ 65½	.. 38½
Harlem Rail-Road Co.....	8	@ 24	8½	@ 16½	11½	@ 26½	.. 14½
" " " preferred.....	27	@ 55	20½	@ 43	26½	@ 57½	.. 26½

THE ENGLISH MONEY MARKET OF 1862.

The following table illustrates the fluctuations in the prices of consols and of Bank of England stock, each month, from November, 1861, to November, 1862 :

	<i>Bank Stock.</i>	<i>Consols.</i>	<i>Bank Discount.</i>
1861. November,.....	238 @ 234 ..	92½ @ 94½ ..	Nov. 7,.... 3
1861. December,.....	232 @ 236 ..	89½ @ 93 ..	Dec. "
1862. January,.....	236 @ 243 ..	91½ @ 93½ ..	Jan. 9,.... 2½
" February,.....	237 @ 244 ..	92½ @ 93½ ..	Feb. "
" March,.....	234 @ 243 ..	93½ @ 94½ ..	March "
" April,.....	235½ @ 240 ..	93½ @ 94½ ..	April "
" May,.....	234 @ 238 ..	93½ @ 93½ ..	May 22,.... 3
" June,.....	233 @ 236 ..	91½ @ 93½ ..	June "
" July,.....	234 @ 240 ..	91½ @ 94½ ..	{ July 10,.... 2½ July 24,.... 2
" August,.....	238 @ 241 ..	92½ @ 94½ ..	Aug. "
" September,.....	240 @ 244 ..	93½ @ 93½ ..	Sept. "
" October,.....	236 @ 239 ..	93½ @ 94½ ..	Oct. 30,.... 3
" November,.....	236 @ 238 ..	93½ @ 93½ ..	Nov. "
" December,.....	231 @ 237 ..	91½ @ 92½ ..	Dec. "

On the 9th January, 1862, the rate of discount of the Bank of England was reduced from 3 to 2½ per cent. ; on the 22d May the rate was advanced to 3 per cent. ; on the 10th July again reduced to 2½ ; July 24 to 2 per cent., and on 30th October again advanced to 3 per cent.

The extreme range of consols during the year 1862 has been only 3½ per cent., while that of the preceding twelve months was 5½ per cent. The lowest price, 91, was at the commencement, and the highest price, 94½, was touched in July. The difference between the opening and closing quotations of the year shows an improvement of 1½ per cent. In railway shares an average recovery has been established of about 5 per cent., a decline of about 10 per cent. having occurred in 1861. American federal stocks show a decline of about 3 per cent., while Virginia State bonds have slightly improved, and railway shares generally show a recovery. The Bank of England bullion has slightly decreased. At the commencement it was £15,961,439 ; it touched its highest point, £18,448,443, on the 30th July ; its lowest, £14,823,063, on the 17th of December, and at the close of December it was £14,870,795. At the Bank of France the total bullion at the commencement was \$12,970,000 ; it declined to £11,816,000 in November, and was, at the end of the year, \$12,760,000. On the Paris Bourse the movements in French rentes have resulted in establishing a rise of 3 per cent. With respect to the declared value of British exportations, the Board of Trade tables, thus far, which comprise only eleven months of the year, show a total of £113,280,779 against £115,335,004, or a falling off of about 1¾ per cent. from 1861, and of about 8 per cent. from the unprecedented total of 1860. The changes in the bank rate of discount, which were eleven in number in 1861, have this year been only five. On the first of January the rate was 3 per cent., at which it now again stands, after a period of three months, during which it was as low as 2 per cent. In the cotton market there has been excitement throughout, and the price has again nearly doubled. In the English wheat market there have been no very important fluctuations, but a gradual and continuous decline, owing to the extraordinary extent of the arrivals from America and elsewhere.

—*Times.*

Circulation and Specie of the Banks of the Loyal States, Nov.—Dec., '62.

	Secured.	Unsecured.	Total,	
			Nov.—Dec., 1862.	Specie, Nov.—Dec., 1862.
Maine, .....	.....	\$ 5,000,000 ..	\$ 5,000,000 ..	\$ 704,000
New-Hampshire, ..	.....	3,500,000 ..	3,500,000 ..	412,000
Vermont, .....	.....	3,000,000 ..	3,000,000 ..	173,000
Massachusetts,	\$ 2,600,000 ..	26,820,000 ..	29,420,000 ..	9,743,000
Rhode Island, .....	.....	6,250,000 ..	6,250,000 ..	494,000
Connecticut, .....	.....	8,000,000 ..	8,000,000 ..	1,530,000
New-York,	*\$4,556,000 ..	4,000,000 ..	38,556,000 ..	39,283,000
New-Jersey, .....	.....	8,124,000 ..	8,124,000 ..	1,085,000
Pennsylvania, .....	.....	27,500,000 ..	27,500,000 ..	9,500,000
Delaware, .....	.....	1,200,000 ..	1,200,000 ..	187,000
Maryland, .....	.....	5,000,000 ..	5,000,000 ..	3,800,000
Illinois,	600,000 ..	.....	600,000 ..	50,000
Indiana,	1,100,000 ..	5,560,000 ..	6,660,000 ..	3,520,000
Iowa,	1,164,000 ..	.....	1,164,000 ..	560,000
Kentucky, .....	.....	7,000,000 ..	7,000,000 ..	5,900,000
Michigan, .....	.....	150,000 ..	150,000 ..	40,000
Minnesota,	80,000 ..	.....	80,000 ..	15,000
Missouri,	2,500,000 ..	2,020,000 ..	4,520,000 ..	4,300,000
Ohio,	3,608,000 ..	6,425,000 ..	10,033,000 ..	3,370,000
Wisconsin,	2,643,000 ..	.....	2,643,000 ..	265,000
		\$ 48,851,000 ..	\$ 119,549,000 ..	\$ 168,400,000 ..
				\$ 84,931,000

Bank Capital, Bank Specie and Circulation of the Loyal States,
January, 1862, and Circulation, Nov.—Dec., 1862.

JANUARY, 1862.

	JANUARY, 1862.			Circulation, Nov.—Dec., 1862.
	Capital.	Specie.	Circulation.	
Maine,	\$ 7,971,000 ..	\$ 710,000 ..	\$ 4,047,000 ..	\$ 5,000,000
New-Hampshire, ..	5,081,000 ..	318,000 ..	2,994,000 ..	3,500,000
Vermont,	3,916,000 ..	173,000 ..	2,523,000 ..	3,000,000
Massachusetts,	67,844,000 ..	8,777,000 ..	19,517,000 ..	29,420,000
Rhode Island,	21,235,000 ..	607,000 ..	3,308,000 ..	6,250,000
Connecticut,	21,795,000 ..	1,530,000 ..	6,918,000 ..	8,000,000
New-York,	109,403,000 ..	29,103,000 ..	30,553,000 ..	38,556,000
New-Jersey,	8,259,000 ..	1,493,000 ..	3,927,000 ..	8,124,000
Pennsylvania,	26,135,000 ..	11,465,000 ..	16,385,000 ..	27,500,000
Delaware,	800,000 ..	197,000 ..	740,000 ..	1,200,000
Maryland,	12,156,000 ..	3,682,000 ..	3,794,000 ..	5,000,000
Illinois,	1,600,000 ..	50,000 ..	1,415,000 ..	600,000
Indiana,	4,580,000 ..	4,578,000 ..	6,844,000 ..	6,660,000
Iowa,	720,000 ..	725,000 ..	1,284,000 ..	1,164,000
Kentucky,	13,453,000 ..	5,991,000 ..	7,405,000 ..	7,000,000
Michigan,	413,000 ..	38,000 ..	120,000 ..	150,000
Minnesota,	156,000 ..	10,000 ..	81,000 ..	80,000
Missouri,	11,250,000 ..	2,967,000 ..	6,511,000 ..	4,520,000
Ohio,	5,696,000 ..	3,656,000 ..	9,217,000 ..	10,033,000
Wisconsin,	3,807,000 ..	304,000 ..	1,419,000 ..	2,643,000
	\$ 325,721,000 ..	\$ 76,374,000 ..	\$ 129,000,000 ..	\$ 168,400,000

Proportion of capital to circulation,	\$ 2.52 per dollar, January, 1862.
“ “ circulation to specie,	1.69 “ “
“ “ “ “	2.18 “ December, “
“ “ deposits and circulation to specie, ..	5.76 “ January, “

* United States stocks, \$11,900,000. Bonds and mortgages, \$4,912,000. The remainder, New-York State bonds.

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, 1860-1863.

NEW-YORK STOCK BOARD.	YEAR 1860.		YEAR 1861.		AUGUST, 1862.		SEPT., 1862.		OCT., 1862.		NOV., 1862.		DEC., 1862.		YEAR 1863.		JAN., 1863.		
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	
United States six per cent, 1860...	95	107½	80	100	94½	99½	90½	100	108½	101½	109	103	104½	108	104½	103	104½	107½	98
United States six per cent, 1861...	..	..	85½	95½	98½	101½	99	108½	108	104½	108	104½	108	104½	103	104½	104½	107½	99
U. S. five per cent, 1874, coupon...	85	104½	75	97	85	91	88	91½	91	94	91½	90	91½	92½	78	91½	86	90	90
Indiana State five per cent...	88	96	75	96	..	..	..	..	..	..	..	..	..	..	75	84½	..	..	..
Virginia six per cent bonds...	78	95	86	81	51	67	55½	60	58½	60	65	60	65	60	49	65½	68	73½	64
Tennessee six per cent bonds...	64	88	84½	77	49½	68½	68	81	51	68½	58	55	59½	50½	49	61	58	64	..
Georgia six per cent bonds...	109	105	58	94	78	..	..	..	..	..	..	..	..	..	66½	80	80	74	69½
North Carolina six per cent bonds...	76	100	44	89½	65	67½	64½	66½	68	71	69	70½	114	111½	76½	119	76½	119	115
California seven per cent bonds...	83	95	71½	88	94½	100	99½	109	110	115½	119	114	111½	119	104½	119	104½	119	138
Missouri six per cent bonds...	61	84½	35	79½	45½	60½	45½	60½	49½	68	50½	50½	51½	59½	40	58	59½	59	65½
Cumberland Coal Co., preferred...	8	17½	4	9½	7	8	8½	15½	9½	17	11	18½	13	14½	5	17	14½	25	25
Pacific Mail Steamship Company...	70	107½	50	109	107½	113½	109½	131½	117½	138	117½	134½	119	137	91	137	129½	178	178
New-York Central Rail-Road...	70	92½	68	89½	89½	94½	96	104	109½	101½	101	105½	101½	104½	79	107½	107	124½	124½
Erie Rail-Road shares...	8½	48	17	40½	38½	39½	39½	49½	49	65½	50	64½	60	65½	31	65½	65	85½	85½
Hudson River Rail-Road...	8	24	5½	31½	49½	44½	54½	50	62½	61	79	73	79	73½	30½	79½	83½	83½	88
Hartem Rail-Road shares...	37	55	30½	48	35	43	39	49½	40½	50½	35	43	31	36½	11	36½	35	49	49
Reading Rail-Road shares...	30	49½	29½	49½	56	62½	56½	70	69	79	73½	78½	74½	77½	35	79	71½	96	96
Michigan Central Rail-Road...	84½	73½	39½	61½	59½	65½	61½	81½	81½	99½	85½	91½	83½	86	47	88	91½	93½	93½
Michigan S. & N. Indiana R.R.	6	36	10½	30½	34½	39½	31	39½	31	47	37½	43½	36½	41½	19	47	45½	65½	65½
Michigan S. & N. Indiana, guar...	19½	50½	33½	41½	55½	64½	61½	74	73½	85	80½	85½	83	85	39½	85½	84	106½	106½
Panama Rail-Road shares...	106	146½	97½	131	138½	140½	139½	160	144	164	158½	159	170	170	110	170	171	187	187
Illinois Central Rail-Road shares...	51½	89½	55½	89½	57	86½	61½	77	79½	84½	74	81½	76½	81	56½	84½	81½	97½	97½
Galesna and Chicago Rail-Road...	55	83½	55	74½	67½	74½	70½	81½	80	86	80	86	80	86½	65	83	85	94½	94½
Cleveland and Toledo Rail-Road...	18½	49½	30½	38½	44½	54½	53½	60½	67½	73	65½	70½	66	77½	33½	77½	77½	97	97
Chicago & Rock Island Rail-Road...	49½	84½	30½	68	63½	69½	66½	78½	77½	85½	77½	83½	77½	85½	50	80½	82½	94½	94½
Illinois Central Construction bonds...	81	100½	84½	109½	95	101½	100	107	109½	107	104½	107½	113	119	86½	119	119	135	135
Pennsylvania Coal Company...	78½	87	73	81	95	99½	99	108	106	110	109½	116	113½	119	79½	119	119	138	138
Delaware and Hudson Canal Co...	80	101½	79	93	97½	100½	100	110	108	110	111½	118	119	119	84½	119	118	139	139
Franklin on gold...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chicago, Burlington and Quincy...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Demand Notes...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, 7.00 per cent...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

THE BOSTON STOCK EXCHANGE.

STOCK FLUCTUATIONS JANUARY, 1862, TO JANUARY, 1863.

Compiled by JOSEPH G. MARTIN, commission stock broker, No. 6 State-street, Boston. In these tables, care has been taken to have the quotations accurate; but some insurance, manufacturing and other stocks are so seldom publicly sold, that it is often difficult to obtain reliable prices. This is specially true of manufacturing stocks at the close of 1862, owing to large extra dividends. The bank surplus is exclusive of unearned discounts.

RAIL-ROAD COMPANIES.

NAME.	1862.		Dividends.			January 1.	
	Low.	Hgh.	1862.	Jan. 1862.	1862.	1863.	
Boston and Lowell.....	92	108½	3½	0	4	95	104½
Boston and Maine,	105	129	3	3	4	108½	122
Boston and Providence,.....	105½	130	4	4	4	105½	126
Boston and Worcester,.....	107	123½	4	4	4	107	122
Cambridge, (horse,).....	95	119½	4½	4½		105½	110
Chelsea, (horse,).....	84	47	4	4		49	47
Cheshire, (preferred,).....	13	23½	0	0	0	13	20
†Chicago and Rock Island,.....	50	85½	0	3	3	51	84
†Chicago, Burlington and Quincy,.....	57	119	0	¼		57	91
Concord,.....	52½	68	4	3		53½	60½
Concord and Portsmouth,.....	100	120		3½	3½	100	116½
Connecticut River,.....	77	107½	3	3	3	73	106½
Eastern,.....	54½	98	0	0	3	56½	98
†Erie Railway,.....	31½	66				33	66
Fitchburg,.....	25½	112½	3	3	3	26½	100
†Galena and Chicago,.....	65½	83	0	3	3	65½	84
†Illinois Central,.....	55½	84½				63	82
Malden and Melrose, (horse,).....	5	40	0	0	0	40	5
Manchester and Lawrence,.....	99	115	4	3		99	111
Metropolitan, (horse,).....	48½	70½	3	5	5	49	65
†Michigan Central,.....	47	97	3	3	5	50	92
†Michigan Southern, (preferred,).....	39½	87				39½	87
Middlesex, (horse,).....	59	101½	4	0	4	52	97
Nashua and Lowell,.....	109	125	4	4		109	125
New-Bedford and Taunton,.....	50	88	0	2	3	50	90
†New-York Central,.....	79½	107½	3	3	3½	80	107
Northern, (New-Hampshire,).....	48½	65½	2	2		43½	68
Old Colony and Fall River,.....	108	126½	3	3	3	108	123½
†Panama,.....	110	175	3	4-4	¼	111	171
Portland and Saco,.....	99	113½	3	3		99	110½
Providence and Worcester,.....	108	125	4	4	4	108	120
†Reading,.....	34½	79	scrip	scrip	7	35	73
Somerville, (horse,).....	19½	39	2½	2½		24	39
Vermont and Canada,.....	97	128	4	4		97	123
Vermont and Massachusetts,.....	9½	23½				9½	23½
Western,.....	111	147	4	4	4	111	143
Wilmington,.....	43	61½	4	5		43	53½
Worcester and Nashua,.....	58	67	33	33	2	58	65

* Ex-dividend, and applies to all the tables.

† From New-York quotations. ‡ Chicago, Burlington and Quincy, 20 per cent. extra in November in stock. | Panama first quarterly dividend April.

BOSTON BANKS.

NAME.	Capital, January, 1863.	1862.		Net Surplus, Ex-Dividend, Oct., 1862.	Divi- dends, 1862.		January 1.	
		Low.	High.		Apr.	Oct.	1862.	1863.
Atlantic,.....	\$ 500,000	75	88	\$ 51,970	8	2	73	81
Atlas,.....	1,000,000	94	105	80,000	8	8	95	101½
Blackstone,.....	750,000	89½	102½	40,180	8	8	95	100
Boston,..... par 50,	900,000	66	66	142,201	4	4	68	66
Boyiston,.....	400,000	107	115	20,961	4	4	107½	118
Broadway,.....	150,000	88	100	10,090	8½	8½	88	100
City,.....	1,000,000	97	108½	82,311	8	8	99	108
Columbian,.....	1,000,000	96	111½	26,000	8	8	98	110
Commerce,.....	2,000,000	91½	104	100,000	8	8	92	102½
Continental,.....	300,000	89	95½	1,372	8	8	90	95
Eagle,.....	1,000,000	100	108½	104,370	8	8	100	108
Eliot,.....	600,000	98½	108	45,007	8	8	94	100
Exchange,.....	1,000,000	105	122	160,226	4	4	106½	117
Faneuil Hall,.....	500,000	107½	115	70,000	4	4	107½	115
Freeman's,.....	400,000	90	100	18,502	8	8	95	98
Globe,.....	1,000,000	107½	122½	114,267	4	4	107½	122
Granite,.....	900,000	100	108½	75,000	8	8	100	107½
Hamilton,.....	500,000	116½	131½	120,000	4	4	120	121
Hild and Leather,.....	1,000,000	90	101	27,212	8	8	81½	100
Howard,.....	500,000	98	102½	22,000	8	8	95	100
Market,..... par 70,	500,000	67	75	74,000	8½	8½	68	71
Massachusetts,.... par 250,	800,000	100½	104	81,550	8	8	102½	104
Maverick,.....	400,000	85	101	17,158	8½	8	85	98
Mechanics',.....	400,000	9105	112	20,000	8½	4	106½	111
Merchants',.....	4,000,000	88	96½	115,176	2½	8	85	96
Metropolis,.....	200,000	98	100	9,269	8½	8½	98	98
Mt. Vernon,.....	200,000	90	93	522	8	0	86	92½
National,.....	750,000	88½	95	Par.	0	0	81	88
New-England,.....	1,000,000	108	110½	125,171	8½	8½	104	110
North,.....	600,000	82½	94	6,729	8	8	88	98
North America,.....	750,000	94	108	58,686	8	8	95	101
†Pawners',.....	100,000	80	91½	Note.	2½	8	80	85
Republic,.....	1,000,000	88	98½	82,561	8	8	90	98
Revere,.....	1,000,000	90	104½	41,114	8	8	92	108½
Safety Fund,.....	1,000,000	95	102	75,141	8	8	95	100
Shawmut,.....	750,000	86½	96	2,900	8	8	91	98
Shoe and Leather,.....	1,000,000	112	126½	125,000	4½	4½	114	124
State,..... par 60,	1,800,000	61	71	227,091	8½	8½	68½	70
Suffolk,.....	1,000,000	120	145½	251,085	4½	5	120	145
Traders',.....	600,000	69½	87	None.	0	0	86½	80
Tremont,.....	1,500,000	105½	114	127,700	8½	8½	107	110½
Union,.....	1,000,000	9106	114	105,588	8½	8½	107½	113
Washington,.....	750,000	95½	104½	40,000	8	8	97	101
Webster,.....	1,500,000	98	108½	54,595	8	8	95	108

† Real estate (say \$100,000) not included in surplus.

† Pawners' paid 2½ in July, and 8 in January, 1863; surplus given to charity.

MANUFACTURING COMPANIES.

NAME.	Par.	Capital, January, 1862.	Dividends.			January 1.	
			1862.	Jan., 1862.	1862.	1862.	
Amoskeag,.....	\$1,000	.. \$2,000,000	.. 5	.. 5	.. ..	1,075	.. 1,400
Appleton,.....	1,000	.. 600,000	.. 5	.. 25	.. ..	*1,000	.. *1,150
Atlantic,.....	100	.. 1,500,000	.. 0	.. 4	.. ..	55	.. *98
Bates,.....	100	.. 800,000	.. 6	.. 6	.. 45	*105	.. *144
Boott Mills,.....	1,000	.. 1,200,000	.. 4	.. 5	.. ..	770	.. 910
Boston,.....	750	.. 450,000	.. 20	.. 20	.. ..	638	.. *750
Boston Duck,.....	700	.. 350,000	.. 3	.. 4	.. ..	300	.. 400
Chicopee,.....	100	.. 430,000	.. 6	.. 6	.. 6	*190	.. *175
Cocheco,.....	650	.. 1,800,000	.. 25	.. 25	.. 40	*445	.. *500
Dwight,.....	1,000	.. 1,700,000	.. 4	.. 4	.. 5	*830	.. *935
Everett,.....	100	.. 800,000	.. ..	.. 10	.. ..	85	.. 118½
Franklin,.....	100	.. 400,000	.. 4	.. 4	.. 4	*98	.. *106
Great Falls,.....	200	.. 1,500,000	.. 4	.. 5	.. 10	*125	.. *241
Hamilton,.....	1,000	.. 1,200,000	.. 5	.. 25	.. ..	*830	.. *950
" Woolen,.....	100	.. 600,000	.. 3	.. 3	.. 12	*125	.. *200½
Hill Mill,.....	100	.. 400,000	.. 5	.. 5	.. 5	*99	.. *140
Jackson,.....	1,000	.. 600,000	.. 5	.. 5	.. 25	*985	.. *1,005
Laconia,.....	1,000	.. 1,007,000	.. 4	.. 25	.. 20	1,000	.. *1,205
Lancaster,.....	450	.. 900,000	.. 12	.. 12½	.. 22½	*250	.. *371½
Lawrence,.....	1,000	.. 1,500,000	.. 4	.. 4	.. 10	900	.. *1,025
Lowell,.....	600	.. 2,000,000	.. 20	.. 20	.. ..	*595	.. *610
" Bleachery,.....	200	.. 300,000	.. 5	.. 5	.. 5	*230	.. *240
" Machine,.....	500	.. 600,000	.. 6	.. annual	.. ..	300	.. 432½
Lyman Mills,.....	100	.. 1,470,000	.. 4	.. 5	.. ..	70	.. 94
Manchester,.....	1,000	.. 1,800,000	.. 4	.. 5	.. 20	*1,000	.. *1,500
Massachusetts,.....	1,000	.. 1,800,000	.. 4	.. 5	.. 25	*950	.. *1,100
Merrimack,.....	1,000	.. 2,500,000	.. 4	.. 10	.. ..	*975	.. *1,080
Middlesex,.....	100	.. 500,000	.. 25	.. 10	.. ..	*125	.. *615
Nashua,.....	500	.. 1,000,000	.. 5	.. 5	.. 20	*630	.. *635
Naumkeag,.....	100	.. 700,000	.. 4	.. 5	.. 24	*105	.. *25½
New-England Glass,.....	500	.. 500,000	.. 4	.. 3	.. ..	475	.. 550
Otis,.....	1,000	.. 500,000	.. 5	.. 5	.. ..	900	.. 1,075
Pacific,.....	1,000	.. 2,425,000	.. 4	.. 4	.. 10	*905	.. *1,230
Pepperell,.....	500	.. 1,000,000	.. 6	.. 6	.. 20	700	.. *1,100
Salisbury,.....	100	.. 1,000,000	.. 10	.. 10	.. 10	*120	.. *265
Salmon Falls,.....	500	.. 1,000,000	.. 4	.. 4	.. 5	*350	.. *470
Sandwich,.....	80	.. 400,000	.. 3	.. 3½	.. ..	50½	.. 75
Stark Mills,.....	1,000	.. 1,250,000	.. 5	.. 5	.. 10	*925	.. *1,100
Suffolk,.....	1,000	.. 600,000	.. 4	.. 4	.. ..	925	.. 995
Thorndike,.....	1,000	.. 450,000	.. 3	.. 3	.. ..	325	.. 500
Tremont,.....	1,000	.. 600,000	.. 4	.. 4	.. ..	800	.. 890
Washington,.....	100	.. 1,650,000	.. 3	.. 4	.. 5	*85	.. *145
York,.....	1,000	.. 1,200,000	.. 5	.. 25	.. ..	1,010	.. 1,200

‡ *Extra Dividends.*—Appleton, 10 per cent., October; Boston, 20th November; Hamilton Cotton, 10th October; Jackson, 20th October; Laconia, 20th October and 20th January; Lawrence, 10th December; Massachusetts Mills, 20th October; Middlesex Mills, 6th May and 16th September; Pepperell, 50 per cent., January, 1863; Salisbury, 33½ per cent., January, in stock; York, 10th January, 1863, and 10th July. Bates paid 45 per cent.; (30 cash, 25 stock); Hamilton Woollen, 18 per cent.; (quarterly;) Manchester Print, 20; Nashua, 20, and Naumkeag, 66 per cent.—all January, 1863, and including regular dividends.

BOSTON INSURANCE COMPANIES.

NAME	Capital, Jan., 1862.	1862.			Dividends.		January 1.	
		Low.	High.	1862.	Jan., 1863.	1862.	1863.	
American,.....	\$ 200,000	170	210	10	10	10	*170	*200
Boston,.....	200,000	115	188½	5	8		115	180
Boylston,.....	200,000	200	276	15	15		200	261
City,..... par 50,	150,000	100	190	5	4		100	113
Eliot,.....	200,000	183	185	5	5		183	180
Equitable, (Mutual),.....	223,000	95	107	3	3		95	99
“ Scrip,.....	86,000	55	73½	6			55	58
Firemen's,..... par 25,	200,000	240	289	10	10	10	250	299
Franklin,.....	200,000	77½	90½	0	0	0	80	90½
Manufacturers',.....	400,000	205	275	15	15		205	250
Mercantile,.....	200,000	108	117½	6	5		108	110
National,..... par 20,	200,000	244	253½	6½	6½		244	25
Neptune,.....	200,000	160	220	15	15		160	213
New-England Mutual,.....	200,000	100	125	3	3	3	*100	*121
“ “ Scrip,...	200,000	50	70	6			*60	63
North American,.....	200,000	125	150	5	5	5	*125	*145
Prescott,.....	100,000	79½	85½	0	0		80	85
Shoe and Leather,.....	200,000	100	118	4	5		104	107½
Suffolk,.....	150,000	69½	80	0	0		80	75
Washington,.....	200,000	110	120½	5	5		110	120

LAND, GAS-LIGHT AND COPPER MINING COMPANIES.

NAME	Par.	No. of Shares.	1861.		1862.		1863.
			Low.	High.	Low.	High.	Jan. 1.
Boston Athenæum,.....	200	.....	50	63½	45½	56	58
Boston Exchange Co.,....	500	650	500	515	505	550	550
Boston Water Power,.....	40,000	.....	22	23½	24½	*23½	23
Boston and Roxbury Mill,	7,000	.....	20	*23	20	45	*25
Oary Improvement,.....	5	60,000	3½	5½	3½	6	5
East Boston Co.,.....	20,000	.....	7½	11½	7½	13	11
Essex Co.,.....	10,000	.....	46	66	58	90½	90
Essex Water Power,.....	225	2,000	*170	210	155	220	220
Boston Gas-Light,.....	500	2,000	690	718	705	873½	*850
Cambridge Gas-Light,....	100	2,500	114½	123½	108	116	110
Chelsea Gas-Light,.....	100	1,500	96	108	94	102½	102
East Boston Gas-Light,...	25	6,000	25½	29½	25	29	*27
Central Cop. (paid in),....	\$ 5.00	20,000	3	6½	6½	23½	23
Copper Falls, “	25.50	20,000	2	8	4½	8½	8
Franklin, “	3.50	20,000	10	26½	17½	49½	45½
Hancock, “	4.50	20,000	½	4½	3	7½	7
Isle Royale, “	16.10	20,000	5½	12½	10½	20	18½
Mesnard, “	2.50	20,000	½	4	1½	15½	8½
Minnesota, “	2.20	20,000	50	78	58	75½	*63
National, “	5.50	20,000	22	23	24	25½	25
Petherick, “	1.50	20,000	1	2½	1½	3½	2½
Powable, “	2.75	20,000	18½	40	22½	49	45½
Pittsburgh Chf., “	5.55	20,000	40½	55	42½	68	67½
Pontiac, “	2.25	20,000	½	2½	½	7½	4½
Quincy, “	10.00	20,000	19½	24	22½	64½	68
Rockland, “	5.00	20,000	12	20½	11½	19	17
Superior, “	5.00	20,000	1½	4½	3	5	15
Toltec, “	12.00	20,000	½	2½	1½	4½	2½

† Assessment paid, Copper Mining Shares.

UNITED STATES, STATE, CITY AND RAIL-ROAD BONDS.

NAME.	1863.		Interest, when Payable.	January 1.	
	Low.	High.		1863.	1862.
American Gold Coin,.....	101½	136	.. ..	.. 109	.. 123
Albany City, (Western R. E.).. 6s, 1871, ..	108	110	.. Jan. July,	.. 108	.. 110
Augusta (Me.) City,..... 6s, 1870, ..	100	106	.. May, Nov.	.. 100	.. 106
Bangor (Me.) City,..... 6s, 1874, ..	97	106	.. April, Oct.	.. 97	.. 106
Bath (Me.) City,..... 6s, 1861, ..	95	106½	.. Jan. July,	.. 95	.. 106
Boston City,..... 5s, ..	97	117½	.. Divers.	.. 97	.. 113
Boston City, (short),..... 6s, 1863, ..	106	110	.. April, Oct.	.. 108	.. 106
Cambridge Rail-Road,..... 6s, 1868, ..	94	101	.. Jan. July,	.. 94	.. 101
Cheshire Rail-Road,..... 6s, 1860, ..	89	104	.. Jan. July,	.. 89	.. 104
Chicago City, (Municipal),..... 7s, 1861, ..	90	110	.. Jan. July,	.. 90	.. 109½
Connecticut State,..... 6s, 1861, ..	101	110½	.. Jan. July,	.. 101	.. 109
Eastern Rail-Road,..... 6s, 1874, ..	98	110½	.. Feb. Aug.	.. 98	.. 109
Grand Junction R. R., (1st mg.) 6s, 1870, ..	49	60	.. Passed.	.. 49	.. 60
Hartford City, (Water Loan), 6s, 1868, ..	101½	113	.. June, Dec.	.. 101½	.. 113
Maine State,..... 6s, 1871, ..	101	110½	.. May, Nov.	.. 101	.. 109
Massachusetts State,..... 5s, 1860, ..	95	115	.. Jan. July,	.. 95	.. 111
Massachusetts State,..... 6s, 1876, ..	103½	118½	.. Jan. July,	.. 102½	.. 118½
Michigan Central Rail-Road, .. 8s, 1869, ..	90½	115½	.. Mar. Sept.	.. 90½	.. 114
Michigan Cent. (Sinking Fund), 8s, 1863, ..	93	117	.. Apl. Oct.	.. 93	.. 117
New-Hampshire State,..... 6s, 1873, ..	101	110	.. Jan. July,	.. 101	.. 109½
New-York Central Rail-Road, .. 6s, 1868, ..	91½	111	.. May, Nov.	.. 91½	.. 111
New-York Central (convert.), 7s, 1876, ..	101	115½	.. Feb. Aug.	.. 101	.. 115
Ogdensburg R. R. (1st mort'ge), 7s, 1860, ..	61	95	.. Jan. July,	.. 61	.. 91½
Ogdensburg R. R. (2d mort'ge), 7s, 1861, ..	2	9½	.. Passed.	.. 2	.. 9½
Passumpsic Rail-Road,..... 6s, 1876, ..	83	101½	.. June, Dec.	.. 83	.. 101½
Portland City, (pay in Boston), 6s, ..	99	107	.. Divers.	.. 99	.. 107
Roxbury City,..... 5s, 1860, ..	96½	104½	.. ..	.. 97	.. 104
Roxbury City,..... 6s, 1876, ..	108	111	.. Jan. July,	.. 108	.. 110
Rutland R. R. (1st mortgage), .. 7s, 1868, ..	33	45	.. Oct. 3½	.. 33	.. 45
United States Coupon,..... 5s, 1874, ..	78	94	.. Jan. July,	.. 79	.. 99
United States Coupon,..... 6s, 1861, ..	88	107	.. Jan. July,	.. 90	.. 98½
United States 7.30 Treas. Notes, .. 1864, ..	98	106½	.. Aug. 19, Oct.	.. 100	.. 103
Vermont State,..... 6s, 1871, ..	100½	111	.. June, Dec.	.. 100½	.. 109½
Vt. Central, (1st mortgage), .. 7s, 1861, ..	13	97	.. Passed.	.. 13	.. 97
Vt. and Mass. (1st mortgage), 6s, 1865, ..	89½	101½	.. Jan. July,	.. 89½	.. 101½
Western Rail-Road,..... 6s, 1875, ..	101½	110	.. April, Oct.	.. 101½	.. 110

The following stocks are not included in the above tables, and will make the dividends complete with JOSEPH G. MARTIN'S "Boston Stock Market," to be obtained at No. 6 State-street—a complete edition from January, 1835, to January, 1863:

COMPANIES.	Dividends, 1863.		Jan., 1862.
Bartlett Mills,.....	May,	November,.....	6 .. 10 ..
Boston and Roxbury Mill Company, ..	January,	July,.....	\$1 .. \$2 .. \$10
Columbian Manufacturing,.....	May,	November,.....	3 .. 4 ..
James Steam Mills,.....	May,	November,.....	10 .. 10 ..
Lowell Gas Company,.....	January,	July,.....	5 .. 5 .. 5
Merchants' Insurance Company,.....	April,	October,.....	8 .. 10 ..
Palmer Manufacturing,.....	February,	August,.....	3 .. 3 ..
Portsmouth Company,.....	January,	July,.....	5 .. 5 .. 6
Portsmouth Steam Mills,.....	April,	October,.....	0 .. 4 ..
Stoughton Branch Rail-Road,.....	January,	July,.....	4 .. 3 .. 4
Taunton Branch Rail-Road,.....	January,	July,.....	3 .. 4 .. 5
United States Hotel Company,.....	January,	July,.....	3 .. 3 .. 3

THE PHILADELPHIA STOCK EXCHANGE.

FLUCTUATIONS IN THE STOCK MARKET DURING THE YEAR 1862.

The following table, prepared by Messrs. BOWEN & FOX, stock brokers, will show the fluctuations in the stock market for the year 1862:

Stocks.	Lowest Price.	Highest Price.	Aggregate Sales of the Year.
Philadelphia 6s, old,.....	89 .. Jan. 7, ..	108½ .. Nov. 18, ..	\$674,900
“ 6s, new,.....	88 .. Jan. 4, ..	106½ .. Nov. 10, ..	1,008,900
“ 5s,.....	89 .. May 1, ..	98 .. Feb. 19, ..	896,000
United States 6s,.....	97 .. July 19, ..	107 .. June 14, ..	1,996,100
Pennsylvania 6s, transferable,.....	76 .. Jan. 2, ..	98½ .. Dec. 30, ..	2,848,915
“ 5s, coupons,.....	70 .. Jan. 3, ..	98½ .. Dec. 28, ..	694,000
“ 6s,.....	90 .. Jan. 4, ..	108½ .. Oct. 31, ..	427,600
Kentucky 6s,.....	.. ..	.. ..	.....
Alleghany Co. 6s,.....	84 .. July 16, ..	50 .. Dec. 23, ..	36,000
Bank of North America,.....	106 .. Jan. 16, ..	143 .. Dec. 12, ..	216
Philadelphia Bank,.....	87 .. Jan. 4, ..	116 .. Dec. 31, ..	837
Farmers and Mechanics' Bank,.....	45 .. Feb. 14, ..	54 .. June 16, ..	1,126
Commercial Bank,.....	40 .. Jan. 15, ..	50 .. Dec. 30, ..	538
Northern Liberties Bank,.....	48 .. Jan. 23, ..	60½ .. Aug. 28, ..	304
Mechanics' Bank,.....	19½ .. Jan. 15, ..	27 .. Nov. 1, ..	1,625
Kensington Bank,.....	60 .. Mch. 17, ..	66 .. Nov. 14, ..	44
Pena Township Bank,.....	29 .. Feb. 14, ..	25 .. Dec. 13, ..	870
Girard Bank,.....	31 .. Jan. 29, ..	43 .. Dec. 1, ..	181
Western Bank,.....	50 .. Jan. 17, ..	65 .. Oct. 13, ..	263
Manufacturers' and Mechanics' Bank,.....	19 .. Jan. 24, ..	26 .. Nov. 17, ..	1,433
City Bank,.....	28 .. Feb. 14, ..	46½ .. Dec. 4, ..	691
Corn Exchange Bank,.....	90½ .. Jan. 23, ..	31½ .. Nov. 19, ..	431
Commonwealth Bank,.....	25 .. Feb. 25, ..	26 .. Dec. 28, ..	166
Kentucky Bank,.....	73 .. Feb. 26, ..	95 .. July 2, ..	29
N. Kentucky Bank,.....	.. ..	97 .. June 18, ..	6
Sch. Nav. Stocks,.....	4½ .. Aug. 30, ..	6½ .. June 16, ..	3,007
“ Preferred,.....	16½ .. Mch. 20, ..	17½ .. Oct. 4, ..	23,637
“ Loan, 1872,.....	89 .. June 26, ..	93 .. Dec. 26, ..	42,660
“ “ 1862,.....	60 .. Jan. 7, ..	75 .. Oct. 3, ..	717,000
“ Boat Loan,.....	80 .. June 2, ..	90½ .. Oct. 13, ..	2,558
Lehigh C. and N. Stock,.....	43 .. June 16, ..	56½ .. Nov. 12, ..	4,713
“ Scrip,.....	23 .. Sept. 3, ..	41½ .. May 10, ..	3,780
“ Loan,.....	100 .. Jan. 4, ..	106½ .. Nov. 24, ..	75,990
Morris Canal, Consolidated,.....	35½ .. Jan. 3, ..	59 .. Oct. 6, ..	2,779
“ Preferred,.....	107 .. Jan. 3, ..	120 .. Dec. 27, ..	553
“ Loan,.....	91 .. Jan. 3, ..	105 .. Dec. 29, ..	43,000
Ches. and Del. Loan,.....	75 .. Ap'l 30, ..	95 .. Nov. 1, ..	150,233
Pennsylvania Rail-Road,.....	86½ .. Jan. 3, ..	59½ .. Dec. 31, ..	87,899
“ first mortgage loan,.....	98 .. Jan. 2, ..	114½ .. Oct. 20, ..	796,000
“ second mortgage loan,.....	84½ .. Jan. 3, ..	107 .. Dec. 29, ..	608,000
Little Sch. Rail-Road,.....	8½ .. Ap'l 23, ..	23½ .. Dec. 31, ..	10,518
Beav. Meadow Rail-Road,.....	51 .. Ap'l 15, ..	67 .. Dec. 15, ..	2,413
Norristown Rail-Road,.....	42½ .. Jan. 6, ..	55½ .. Oct. 13, ..	2,991
“ 6s,.....	97 .. Jan. 23, ..	108 .. Sept. 9, ..	4,200

STOCKS.	Lowest Price.		Highest Price.		Aggregate Sales of the Year.
Reading Rail-Road.....	17½	Jan. 2,	89½	Oct. 15,	187,617
“ “ Bonds, 1886.....	71½	Jan. 4,	104½	Nov. 2,	614,500
“ “ “ 1870.....	86	Jan. 21,	105	Nov. 1,	400,500
“ “ “ 1848.....	91	Jan. 6,	110½	Nov. 6,	44,500
“ “ “ 1844.....	98	Jan. 14,	110½	Nov. 2,	180,000
Minchill Rail-Road.....	49	Ap'l 17,	51	Dec. 12,	6,841
Harrisburg Rail-Road.....	50½	Jan. 21,	60	Nov. 28,	1,803
“ “ Loan, 6s.....	97	Jan. 16,	104	Sept. 26,	18,000
North Pennsylvania Rail-Road.....	5½	Jan. 6,	11½	Oct. 4,	28,127
“ “ “ 6s.....	55	Jan. 2,	82½	Dec. 21,	652,000
“ “ “ Ch. 10.....	70	Jan. 2,	105½	Nov. 1,	165,000
Lehigh Valley 6s.....	94½	Jan. 7,	110	Oct. 20,	129,000
Williamsport and Elmira Rail-Road.....	4	Jan. 2,	22	Dec. 20,	4,273
“ first mortgage loan.....	60½	Jan. 2,	102	Dec. 20,	200,000
“ Preferred.....	9½	Jan. 28,	84	Dec. 28,	4,475
“ Chat. 10s.....	22	Ap'l 12,	46	Dec. 9,	60,500
Catawissa Rail-Road.....	1	Jan. 2,	5½	Oct. 15,	18,111
“ “ Preferred.....	4½	Jan. 6,	16½	Oct. 15,	40,629
“ “ Chat. 10s.....	.....	.....	.....	.....	.....
Phil. W. and B. E. Line.....	90½	Jan. 4,	117	Nov. 21,	75,000
Long Island Rail-Road.....	10	Jan. 7,	28½	Dec. 21,	40,694
“ “ 6s.....	78½	Jan. 14,	102	Sept. 25,	74,700
Susquehanna Canal.....	2	June 18,	6½	June 28,	9,125
“ “ 6s.....	22	June 2,	28½	June 27,	243,000
Chester Valley Rail-Road.....	.....	.....	.....	.....	.....
“ “ 7s.....	20	May 1,	22	Mar. 12,	20,600
Frank. and South. Rail-Road.....	22	Feb. 2,	55	Dec. 21,	542
“ “ 7s.....	24½	Feb. 7,	102	Oct. 25,	21,000
Delaware Rail-Road 6s.....	90	Jan. 9,	100	Nov. 11,	25,500
Camden and Amboy Rail-Road.....	112	Jan. 28,	155	Dec. 19,	2,285
“ “ Bonds, 1864.....	95	Mar. 10,	101½	Dec. 5,	26,694
“ “ “ 1870.....	91	Jan. 20,	105½	Nov. 5,	82,160
“ “ “ 1852.....	81	Jan. 2,	102½	Nov. 2,	222,000
Lehigh Zinc.....	12	Mar. 2,	22½	Dec. 4,	2,424
West Philadelphia Rail-Road.....	51	Jan. 22,	60	Dec. 12,	654
“ “ Bonds.....	92	Jan. 2,	92	Jan. 12,	4,000
Spruce and Pine-street Rail-Road.....	8½	Jan. 17,	17½	Oct. 22,	22,511
Race and Vine-street Rail-Road.....	2	Jan. 11,	12	July 22,	6,709
Second and Third-st. Rail-Road.....	46½	Jan. 2,	72	Oct. 22,	1,722
“ first mortgage.....	92	Jan. 20,	100	April 2,	4,000
“ second mortgage.....	99	Jan. 12,	102	Nov. 2,	12,900
Green and Coates Rail-Road.....	16½	Jan. 4,	29½	Oct. 22,	7,222
“ “ Bonds.....	26½	Feb. 2,	102	Nov. 25,	2,100
Arch-street Rail-Road.....	12	Jan. 11,	27½	June 12,	14,629
United States 7.20.....	100½	July 21,	102	July 1,	642,700

EGYPT.—A prospectus was issued in November last, in London, for the establishment of a new Egyptian bank, to be called the *Société Financière d'Égypte*, with a capital of £600,000, in shares of £20 each, to be issued in London, Paris, and Alexandria, at each of which places a board of directors will be constituted. Agents have also been appointed in India and in all the principal marts of Europe, the Oriental Bank having been selected as the agent for the East. A bank incorporated by royal charter was established some years since in Egypt; but the large increase in traffic has demanded increased banking facilities.

We append the prices current at Philadelphia of the principal stocks and bonds, January 1, 1861, before the great increase of currency and prices of the same securities now :

	Jan. 1, 1861.	Jan. 13, 1862.	Advances.
Philadelphia 6's, old,	94	105½	11½
" new,	99	110	11
Camden and Amboy Rail-Road 6's,.....	80	104	24
" " shares,..	118	166	48
Pennsylvania 5's,.....	90	101	11
Reading Rail-Road 6's, 1870,	81	107	26
" 1886,	71	103	32
" shares,	18	47	25
Pennsylvania Rail-Road 6's, 1st mortgage,	101	114	13
" 2d " "	86	110	24
" shares,	87	68	26
Beaver Meadow Rail-Road,	58	61	3
Norristown Rail-Road,	47	57	10
Lehigh Navigation shares,	47	57	10
" scrip,	31	35	4
" 6's,	99	109	10
Morris Canal shares,	53	57	4
" preferred,	108	135	27
" 6's,	95	108	13
Bank of North America,.....	21	138	17
Philadelphia Bank,	108	118	10
Farmers and Mechanics' Bank,	50	52½	2½
Mechanics' Bank,	28	25½	2½

Though much of the advance in prices is attributable to the present cheapened currency, all the differences in the above list are not attributable to that cause. In several instances the improved business of companies has advanced prices of both shares and loans.

FRANCE.—The merchants of Lyons and Marseilles are desirous of establishing banks of credit, the capital of which is to be raised by shares. The business of these banks is to be confined to advances on the security of dock-warrants, and of making sales of merchandise deposited in bonding warehouses and docks. The plan has been submitted to the Emperor, and by him referred to the minister of finance. A bank upon this plan, with a large capital, was suggested three or four years ago in New-York, but was not established. Such an institution may be very serviceable at all times in lending upon property which must in a short time be available, and equivalent to gold. It would be particularly useful during a commercial crisis, when capitalists are averse to lending on commercial paper, but would be willing to lend on merchandise. Two or three institutions of the kind in 1857, might have averted much of the distress that followed the inability of property-holders to obtain loans on the hypothecation or security of grain, provisions, &c.

UNITED STATES COINAGE.

WE have received a letter from a bank correspondent in Canada, asking some questions in regard to our coinage. To these queries, Mr. POLLOCK, the Director of the United States Mint, has kindly furnished answers, which we think will be of interest to our readers, and give accurate information on points of importance relating to our coinage. We therefore publish both letters, and think their publication will be acceptable.

MONTREAL, C. E., January 5th, 1863.

To the Editor of *The BANKERS' MAGAZINE*, New-York:

Dear Sir,—I am not aware whether you are in the habit of answering queries by "Correspondents." I fancy you are not; but, if your rule in this respect should be such as to exclude a formal *reply*, perhaps you would not find it unprofitable to your numerous subscribers to put the information I seek in the shape of an "item" of banking statistics in your next number; by doing so, I know you would oblige a good number of readers who are found in the Bank of Montreal.

From consulting the only authorities accessible to me, I find that the American (U. S.) "eagle" is rated, as regards *quality* or *fineness* of the gold, as $\frac{1}{2}$ (carat) grain "worse" than the sovereign. Now, from the actual result of some shipments of American gold to England lately, I am inclined to doubt this; at all events, I cannot reconcile the fact with results realized.

To avoid prolixity, I subjoin a few questions I would be much indebted by your answering, viz.:

Taking the usual standard of purity of pure gold—24 carats—then what is the *proportion* of pure gold in the eagle and the double eagle, both of late coinages, say since 1855. Is it more or less than the sovereign, which contains 22 carats pure to 2 carats alloy.

Also, is the gold "*bullion*," *i. e.*, the bars and ingots, styled such by the money dealers, and which is received by the Sub-Treasury, absolutely pure; or, in other words, is it 24 carats fine?

Also, what proportion of alloy is there in the recent United States silver coinages?

Has the silver coinage of the United States been debased to any extent within the past twenty years?

I think that satisfactory information on these points would be acceptable to many of your readers, while it would be received as a favor by

Yours, very respectfully,

R. J. D.,
Accountant.

MINT OF THE UNITED STATES,
Philadelphia, January 17, 1863. }

Dear Sir,—Your letter of the 12th inst., enclosing a communication from Montreal, has been received.

I reply to the inquiries as follows :

1. The proportion of pure gold, in all our gold coins, since 1837, inclusive, is nine-tenths, or, as we usually say, 900 parts in 1,000. The gold carat notation, or what is called in London the *trade report*, has been generally superseded (except for jewelry) by this millesimal system, which affords a better subdivision, and is far easier for calculation. Expressed in carats and carat-grains, our fineness (being nine-tenths of twenty-four,) is precisely 21 carats $2\frac{1}{4}$ car. grains ; or, as an English trade report would read, "worse $1\frac{1}{2}$ car. grs. \times 1.5 grs. per lb."

We may remark here, that about eight years ago, Sir JOHN HERSCHELL, then Master of the Royal Mint, was at the pains to prepare and print tables of comparison of the two systems, by minute degrees, evidently with a view to introduce the better method. The fineness of British gold coin, being 22 carats, is $916\frac{2}{3}$ thousandths, in millesimal terms.

2. Bar gold is never absolutely pure, or fully 24 carats fine. It is very expensive, and difficult to take out the least atoms of alloy. "Fine bars," in commercial language, are generally about 993 to 995 fine ; the exact fineness is stamped upon them. They are, of course, not calculated as absolutely fine. A bar of 1,000 ounces, stamped 995 fine, contains 995 ounces of fine metal, and five ounces of something else, usually silver.

The value of one ounce of gold, of nine-tenths standard, is \$18 80, 465,116, or, to be very exact, (which requires the vulgar fraction,) \$18 $60\frac{2}{3}$. Hence an ounce of fine gold is \$20.67,183, or, more exactly, \$20 $67\frac{1}{3}$. These complex fractions grow out of the legal standard, which makes a ten dollar piece to weigh 258 grains.

3. The silver coins of the United States are nine-tenths fine.

4. The debasement of coin, in its proper sense, means a reduction of fineness. This has occurred only in one instance, in our silver coinage ; or, rather, when our three-cent coin was instituted, by the act of March 3, 1851, it was three-fourths (750 thousandths) fine, and was afterwards, by act of March 3, 1853, raised to 900, the fineness of the larger coins.

If by debasement is understood a *reduction of weight*, this has occurred in respect to all our silver coins, except the whole dollar, by the act of February 21st, 1853, reducing the half dollar from $206\frac{1}{4}$ to 192 grains, and the smaller coins in proportion. The object of this was to make gold coin the effective measure of value, and to place silver in a subsidiary position, as it has long been in English coinage. It affords a small seigniorage to government. The mint pays $122\frac{1}{4}$ cents (in silver coin) per ounce of standard fineness for bullion offered, and coins the same at 125 cents per ounce.

I am, very respectfully,

JAS. POLLOCK, *Director of the Mint.*

J. SMITH HOMANS, Esq.,

Office Bankers' Magazine, New-York.

TAX UPON FOREIGN BILLS.

The following table will show the government tax on foreign bills:

Stamps.	\$ 4.84.		18 6-10 cts.		40 cts.		85 cts.		78½ cts.		69 cts.	
	AMERICAN		Pounds		FRANK- FONN.		HAMBURG.		BRUNN.		PRUSSIA.	
	Dollars.	Not over.	Not over.	Not over.	Not over.	Not over.	Not over.	Not over.	Not over.	Not over.	Not over.	Not over.
3 cts...	\$ 150 ..	£ 80 19 10 ..	806.45 ..	875 ..	438.09 ..	190.84 ..	217.13 ..					
5 ..	250 ..	51 13 1 ..	1,344.09 ..	625 ..	714.05 ..	317.38 ..	348.10 ..					
10 ..	500 ..	108 6 1 ..	2,688.17 ..	1,250 ..	1,428.09 ..	634.66 ..	734.19 ..					
15 ..	1,000 ..	204 12 3 ..	5,376.34 ..	2,500 ..	2,857.08 ..	1,269.60 ..	1,469.60 ..					
20 ..	1,500 ..	300 18 4 ..	8,064.51 ..	3,750 ..	4,285.11 ..	1,904.55 ..	2,173.27 ..					
25 ..	2,250 ..	444 17 6 ..	12,096.77 ..	5,625 ..	6,428.09 ..	2,857.10 ..	3,260.26 ..					
50 ..	3,500 ..	728 2 10 ..	18,517.30 ..	8,750 ..	10,000 ..	4,444.23 ..	5,073.14 ..					
70 ..	5,000 ..	1,083 1 2 ..	24,981.72 ..	12,500 ..	14,285.11 ..	6,349.15 ..	7,246.11 ..					
1.00 ..	7,500 ..	1,549 11 9 ..	40,822.58 ..	18,750 ..	21,428.09 ..	9,523.58 ..	10,989.17 ..					
1.80 ..	10,000 ..	2,066 9 4 ..	58,768.44 ..	25,000 ..	28,571.07 ..	12,698.30 ..	14,493.23 ..					
1.60 ..	12,500 ..	2,583 12 11 ..	67,204.80 ..	31,250 ..	35,714.05 ..	15,878.01 ..	18,115.23 ..					
1.90 ..	15,000 ..	3,099 8 6 ..	80,645.16 ..	37,500 ..	42,857.08 ..	19,047.44 ..	21,739.04 ..					
2.20 ..	17,500 ..	3,615 14 1 ..	94,036.02 ..	43,750 ..	50,000 ..	22,222.16 ..	25,363.10 ..					
2.50 ..	20,000 ..	4,132 4 8 ..	107,526.88 ..	50,000 ..	57,142.14 ..	25,896.59 ..	29,095.15 ..					
2.80 ..	22,500 ..	4,648 15 2 ..	120,967.74 ..	56,250 ..	64,285.11 ..	28,571.80 ..	32,606.21 ..					
3.10 ..	25,000 ..	5,165 5 9 ..	134,408.60 ..	62,500 ..	71,428.09 ..	31,746.01 ..	36,221.26 ..					
3.40 ..	27,500 ..	5,681 16 4 ..	147,849.46 ..	68,750 ..	78,571.07 ..	34,930.25 ..	39,855.03 ..					
3.70 ..	30,000 ..	6,198 6 11 ..	161,290.32 ..	75,000 ..	85,714.05 ..	38,095.17 ..	43,479.03 ..					
4.00 ..	32,500 ..	6,714 17 6 ..	174,731.18 ..	81,250 ..	92,857.08 ..	41,269.60 ..	47,101.14 ..					
30 every additional	2,500 ..	516 10 7 ..	12,440.86 ..	6,250 ..	7,142.14 ..	3,174.48 ..	3,626.06 ..					

In stamping promissory notes or other instruments requiring stamps, under the provisions of the Excise Law, two or more of a smaller denomination may be used in numbers sufficient to amount to the sum of the stamp required; and all revenue stamps (except proprietary) may be used for any and all documents, if of the right amount.

Certificates.—A stamp will be required upon every certificate which has, or may have, a legal value in any court of law or equity.

Certificates, warrants, orders and drafts, by one State officer upon another, for the purpose of carrying on the internal business of the government, are not subject to a stamp tax.

The same rule applies to the certificates, orders, &c., of county, city and town officers.

Messages transmitted by telegraph and rail-road companies over their own wires, on their own business, for which they receive no pay, are not taxable.

HISTORY OF THE BANK OF ENGLAND.

(Continued from page 632.)

THE YEAR 1857.

THIS, too, was one of the remarkable years in the history of the bank. An advance in the rate of interest to 7 per cent. was made by the Bank of England on the 12th of October, 1857, and was deemed a measure of self-protection, and one fully authorized by the exigencies of trade. It would be well if the banks in other countries could, under similar circumstances, and with similar prospective advantages, increase their rates on loans to 7, 8 or 9 per cent., and thereby deter speculation. Since the close of the war with Russia, in the spring of 1856, the policy of the Bank of England has not, however, been a consistent one. They have adopted, upon too slight considerations, and in repeated instances, during the years 1856-'7, a lower rate for a higher; and, in turn, (finding their error,) changed from the low to the higher rate.

On the 4th December, 1856, after numerous failures of commercial houses and provincial banks, the Bank of England, in view of large accumulations of bullion, reduced the rate from 7 to $6\frac{1}{2}$ per cent., and on the 18th, (two weeks later,) to 6 per cent., the Bank of France at the same time relaxing its restrictions, by taking bills having 75 days (instead of 60) to run. These movements were hasty and unwise, as may be seen by the speedy return to higher rates.

1857, January 9.—The rate on government stock advanced. .

April 2.—The rate on commercial bills advanced from 6 to $6\frac{1}{2}$ per cent., and on the 9th the bank advanced the rate on government stock to 7 per cent., and refused to discount brokers' bills having more than one month to run.

May 7.—The bank refused to make loans on government securities on any terms.

June 18.—The rate of discount reduced from $6\frac{1}{2}$ to 6 per cent. (The Bank of France, on the 25th, from 6 to $5\frac{1}{2}$.)

Sept. 3.—The Bank of England recommenced their loans on six months' bills [of late confined to three months.] This was a measure rather calculated to encourage than repress speculation.

October 12.—The rate advanced from 6 to 7 per cent.

October 19.—The rate advanced from 7 to 8 per cent., and finally, on the 5th of November, to 9 per cent.

These changes in the bank policy occurred, it must be borne in mind, when there was a continuous flow of gold and silver from England to India and China—a current that should forcibly have led the bankers, the merchants, the legislators, of England, to fear a reaction. We will refer to the figures, and show the export of gold and silver from England alone to the East during the years 1851 to 1855:

	<i>Export of Gold.</i>	<i>Export of Silver.</i>	<i>Total.</i>
1851,.....	£ 102,280	.. £ 1,716,100	.. £ 1,818,380
1852,.....	921,789	.. 2,630,238	.. 3,551,977
1853,.....	881,202	.. 4,710,665	.. 5,590,866
1854,.....	1,174,299	.. 3,182,003	.. 4,306,302
1855,.....	947,272	.. 6,409,889	.. 7,358,161
	£ 4,026,792	.. £ 18,598,895	.. £ 22,625,686
Dollars,.....	20,000,000	.. 90,000,000	.. 110,000,000

For the first months of 1856, the export of silver alone was £7,165,893. The fact is, China and India have absorbed annually a very large portion of the product of gold and silver—the latter especially. Two items of Chinese productions will alone account for this, the enormous exports of silk and tea to England and North America for five years having been as follows:

	<i>Tea, lbs.</i>	<i>Raw Silk, lbs.</i>
1850,.....	50,512,000	.. 1,769,000
1851,.....	71,446,000	.. 2,055,000
1852,.....	66,360,000	.. 2,118,000
1853,.....	70,735,000	.. 2,838,000
1854,.....	85,792,000	.. 4,576,000

Thus, in less than eighteen months, there had been at least eleven changes, when three or four would have been sufficient, with due regard to the predisposition to overtrading and speculation, which was strongly displayed as soon as peace was restored in 1856. Thus the bank mania throughout continental Europe was so strong in the summer of 1856, and the mania for joint-stock operations in England were such as to indicate, beyond dispute, that so sudden and violent a change must, ere long, produce a reaction; and in October, 1856, the bank suddenly raised its rates of discount ONE per cent.

Suspension of the Charter Act of 1844.—A cabinet council was held November 12th, 1857, at the official residence of the First Lord of the Treasury in Downing-street. The ministers present were—Viscount PALMERSTON, the Lord Chancellor, Earl GRANVILLE, the Marquis of Lansdowne, the Earl of Harrowby, Sir GEORGE GRAY, the Earl of Clarendon, the Chancellor of the Exchequer, Sir CHARLES WOOD, the Right Hon. R. VERNON SMITH, Lord STANLEY, of Alderley, the Duke of Argyll, and the Right Hon. M. T. BAINES. The following letter was addressed to the governors of the Bank of England:

Downing-street, Nov. 12, 1857.

Gentlemen,—Her majesty's government have observed with great concern the serious consequences which have ensued from the recent failure of certain joint-stock banks in England and Scotland, as well as of certain large mercantile firms, chiefly connected with the American trade.

The discredit and distrust which have resulted from these events, and the withdrawal of a large amount of the paper circulation authorized by the existing bank acts, appear to her majesty's government to render it necessary for them to inform the Bank of England that if they should be unable, in the present emergency, to meet the demands for discounts and advances upon approved securities, without exceeding the limits of their

circulation prescribed by the act of 1844, the government will be prepared to propose to Parliament upon its meeting a bill of indemnity for any excess so issued.

In order to prevent this temporary relaxation of the law being extended beyond the actual necessities of the occasion, her majesty's government are of opinion that the bank terms of discount should not be reduced below their present rate. Her majesty's government reserve for future consideration the appropriation of any profit which may arise upon issues in excess of the statutory amount.

Her majesty's government are fully impressed with the importance of maintaining the letter of the law, even in a time of considerable mercantile difficulty; but they believe that, for the removal of apprehensions which have checked the course of monetary transactions, such a measure as is now contemplated has become necessary, and they rely upon the discretion and prudence of the directors for confining its operation within the strict limits of the exigencies of the case. We have, &c.,

PALMERSTON,
G. C. LEWIS.

To the Governor and Deputy-Governor of the Bank of England.

The statement of the bank for the third week in October and November was as follows:

	October.		Nov. 25.
Government debt,.....	£ 11,015,100	....	£ 11,015,100
Government securities,.....	3,459,900	....	5,459,900
Gold coin and bullion in the Issues Department,.....	8,777,105	....	6,784,145
Total amount issued,....	£ 23,252,105	....	£ 23,259,145
Deduct notes on hand in Bank Department,.....	3,485,840	....	1,918,860
Total in hand of the public,..	£ 19,766,265	....	£ 21,340,285

The gold and silver coin held by the Bank Department was less than half a million, (£479,527,) to meet the following obligations:

	October 20.		November 25.
Public deposits,.....	£ 4,861,700	....	£ 5,788,998
Private deposits,.....	11,268,900	....	14,951,516
Seven day bills,.....	819,400	....	815,888
	£ 16,945,000	....	£ 21,556,352

Although the bank held a reserve of notes of £3,486,840 unemployed, yet these were totally insufficient, with the small amount of coin, (£592,000,) to meet the outward current of gold to the continent and to the east. It is true that bank notes were legal tender elsewhere, but not by the bank in payment of its debts.

Thus while the provisions of the act have been carefully adhered to, the bank is totally disqualified from using any portion of the £8,777,105 (held in coin and bullion) in payment of its deposits. Suspension was

therefore unavoidable in view of the exhaustion of gold for foreign objects. The chief end in view by Sir ROBERT PEEL, by the act of 1844, was to place a limit to the paper issues of the country—that the amount then outstanding should be held to be sufficient and should not be increased, and that as fast as the country banks failed or wound up, the Bank of England might fill the vacuum thus created, or to two-thirds the amount at least. So anxious was Sir ROBERT PEEL for the success of the measure, that he sought to give the utmost effect to his speech by the following peroration :

“A quarter of a century has passed away (viz., 1819–1844) since I first brought forward that great measure which for ever abolished the system according to which issues of bank notes were then conducted. To me it will, therefore, be a source of great personal gratification, if I now succeed in inducing the House to agree to a measure calculated to give additional stability to that which Parliament adopted in the year 1819, and to prevent those fluctuations so dangerous to commercial enterprise.

“When I see the danger arising from the Bank of England having recourse to foreign establishments; when I look at the fluctuations which have taken place in our currency, defeating all the calculations on which commercial enterprise could rest, * * * my gratification will be of the highest and purest kind, if I prevail on the House to adopt a measure that will give steadiness to the character of our resources, which will inspire confidence in the circulating medium, which will diminish all inducements to fraudulent speculations and gambling, and insure its just reward to commercial enterprise, conducted with honesty, and secured by patience.”

During the debate on the act of 1844, Mr. CHARLES WOOD, now (Sir CHARLES WOOD,) said in reference to the provisions of the bill:

“I have said that the bank shall be restricted from issuing notes upon securities to any greater extent than fourteen millions. This restriction applies, however, to *ordinary circumstances*, and to the state of the affairs of the bank. *The case may occur in which it would be reasonable, and, indeed, might be necessary*, that there should be an increase of the issues of the bank upon securities, supposing the country circulation to amount to eight millions, and of this amount two millions to be withdrawn, either in consequence of the failure of banks, or in consequence of agreements with the Bank of England to issue Bank of England paper; in that case, in order to supply the void, it may be necessary that the bank should make an increased issue. A part of this issue may fairly be made upon securities. Our proposal is, that the profit to be derived from such an issue shall be placed to the account of the government, and that no increased issue upon securities shall take place without a communication from the bank to government, and without the express sanction of three members of government, the First Lord of the Treasury, the Chancellor of the Exchequer, and the President of the Board of trade. We do not contemplate, and do not intend to provide for an increased issue upon securities in any other case than that to which I have referred, namely, the supply of a void caused by the withdrawal of some considerable portion of the existing country circulation.”

The following is a statement of the changes of the rate of interest in

the Bank of England for the year 1857, with the bullion in the bank nearest each period:

1857, April 2,.....	6½ per cent.,.....	£ 9,803,000
1857, June 18,.....	6 "	11,172,000
1857, July 16,.....	5½ "	11,840,000
1857, Oct. 8,.....	6 "	10,109,000
1857, " 12,.....	7 "	10,109,000
1857, " 19,.....	8 "	9,524,000
1857, Nov. 5,.....	9 "	8,497,000
1857, " 9,.....	10 "	7,170,000

November was the critical period of the year 1857. The *Times* of November 12, 1857, contained these announcements:

1. Bank charter suspended.
2. Interest in London, 10 per cent.
3. " in Hamburg, 10 per cent.
4. " in Paris, 8½ per cent.
5. " in New-York, 25 per cent.
6. Suspension of cash payments general by all banks in the United States.
7. Two banks stopped in Glasgow, and one in Liverpool, and a great bill panic in London.
8. Commercial credit and transactions almost suspended in the country.
9. Bullion in the bank, £7,170,000.
10. Reserve notes in the bank, £975,000.
11. Bank liabilities, £40,875,000.

One gentleman, during the heat of the excitement at Glasgow, went into the Union Bank and presented a check for £500. The teller asked him if he wished gold. "Gold!" replied he, "no; give me notes, and let the fools who are frightened get the gold." Another gentleman rushed into the same bank in a great state of excitement, with a check for £1,400. On being asked if he wished gold, he replied, "Yes." "Well," said the teller, "there is £1,000 in that bag, and £400 in this one." The gentleman was so flurried by the readiness with which the demand was granted, that he lifted up the bag with the £400 only, and walked off, leaving the £1,000 on the counter. The teller, on discovering the bag, laid it aside for the time. Late in the day the gentleman returned to the bank in great distress, stating he had lost the bag with the £1,000, and could not tell whether he dropped it in the crowd or left it behind him on leaving the bank. "Oh, you left it on the counter," said the teller, quietly, "and if you will call to-morrow you will get your £1,000."

The Bank of England, the great monetary institution which so strongly affects the financial destinies of the old and new country, in this crisis gave an additional shock to the Atlantic trade by raising rapidly its rate of discount—by impeding the remittance of specie to the United States for the resumption of specie payments there; and, at a period when the rates of discount were enormously enhanced, by treating with suspicion the paper of all American houses—thus virtually depriving them of discount altogether. Thus, solvent houses and insolvent houses of all

kinds were brought down: for, though it has been said that no solvent house could want accommodation, yet, inasmuch as so many houses were endangered by the mistrust and suspicion of the regulators of the discount market, houses having good bills, but with the names of suspected firms upon them, were left with inconvertible paper. A bill with three names was reduced to two names, or one name, and placed out of line. Next, the joint-stock banks were disabled from re-discounting, and a name lost thereby; so that day by day the proportion of first-class bills was reduced, and no man having good bills in his hand could tell—if he kept them for a month, a fortnight, a week, or even a day—but that they might become discredited, thus depriving all of resource therefrom. Therefore he rushed to the Bank of England to obtain accommodation while he could; and, with a diminished trade, we saw the phenomenon of an increased amount of discount. Those who had produce strove to realize and obtain resources; thus prices and produce were depressed, and, as the usual course of credit was disturbed, further damage was caused. Alarm was spread among the small tradesmen and the working classes of Scotland and Ireland; notes were forced in for gold, deposits left in confidence were summarily withdrawn, and the banks, unable instantly to realize their resources, or to discount the paper on hand, had, in several cases, to succumb to the sudden pressure.*

In such a crisis rotten houses stopped, because rotten houses must stop, and it is besides expedient to cover a disgrace by the appearance of yielding to a general misfortune; but solvent houses suspended, some of which have since resumed, and others will pay twenty shillings in the pound. The liabilities of the British houses and banks which have failed during the crisis are estimated at £50,000,000.

The panic spread to the continent, not only through the customary channels of trade, but because the Germans of late years have acquired a very close connection with the States by the intercourse of half a million of emigrants, while in the trade of England itself the Germans have now a very great share. The desire of freedom has made many of the most active men of Germany citizens or denizens of England and the United States, while those at home look with interest and longing to these emigrant kinsmen. Thus, Germany has in this crisis suffered even more than France and Hamburg; Bremen and every commercial city of Germany have been stricken with disaster.*

The year 1857 was noted for the failure of the Royal British Bank. The directors were tried and convicted of fraud, in publishing fictitious balance-sheets. Lord CAMPBELL, in haranguing the three defendants, BROWN, ESDALE and CAMERON, directors, said: "It would be disgraceful to the law of this country if this were not a crime to be punished. It is not a mere breach of contract with the shareholders, or with those who deal with the bank, but it is a criminal conspiracy to do that which inevitably leads to great public mischief, to the ruin of families, and reducing the widow and the orphan from affluence to destitution." Many persons will think that a sentence of one year's imprisonment, among the most favored class of prisoners, upon men who had been found guilty of

* *Westminster Review*, Jan., 1858.

so heinous an offence as this, with not one circumstance of mitigation which could be pleaded in their favor, was a particularly light one. We have no objection to a distinction in the punishments awarded, and, as the jury had recommended OWEN, STAPLETON, KENNEDY and MACLEOD to the merciful consideration of the court, it was right that their recommendation should be taken into account; but Lord CAMPBELL had left himself no lesser punishment to award which was at all adequate to their guilt, and their sentence was accordingly almost nominal. We fear that this manner of dealing with such misdemeanants will disarm future proceedings of all their terror, and render this prolonged trial barren of result to the community.*

In London no bank failed. In Liverpool, the Borough Bank, in Glasgow, the Western Bank of Scotland, in Newcastle, the Northumberland and Durham District Bank, failed in the months of October and November last. The City of Glasgow and Wolverhampton banks suspended payment, but have since resumed. The House of Commons committee examined Mr. JOSHUA DIXON, who, in August, 1857, first assumed the post of managing director of the Borough Bank; Mr. FLEMING, who was, after July, 1857, assistant-manager, manager or liquidator of the Western Bank of Scotland; and Mr. KIRKMAN HODGSON, a member of the House, and director of the Bank of England, who, being well acquainted with the trade of Newcastle, went there in November, 1857, to inquire how far the Northumberland Bank might be safely aided.†

The Western Bank of Scotland was founded in 1832. In 1834 it was already in difficulties, and their correspondents in London dishonored their bills. They applied to the other banks for assistance, and received it, under certain conditions. In the year 1838 they applied to the Board of Trade for letters patent, which were refused. At this time the Bank of Scotland and other banks addressed a memorial to Mr. POULTER THOMPSON, alleging the breach of the conditions referred to. In 1847 the Western Bank was again in difficulties, and was assisted by the Bank of England, receiving an advance of £300,000. The then manager, Mr. DONALD SMITH, appears to have taken alarm from the occurrences of 1847; and in 1852, when he retired, the bank, though not in a satisfactory position, stood better than it had stood before since 1847. When it failed, on 9th of November, 1857, it appeared that the four insolvent houses of MACDONALD, MONTEITH, WALLACE and PATTISON were indebted to it in the sum of £1,603,000; the whole capital of the bank being only £1,500,000. One of the conditions of the co-partnership was, "That if it shall at any time appear, on balancing the company's books, that a sum equal to £25 per centum on the advanced capital stock of the company has been lost in prosecution of the business of the company, such loss shall, *ipso facto*, and without the necessity of any further procedure, dissolve and put an end to the company.†

The panic of 1857 raged the most severely in Hamburg, where, although the basis was the soundest, it was yet the narrowest. In France, where the basis was the widest, the panic was the least severe. In Great

* *London Times*, March, 1858.

† *Parliamentary Committee's Report*, 1858-1859.

Britain, although the basis was sound, yet the panic was severe by the basis having been artificially narrowed by the act of 1844. In Hamburg, France and Great Britain the bases were all sound, but in the United States the basis was unsound, because the specie in proportion to the notes was inadequate to insure their convertibility. The effect of the panic of 1857 on these banks was, that the banks of the United States and of Hamburg stopped payment; that the Bank of England would have stopped, had not the act of 1844 been suspended, permitting the extension of the money basis; but that the Bank of France did not stop payment, having no restriction on its issues beyond the liability to convertibility.*

A new committee on the Bank of England charter had under consideration, in 1857, the terms for the proposed extension. The committee was composed of twenty-five members, comprising the chancellor of the exchequer and four ex-chancellors, namely, Mr. DISRAELI, Sir FRANCIS BARING, Sir C. WOOD and Mr. GLADSTONE; also, Sir J. GRAHAM; Mr. SPOONER, banker, of Birmingham; Mr. G. A. HAMILTON, the financial secretary to the treasury under Lord DERBY's government, and chairman of the recently dissolved London and Paris Bank; Mr. GLYN, London banker; Mr. WILSON, the financial secretary to the treasury; Mr. CAYLEY, a director of the Commercial Bank; Mr. VANCE, a Dublin merchant; Mr. WEGUELIN, the late governor of the Bank of England; Mr. HILDYARD, Q. C.; Mr. HANKEY, a director, and who was formerly governor of the Bank of England; Mr. BLACKBURN, chairman of the Edinburgh and Glasgow Railway; Mr. M. T. SMITH, London banker; Mr. FERGUS, a Scotch manufacturer; Mr. HOPE JOHNSTONE; Mr. J. L. RICARDO, a director of the London and Westminster Bank; Mr. ENNIS, the governor of the Bank of Ireland; Mr. TITE, the chairman of the Bank of Egypt, and a director of the London and Westminster Bank; Mr. FULLER, Mr. BALL and the Earl of Gifford, formerly private secretary to Lord PANMURE.

* Letter from HAMEK STANFELD, of Otley, England: see *Bankers' Magazine*, New-York, January, 1860.

CHAPTER VIII.

YEARS 1858, 1859, 1860.

THE BANK ACT OF 1844—FAILURES OF 1857—LOANS TO BILL-BROKERS—FORBID ISSUE OF £2,000,000 BANK NOTES—BANK FAILURES IN SCOTLAND—CRISIS IN IRELAND—CRISIS IN LIVERPOOL—CONTINENTAL BANKS—PRICE OF GOLD—OPINIONS OF LORD OVERSTONE—YEARLY AVERAGE OF NOTES, 1844-1858—EVIDENCE OF BANK DIRECTORS—FAILURES OF COMMERCIAL HOUSES—JOINT-STOCK BANKS—FLUCTUATIONS IN PRICES—CONTINENTAL BANKING—DEATH OF MR. TOOKE.

THE YEAR 1858.

A REPORT from the select committee of the House of Commons, appointed to inquire into the operations of the bank acts of 1844, and of the bank acts for Ireland and Scotland of 1845, and into the causes of the recent commercial distress, and to investigate how far it has been affected by the laws for regulating the issue of bank notes payable on demand, was made in 1858. The committee was appointed on the 11th December, 1857, and on the 8th February, 1858, the following members were appointed, viz.: The chancellor of the exchequer, Mr. DISRAELI, Sir JAMES GRAHAM, Sir CHARLES WOOD, Sir FRANCIS BARING, the Earl of Gifford, and Messrs. SPOONER, GEORGE A. HAMILTON, GLADSTONE, CAYLEY, VANCE, CARDWELL, BLACKBURN, WILSON, WEGUELIN, HANKEY, HOPE JOHNSTONE, ENNIS, FULLER, FERGUS, JOHN L. RICARDO, M. TUCKER SMITH, GLYN, BALL, TITE.

The following witnesses were examined: Messrs. SHEFFIELD NEAVE and BONAMY DOBREE, governor and deputy-governor of the Bank of England; THOMAS MATTHIAS WEGUELIN, M. P.; Alderman DAVID SALOMANS, director of the London and Westminster Bank; WILLIAM RODWELL, banker at Ipswich; JOHN BALL, accountant; JAMES EDWARD COLEMAN, accountant; JAMES HOLGATE FOSTER, merchant; ROBERT SLATER, merchant; SAMPSON SAMUEL LLOYD, banker, Birmingham; PHILIP HENRY MUNTZ, merchant, Birmingham; Right Hon. Sir GEORGE CLERK, Bart., deputy-governor of the Bank of Scotland; LAURENCE ROBERTSON, cashier of the Royal Bank in Edinburgh; KIRKMAN DANIEL HODGSON, director of the Bank of England; CHARLES HALLIDAY, governor of the Bank of Ireland, and JOHN BARLOW, director of the same; JOSHUA DIXON, managing director of the Borough Bank of Liverpool; JAMES ROBERTSON, manager of the Union Bank of Glasgow; JOHN TORR, merchant, Liverpool; JOHN ENNIS, late governor of the Bank of Ireland; JAMES BRISTOW, director of the Northern Banking Company, Belfast; JAMES SIMPSON FLEMING, one of the liquidators of the Western Bank of Scotland; JOHN SMITH, banker; WILLIAM DIGGES LATOUCHE, private banker, of Dublin.

The committee, on the 1st July, 1858, reported as follows:*

"The ten years which have elapsed since the last committee sat under the same order of reference, viz., the Committee on Commercial Distress, which reported in 1848, have been marked by many circumstances of peculiar interest and importance. The foreign trade of the United Kingdom has in that period increased with a development unprecedented, perhaps, by any other instance in the history of the world. The exports which, before 1848, had never exceeded £60,110,000—the amount which they attained in 1845—have risen, with very little variation, and with great rapidity; and in 1857, notwithstanding the severe commercial pressure which marked the latter portion of that year, they stood at £122,150,005. In the year 1849 the newly-discovered mines of California began to add perceptibly to the arrivals of gold; and in 1853 the supply was increased by the still more fertile discoveries in Australia. In the seven years there has been an increase in the European stock of bullion of £80,700,000. * * * * *

"Your committee will now state to the House the general outline of commercial disasters, as it occurred in the United Kingdom. The first occurrence in this country which caused alarm was the failure of the house of MACDONALD & Co., of Glasgow and London, which took place in October, and was accompanied by the failures of MONTEITH & Co. and WALLACE & Co., of Glasgow. The house of MACDONALD employed a great many workpeople in sewing muslin goods for the home trade and for the American market, and this they carried on to a very large extent. They had been in fair credit till very nearly the time of their failure, but shortly before that period they are described as having given out that they had changed their mode of doing business for the purpose of embracing a wider field. This, however, is represented to have been a deception, intended to cover a system to which they had recourse, of drawing fictitious bills, and to give to these bills the appearance of genuine business transactions. From the records of the public tribunals, it appears that a very considerable number of persons (one of the partners is said to have admitted as many as seventy-five) in London and other places, were employed by this firm, for a small commission, to put their names to fictitious bills, which were then discounted, a large proportion of them in Glasgow; and when the house of MACDONALD failed, it was found to be indebted to the Western Bank £422,000. The house of MONTEITH & Co. was indebted to the same bank £537,000; that of WALLACE & Co., £227,000." * * * * *

Yearly Average of Notes.—It has been observed before, that while, on the one hand, the great increase of retail transactions has caused an increased demand for the smaller notes, concurrently with the increased demand for gold, yet, on the other hand, so great has been the effect of increasing facilities in banking, that a saving of a corresponding amount has been effected in the larger notes. The proportions are those represented in the following table: †

* For the report in full, thirty-eight pages, see *Bankers' Magazine*, December, 1859.

† *House of Commons Report*, July, 1858.

YEARLY AVERAGE OF NOTES WITH THE PUBLIC.

YEAR.	Notes of 25 and £10. £ m.	Per cent. of total circulation.	Notes of £50 to £100. £ m.	Per cent. of total circulation.	Notes of £200 to £1,000. £ m.	Per cent. of total circulation.	Total. £ m.
1844...	9,263	45.7	5,735	28.3	5,253	26.	20,241
1845...	9,698	46.9	6,082	29.3	4,942	23.8	20,722
1846...	9,918	48.9	5,778	28.5	4,590	22.6	20,286
1847...	9,591	50.1	5,498	28.7	4,066	21.2	19,155
1848...	8,732	48.3	5,046	27.9	4,307	23.8	18,085
1849...	8,692	47.2	5,284	28.5	4,477	24.3	18,403
1850...	9,164	47.2	5,587	28.3	4,646	24.	19,398
1851...	9,362	48.1	5,554	28.5	4,557	23.4	19,473
1852...	9,339	45.	6,161	28.2	5,856	26.8	21,856
1853...	10,699	47.3	6,393	28.2	5,541	24.5	22,633
1854...	10,565	51.	5,910	28.5	4,234	20.5	20,709
1855...	10,628	53.6	5,706	28.9	3,459	17.5	19,793
1856...	10,680	54.4	5,645	28.7	3,323	16.9	19,648
1857...	10,569	54.7	5,567	28.6	3,241	16.7	19,647

Failures in Scotland.—The causes which, in the judgment of the bank directors, immediately led to the failures, were detailed by them in their correspondence with the treasury. The treasury letter was the subject of discussion in the House, and an act of indemnity having passed, the committee do not feel called upon to say more than that the evidence appears to them to show that the discretion of the government was properly exercised.

Over-Issue of £2,000,000.—On the 12th November, the discounts at the bank exceeded two millions. The following figures sufficiently exhibit the result of the foregoing operations, viz.:

	Bullion.	Reserve.	Discounts and Advances.
10.....	£7,411,000	£2,420,000	£14,803,000
11.....	6,666,000	1,462,000	15,947,000
12.....	6,524,000	581,000	18,044,000

The government letter was issued on the 12th. Whatever effect this letter may have had in other ways in calming the public mind, and so tending to mitigate the severity of the pressure, it did not immediately diminish the demand for discounts and advances. This continued to increase until 21st November, on which day the bank had advanced in discounts, £21,600,000, a sum exceeding the whole amount of their deposits, both public and private; a sum nearly threefold the amount of their advances in July, when the rate was reduced to five and a half per cent., and more than double what they had advanced on the 27th October, when the first bank failed. Half of these loans were made to the bill-brokers, and were partly made upon securities which, under other circumstances, the bank would have been unwilling to accept. They were made for the purpose of sustaining commercial credit in a period of extreme pressure. The letter was issued on the 12th November; but whilst in 1847 it was not found necessary for the bank directors to avail themselves of the permission so given them to exceed the limits imposed by law, that necessity in this instance actually arose. An issue to the extent of £2,000,000 beyond the legal issue was made to the banking

department. The following account shows the sums actually issued from the bank to the public in November :

NOTES ISSUED TO THE PUBLIC ON SECURITIES, BEYOND THE STATUTORY
LIMIT OF £14,475,000.

November 13,.....	£ 186,000	November 23,.....	£ 397,000
“ 14-15,.....	622,000	“ 24,.....	317,000
“ 16,.....	860,000	“ 25,.....	81,000
“ 17,.....	836,000	“ 26,.....	243,000
“ 18,.....	852,000	“ 27,.....	342,000
“ 19,.....	896,000	“ 28-29,.....	184,000
“ 20,.....	928,000	“ 30,.....	15,000
“ 21-22,.....	617,000	Average of 18 days,.....	488,830

As regards the alteration of the rate of interest by the bank in the latter part of the year 1857, it is stated in the report of the bank committee, that on the 16th of July, the rate was reduced from six to five and a half per cent. This continued to be the minimum rate of discount at the bank until the 8th of October, when it was raised again to six per cent. Four days later, on the 12th of October, the rate was raised to seven per cent. In seven days, on the 19th of October, the rate was fixed at eight per cent., and it was afterwards raised to nine per cent. on the 5th of November, and to ten per cent. on the 9th of November. Thus, in the course of only one month, between the 8th of October and the 9th of November, the rate was advanced from five and a half to ten per cent.*

The government letter, authorizing an extension of the circulation, was issued on the 12th November. An issue of notes to the extent of two millions beyond the legal issue was made to the banking department of the Bank of England, but not more than £928,900 of notes were issued to the public beyond the statutory limit. That additional amount was reached on the 20th November, after which date the excess rapidly declined until the end of the month, when it was discontinued. The legal circulation was only exceeded for a period of eighteen days.*

Lord OVERSTONE.—The advocates of the theory, as it is called, of the act of 1844, are far from contending that their theory is completely carried into effect by the provisions of the act. The origin of that legislation is thus referred to by *Lord OVERSTONE* :

“ I had no connection, political or social, with *Sir ROBERT PEEL*. I never exchanged one word upon the subject of this act with *Sir ROBERT PEEL*, in my life, neither directly nor indirectly. I knew nothing whatever of the provisions of this act until they were laid before the public; and I am happy to state that, because I believe that what little weight may attach to my unbiassed conviction of the high merits of this act, and the service which it has rendered to the public, may be diminished by the impression that I have something of personal vanity in this matter. I have no feeling whatever of the kind. The act is entirely, so far as I know, the act of *Sir ROBERT PEEL*, and the immortal gratitude of this country is due to him for the service rendered to it by the passing of

* Review of the bank, by *RICHARD VALPY*, read before the British Association for the Advancement of Science, September, 1858. See *Bankers' Magazine*, New-York, May, 1860.

that act. He has never been properly appreciated; but year by year the character of that man upon this subject will be appreciated. By the act of 1819, Sir ROBERT PEEL placed the monetary system of this country upon an honest foundation, and he was exposed to great obloquy for having so done. By the act of 1844 he has obtained ample and efficient security that that honest foundation of our monetary system shall be effectually and permanently maintained; and no inscription can be written upon his statue so honorable as that he restored our money to its just value in 1819, and secured for us the means of maintaining that just value in 1844. Honor be to his name.*

The extraordinary rise in prices in London markets between 1851 and 1857, and the consequent speculation connected therewith, will be indicated by the following comparative table. In the United States the prices of market produce, labor, and materials requiring labor for their production, have all increased from thirty to fifty, and in some instances to one hundred per cent. :

	Jan., 1851.		Jan., 1854.		Feb., 1857.
Coffee,	53 @ 58s.	..	53 @ 60s.	..	58 @ 67
Sugar,	26 @ 28s.	..	21 @ 55s.	..	36 @ 40
Rum, Jamaica,	26 @ 32d.	..	42 @ 46d.	..	44 @ 46
Tobacco,	4½ @ 10d.	..	2½ @ 8d.	..	8 @ 11
Butter,	78 @ 80s.	..	104 @ ..	..	112 @ ..
Beef, (8 lbs.,)	28 @ 30	..	42 @ 46	..	40 @ 46
Do. prime,	32 @ 36	..	48 @ 50	..	48 @ 50
Mutton,	34 @ 42	..	48 @ 54	..	48 @ 52
Do. prime,	44 @ 46	..	50 @ 52	..	54 @ 58
Pork,	30 @ 42	..	42 @ 44	..	44 @ 52
Silk, raw, lbs.,	9 @ 17s.	..	12½ @ 16½	..	16 @ 25
Flax, tons,	38 @ 46	..	35 @ 52	..	52 @ ..
Wool, (240 lbs.,)	£14 @ ..	..	15½ @ 16	..	37 @ ..
Logwood,	70 @ 80s.	..	110 @ ..	..	110 @ ..
Seal oil,	£37 @ ..	..	43 @ ..	..	50 @ ..
Olive oil,	43 @ ..	..	63 @ ..	..	61 @ ..
Palm oil,	29 @ ..	..	43 @ ..	..	47 @ ..
Tallow,	36½ @ ..	..	60 @ ..	..	62 @ ..
Leather, lbs.,	12 @ 23d.	..	15 @ 10	..	24 @ 31
Saltpetre, cwt.,	27½ @ 29½s.	..	27 @ 31	..	37 @ 46
Ashes, pearl,	30½ @ 31	..	29 @ ..	..	45 @ ..
Copper,	£84 @ ..	..	126 @ ..	..	135 @ ..
Iron, tons,	5½ @ 6	..	9½ @ ..	..	9 @ ..
Do. Swedish,	11½ @ ..	..	12½ @ ..	..	15 @ ..
Lead, tons,	17½ @ ..	..	23½ @ ..	..	23 @ ..
Steel, Swedish,	15 @ ..	..	17½ @ ..	..	20 @ ..
Tin, tons,	84 @ ..	..	126 @ ..	..	143 @ ..

These facts are important, as demonstrating the progressive advance of prices according to the increased bulk of the precious metals. The same result occurred in the century following the discovery of gold in America, (1500-1600,) although the increased production was far less than it is now. Rents, wages, family supplies, labor generally—all advanced from fifty to one hundred per cent. It is true that the present accumulation of precious metals is diffused among a much larger population and over a more extended region of country than in the sixteenth or seventeenth centuries—but similar causes will produce similar results, and labor will

* House of Commons Report, July, 1858.

secure for itself a remuneration commensurate with the increased expenses of living.

Continental Banking.—It will be instructive now to turn to the north of Europe to survey the condition of countries where, as in Hamburg, the currency is exclusively metallic, and to compare the state of things there with that which existed here under the laws which regulate the currency in this kingdom. In Hamburg, on the 23d November, 1857, commercial confidence is stated to have been entirely at an end; so that only the bills of three or four of the first houses were negotiable, at the highest rate of discount. In the first instance, some of the leading houses and the banks originated a plan for relief, viz., the subscription of about £1,000,000, and the appointment of a committee to give, by endorsement, the credit of this fund to the current bills. At first it seemed that confidence was much restored, but in two days this hope vanished; and on the 25th the aspect of affairs was again very gloomy. On the 27th, a meeting of the *Bürgerschaft* was held, and a new arrangement was proposed by the Senate for the issue of government bonds on the deposit of goods, funds and shares, to the amount of £1,125,000. On the following day the feeling of the exchange was better, in consequence of this government measure, and of the arrival of considerable quantities of silver. Yet, on the 1st of December, our consul writes: "The embarrassments of the mercantile community here still continue undiminished." And on the 3d, "There is no deficiency of silver in the Hamburg Bank; indeed, the amount in the cellars of the bank is now much larger than it has been at any former period, but a total want of confidence prevents its holders from parting with it." The government bonds could not be discounted. A loan was ultimately obtained from Vienna; but even the arrival of the amount in specie failed to produce the desired effect, until the Senate reluctantly proposed that it should be entrusted to a secret committee, to be by them lent out on good security. On December 12, so soon as it was known that by the aid of the government the leading houses would fulfil their engagements, the panic ceased. Money at once became abundant, and in about a fortnight the rate of discount for the best bills fell to two and three per cent.*

Prices.—A considerable amount of the loss sustained through the failures in 1857 has arisen through the fall in price of merchandise. Some notion may be formed of the loss experienced in consequence of the panic, from the following prices of raw silk in July, 1857, and January, 1858: Bengal silk, in July, 1857, was quoted 15s. to 33s. 6d.; in January, 1858, 11s. to 24s.; fall, 28 per cent. China silk, July, 1857, 10s. to 29s.; January, 1858, 6s. to 7s.; fall, 66½ per cent. Brugia silk, July, 1857, 38s. to 42s. 6d.; January, 1858, 10s. 6d. to 32s.; fall, 46 per cent. Tallow fell from 60s. to 50s. Sugar, from 55s. to 35s. per cwt. Cotton, from 7d. to 6d. per lb. Tin, from 135s. to 122s. per cwt. Tea, Congou, from 1s. 3d. to 1s. per lb. Taken generally, the loss occasioned by the panic on the prices of commodities could not be less than 20 to 30 per cent. The alteration of value in Mr. MURRZ's stock alone was more than £40,000. In Liverpool, the decline was not less

* *House of Commons Report*, July, 1858.

than 30 per cent. The following are the prices of the principal articles before and during the panics in 1847-'48 and 1857-'58:*

	1st Aug., 1847.	1st Jan., 1848.	Decline.	1st Aug., 1857.	1st Jan., 1858.	Decline.
Cotton, Mid. Orleans,	7d.	4½d.	2½d. ..	8½d.	6½d.	1½d. lb.
Wool, Australian,.....	1s. 8d. to 2s. 8d.	1s. to 2s.	8d. ..	2s. to 2s. 7d.	1s. 9d. to 2s.	5d. "
Silk, China,	18s. to 19s.	10s. to 16s.	8s. ..	28s. to 29s.	15s. to 19s.	9s. "
Jute, E. I.,	£20	£14	£6 ..	£24	£15	£9 ton.
Sugar, E. I. & Mauritius, ..	40s. to 52s.	34s. to 48s.	5s. ..	52s. to 62s.	35s. to 50s.	5s. cwt.
Coffee, Native, Ceylon, ...	39s.	34s.	5s. ..	64s.	50s.	14s. "
Tea, common Congou,....	9d.	7½d.	1½d. ..	1s. 2d.	1s. 1d.	1d. lb.
Rice, Mid. Bengal,.....	15s.	12s.	3s. ..	11s.	9s.	2s. cwt.
Indigo, Mid. Bengal,.....	4s. 8d.	3s. 9d.	6d. ..	8s.	7s.	1s. lb.
Saltpetre, E. I.,.....	28s.	27s.	1s. ..	43s.	35s.	8s. cwt.
Palm oil,.....	£24 10s.	£27 10s.	£7 ..	£45	£37	£8 ton.
Olive oil,	£46	£43	£3 ..	£58	£48	£10 "
Tallow, Y. C.,	49s.	47s.	2s. ..	61s. 6d.	52s. 6d.	9s. cwt.
Timber, .....	..	..	.. ..	..	..	20s.

The late THOMAS TOOKE.—Mr. TOOKE, the venerable author of the *History of Prices*, and, in many respects, for a long period the chief of living economists, died at his residence, 81 Spring Gardens, early on the morning of Friday, the 26th February, 1858. Mr. TOOKE's age was within a few days of the completion of his 85th year; but it was not until within a few months that he manifested very sensibly the decay of powers to be naturally expected at so advanced a period of life. The death of his second son, Mr. THOMAS TOOKE, junior, (one of the directors of the Bank of England,) after a very short illness, at the close of December, 1857, may be regarded as the more immediate cause of the sad event. The suddenness and weight of the shock occasioned by so severe a bereavement as the loss of his son, exhausted a strength already impaired and failing, and for two months Mr. TOOKE had been gradually sinking. But there had been no interval, even up to the latest moment, during which the clearness and serenity of mind for which Mr. TOOKE was so remarkable, was interrupted. For a long period, in the early part of his life, Mr. TOOKE was the leading partner in one of the largest houses engaged in the Russian trade. The work which preceded the *History of Prices* was entitled *Thoughts and Details on High and Low Prices*, and appeared in 1823. A second edition was published in the following year. The first two volumes of the *History of Prices*—the work upon which Mr. TOOKE's fame principally rests—appeared in 1838; two further volumes appeared in 1840 and 1847, and it was only in the spring of 1858 that the fifth and sixth volumes, embracing the important period from 1848 to 1857, and extending, in many respects, the scope of the earlier volumes, were published. In these two closing volumes, as is well known, Mr. TOOKE relied to a great extent upon his coadjutor and friend and pupil, Mr. NEWMARCH, a coadjutor who may be justly said to be in some important degree the representative of the school of which Mr. TOOKE was the founder. But the active sphere filled by Mr. TOOKE was of scarcely less interest than his pursuits as a philosopher. He was governor

* House of Commons Report, July, 1858.

by re-election for several successive terms of the Royal Exchange Corporation; he was elected chairman, under similar circumstances of repeated choice, of the St. Katharine's Dock Company; and he was one of the earliest promoters of the London and Birmingham Railway. He contributed largely to the establishment of the Statistical Society, and to the latest period of his life he never lost an opportunity of forwarding the objects of that association. He was a factory commissioner in the early days of the great and difficult controversy out of which that commission arose, and he was the chairman of the subsequent commission relative to the employment of children. Among the last honors he received was the distinction of being elected a corresponding member of the French Academy. It is well known that Mr. TOOKE was the author of the merchants' petition of 1820 in favor of free trade, and that, in point of fact, the free trade movement then commenced was in a large measure originated by him. The petition itself is a noble document, and every principle it sets forth has been since made the groundwork of legislation. So long as patience and intrepidity in the pursuit of truth, and the promotion, by his own active example, of every useful work can constitute a claim to gratitude and respect, so long will the name of THOMAS TOOKE fill a distinguished place in the history of the time in which he lived.*

THE YEAR 1859.

In December, 1858, Mr. THOMSON HANKEY, M. P. for Peterborough, and former governor of the bank in 1851 and 1852, delivered an address before his constituents, in which he said:

"The whole revenue of the government arising from its daily receipts of customs, excise, post-office, taxes, stamps, &c., no matter whether received in London, Cornwall, the Hebrides, or Galway, finds its way almost immediately into the Bank of England, and is thereby rendered instantly available for the daily demands on the State. In all these transmissions scarcely a sovereign is used; the whole is effected by purely banking arrangements. The collector of government may require to transmit £50,000 from Liverpool to London; but some private individual on the same day wants to remit £50,000 from London to Liverpool, through the Bank of England, or through some other bank; both transactions are carried out by the mere entry in books, and the advice or instructions sent by the post.

"The revenue is paid into the Bank of England at the rate of about £1,000,000 a week, that is, in ordinary times; a considerable portion of this is allowed to accumulate to provide means on each quarter-day for the payment of the dividends on the government debt. Suddenly on those days five or six millions sterling is paid away by the bank to the public; but the difference, as to the abundance or scarcity of money just before or just after the payment of this large sum is scarcely appreciable, so nicely do the ordinary operations of banking accommodate and render easy all these large transfers of money. And for all this business the bank receives no other remuneration but the use of the government bal-

* *London Economist*, March, 1858.

ances, which vary from 'nil,' the day after the payment of the dividend, until they accumulate to the amount required for payment of dividends; and if then there is not sufficient, the bank is expected to advance the difference, which is repaid out of the next accruing revenue."

Mysterious Forgery.—A letter dated Brussels, October, 1859, says: The following curious circumstance has occurred here within the last three days:—About three years past a respectable individual arrived at one of the principal hotels at the lower part of the town from the railway station, ordered a room, and deposited in it a leather hat-box, saying he would return with the rest of his baggage in the course of the evening. He did not, however, make his appearance, nor has any thing more been heard of him, nor any claim been made since that period for the box, carefully kept in store by the hotel-keeper. The latter hearing, however, of the Waterloo Bridge murder, and suspecting that some mystery might also be attached to the box, decided upon having it opened in the presence of a witness, on Tuesday, when, to his infinite surprise, he found that it contained sundry packages of English bank notes of divers value, from £5 to £100, to the total amount of £120,000, all made up in parcels addressed to individuals at Marseilles, Frankfort, and elsewhere, and prepared apparently for transmission by post. Upon seeing this, the hotel-keeper took some of the notes to a money-changer in the Rue des Fripiers, who, upon close inspection, declared them to be forgeries admirably executed, especially those for £5, £10 and £20. The money-changer lost no time, consequently, in persuading the hotel-keeper to deposit the box, with all its contents, at his office, in presence of police agents, and forthwith communicated the discovery and his proceedings to the Bank of England and to her majesty's resident vice-consul. It is evident that the whole of these forged notes were intended to have been dispatched by post to their different destinations, so that the notes might be put in circulation simultaneously and at places far distant one from the other. The plan and the notes were abandoned from causes unknown; it was supposed that the addresses on the packets would probably afford a clue to the discovery of accomplices, although the period of those wholesale forgeries dates so far back.

The Bank of England Note.—In the new Bank of England note, a new Britannia, beautifully devised and finely engraved, is used in the place of the former vignette, and the writing on the new note is rendered, "I promise to pay the bearer on demand," instead of "I promise to pay to MATTHEW MARSHALL or bearer," as heretofore. Mr. SMER, the electrician, has proposed to the bank a system whereby surface printing from electrotype should be substituted for the plate printing, and that, with the aid of other eminent artisans, they had succeeded in bringing typography into successful operation for all the numerous forms of notes and checks required. For this purpose, the Britannia was cut in steel, and the letters produced in the best possible state of excellence attainable by the highest scientific skill.

The originals are never employed for printing, but are simply used as mould-makers, from which electro-casts are taken, by the use of the ordinary SMER's battery and precipitating trough. The bank notes by this system are printed at a steam-press, and no less than three thousand notes

are printed per hour. Mr. SMEN has demonstrated that the system pursued by the bank was so perfect, that no forged note had ever escaped eventual detection. By the new system, the most perfect identity will be insured, and the public have only to pay attention to the quality of the paper and the character of the design to protect themselves. Mr. SMEN states that great importance is attached to identity; but further, he considers that the matter of inimitability should be classed with the fanciful dreams of the philosopher's stone and the elixir of life of a by-gone age—the same mechanical means of production being substantially accessible to all.

On the 15th of September, 1859, the proprietors of the Bank of England held a meeting to declare a dividend. The net profits for the half year, ending the 31st August, were stated at £368,189, making the amount of the "rest," at that date, £3,689,019. After payment of a dividend of £4 10s. per cent. for the half year, free of income tax, the "rest" will remain at £3,034,134. A dividend at that rate was accordingly declared.

The following were the comparative returns of circulation of the Bank of England, September, 1849, 1857, 1859, with the deposits, coin, price of consols, and rates of exchange :

	Sept. 15, 1849.	Sept. 15, 1857.	Sept. 15, 1859.
Circulation.....	£ 18,701,000 ..	£ 19,656,000 ..	£ 21,919,000
Public deposits.....	7,729,000 ..	6,658,000 ..	8,508,000
Other deposits.....	9,085,000 ..	9,180,000 ..	13,074,000
Government securities.....	14,884,000 ..	10,593,000 ..	11,220,000
Other securities.....	10,408,000 ..	18,664,000 ..	18,957,000
Resources of notes and coin.....	11,195,000 ..	6,820,000 ..	10,535,000
Coin and bullion.....	14,860,000 ..	11,218,000 ..	17,120,000
Bank rate of discount.....	3 per ct. ..	5½ per ct. ..	2½ per ct.
Price of consols.....	92½ ..	90½ ..	95½
Average price of wheat.....	48s. Od. ..	55s. 8d. ..	42s. 9d.
Exchange on Paris, (short,).....	25.45 @ 25.50 ..	25.17½ @ 25 ..	25.12½
" on Amsterdam, (short,)..	12.2 @ 12.2½ ..	11.15 @ 15½ ..	11.14½ @ 15
" on Hamburg, (3 moa.)...	13.13½ ..	13.7½ @ 18.8 ..	13.5½ @ 13

The Bank and the Discount Houses.—After the panic of 1857, the Bank of England, with a view to guard itself against unlimited claims for assistance, pressed in times of difficulty by the discount houses, declined to extend to them the discount accommodation, up to that time a branch of the bank's business. It closed the discount account. A pamphlet was then published, suggesting a relaxation of this stringent rule. It was urged, that recent events, and the modified pressure of January in this year and in April of 1858, have proved the unsoundness of the restriction. It was admitted, "that no bank, as at present constituted, can possibly be expected to promise an unlimited amount of aid to any one," and it was suggested that the bank should "convert them into regular customers, by fixing a minimum and maximum account, to be always kept open, at a certain rate of interest, with the plain understanding, that they are not at any time to expect accommodation beyond the prescribed limits as a right, and that if they have occasion at any time to apply for a further temporary advance, the granting of such additional supply must depend entirely upon whether it is quite convenient for the bank to do so."

We are not convinced by this reasoning of the propriety or necessity

of resorting to the panic-creating system, superseded in 1857. It really amounts to this: that the discount houses desire to be placed in the same position as the Bank of England in a crisis, viz., a right of appeal, with the certainty of success, to a power greater than their own, to guarantee them against the consequences of their own arts. How speculations would grow, how transactions, now shunned as too speculative, would be courted, if the discount houses were only assured that their own money need not go first. It suggests to us to advise the discounters to read Major DOWNING's letters, and particularly one, in which the churn is introduced to illustrate the currency difficulty of the house. "Well, Major," says the General, "he is a plaguy curious critter, arter all; he'll make wheels turn sometimes right agin one another, yet he gets along; and when he lets his slices fall, or some one knocks it out of his hand, it always, some how, falls butter side up." "Well," says I, General, "don't you know why?" "Not exactly," says he, "Major." "Well," says I, "I'll tell you; he butters both sides at once," says I. It seems to us that Major DOWNING understood Lombard-street as well as New-York.

The Bank of England, being responsible for the regulation of the rate of discount, and consequently for the continued avoidance of the drain of bullion, found its nicest calculations thwarted by the operations and demands of the bill-brokers; and a very stern and uncommonly convincing case must be made out ere the bank can be called upon to cancel its ban, now found onerous. The transactions of the banking department with bill-brokers was found to embarrass the circulation department. The remedy suggested is fallacious. The bank has no guarantee that it would be profitable to them in times of prosperity, whilst the certainty is before them of its being an irksome and hazardous risk in the hours of a panic. The discount houses should stand upon their own bottom. They are middle-men between the bankers and the merchants. They go the round of the bankers every morning, and borrow from those who have to lend, and lend to those who want to borrow. What they ask is, that they should have the privilege of re-discounting, or, in other words, of a large addition to their capital and their means of operating, in excess of the natural state of the market, the result of which may be summed up in the momentous word—speculation.

The multiplication of discount houses and discount companies renders an adherence to this rule of the bank sound policy. It restricts the business to the capital of the firm or company, and to the actual floating capital available and not required by bankers, and leaves the bank to conduct its own operations as free as any other company. The discounting of bills is part of the business of the banking department, in which the proprietors are solely interested; and no claim on the bank, because it is the Bank of England, to force it to alter its policy, by a pressure from without, opposed to the interests of its propriety, can be supported.

We are not discussing any point inserted in the Bank Charter Act; we have our own opinions, and tolerably strong ones, to be avowed as occasion demands it. We simply refer to the appeal made in the interest of the discount houses, and can only recognise the propriety of the demand on the houses asking for it, as accommodation in times of their own difficulty, to be accompanied by a complete scrutiny of their affairs,

as a just security to the proprietary, in the same way that a bank pushed from imprudent operations sought the assistance of a more powerful rival. It must be conceded experimentally—must be denied on principle; and we sincerely trust that the bank will adhere firmly to its wise and stringent rule.*

The London discount houses have a grievance against the Bank of England, which has just been set forth in a pamphlet. The discount office at that establishment is closed to them, although it is open to all the rest of the community. Their exclusion dates from the panic of 1857. At that period, when their transactions, which consist in borrowing money repayable on demand, and in lending it on discount for fixed periods, ranging from one month to six, had reached an extraordinary height, they suddenly found themselves unable to comply with the run upon their deposits, unless they could get the Bank of England to make advances upon their assets, that is to say, to re-discount the bills which they thus discovered they had not the means of holding. They accordingly rushed thither, and, not content with seeking such aid as their pressing necessities rendered inevitable, demanded, in some cases, the most preposterous assurances as to the amounts which should be held at their service.†

Henceforth no discounts will be granted to the bill-brokers. If those houses choose to receive money at a call to an unlimited extent, they must themselves bear the responsibility of being at all times prepared to meet the engagements into which they may enter. They will no longer waive the power of encouraging a redundant manufacture of paper, relying on their immediate ability, in times of sudden pressure, to throw the *onus* of any difficulty on the Bank of England, and rendered confident as to their ultimate position by the endorsements of joint-stock banks, and the consequent unlimited commitment of a multitude of infatuated shareholders. It is plain the practice of the Bank of England in re-discounting for the bill-brokers was just as inherently vicious as that of the bill-brokers re-discounting for the joint-stock banks. It is true the Bank of England have always exercised much greater vigilance with regard to the character of any paper brought to them than was thought necessary by the establishments in question, but that makes no difference as regards the principle at stake; and no one can doubt, that if the promoters of the late crisis had known from the first that a resort to the Bank of England, to cover the consequence of their own want of prudence, had been impossible, the commercial delinquencies fostered through so many years would never have been encountered. In relation, also, to advances on bills, an equally proper and stringent course is to be adopted. Hitherto it has been common, not only to discount for the money lenders bills not having more than three months to run, but also to make advances for a fortnight, or shorter periods, on bills maturing at any time within six months. The one is to be discontinued as well as the other.‡

The following table exhibits the highest and lowest amount of coin and bullion held by the Bank of England each year since the new charter of 1844, and also the bank circulation of England, Scotland and Ireland :

* *London Bankers' Circular*, February, 1860.

† *London Times*.

Currency Statistics of Great Britain.

CURRENCY STATISTICS OF GREAT BRITAIN, 1844-1860

For week ending	ENGLAND.			SCOTLAND.		IRELAND.		Total.	Balloon in Ez. of England.	Balloon in Ez. in Ireland.	Balloon in Ez. in Scotland.	Total.
	Bank of England.	Country Circulation.	Banks.	Bank of Ireland.	Private & Joint Stock Banks.	Bank of Ireland.	Private & Joint Stock Banks.					
1844. Sept. 14.	£1,985,000	£7,494,859	£3,940,456	£3,839,150	£3,052,263	£3,870,397	£3,183,737	14,111,000	£15,391,000	£1,170,178	£16,915,205	19,602,957
Nov. 9.	1,977,000	7,539,105	3,854,295	3,894,750	3,882,297	3,911,505	3,184,933	16,544,000	16,544,000	1,080,926	18,075,400	19,874,400
1845. Nov. 21.	1,977,000	7,539,105	3,854,295	3,894,750	3,882,297	3,911,505	3,184,933	16,544,000	16,544,000	1,080,926	18,075,400	19,874,400
Dec. 6.	2,015,000	7,791,161	3,904,081	4,005,975	3,811,535	4,137,093	3,353,000	18,353,000	18,353,000	1,116,040	19,569,040	21,190,566
1846. Jan. 31.	2,109,000	7,985,377	4,005,975	4,005,975	3,604,776	4,060,238	3,604,776	19,398,000	19,398,000	1,108,047	20,506,047	21,740,907
Sept. 13.	2,109,000	7,985,377	4,005,975	4,005,975	3,604,776	4,060,238	3,604,776	19,398,000	19,398,000	1,108,047	20,506,047	21,740,907
1847. Jan. 2.	2,068,000	7,664,176	3,757,151	3,812,225	3,008,189	3,939,741	3,008,189	18,475,000	18,475,000	1,161,415	19,636,415	21,190,566
Nov. 1.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1848. Jan. 6.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Nov. 19.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1849. May 19.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Dec. 29.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1850. Feb. 28.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1851. May 17.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Dec. 27.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1852. Jan. 24.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
July 10.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1853. Jan. 22.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Oct. 29.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1854. Feb. 15.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
June 10.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1855. July 7.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Dec. 23.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1856. July 7.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Nov. 22.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1857. Aug. 1.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Nov. 21.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1858. Jan. 16.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
Oct. 23.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
1859. Feb. 13.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907
June 4.	2,152,000	7,857,889	3,800,718	3,874,850	3,244,904	3,783,871	3,244,904	19,014,000	19,014,000	1,161,415	20,175,415	21,740,907

The lowest and highest prices of the leading funds in the year 1859 were as follow :

YEAR 1859.	JANUARY.		DECEMBER.		DURING THE YEAR.	
	Low- est.	High- est.	Low- est.	High- est.	Low- est.	High- est.
Consols,.....	94½	96½	96½	97½	88½	97½
Exchequer bills,.....	84s. p.	43s. p.	28s. p.	32s. p.	5s. p.	43s. p.
Bank stock,.....	225	229	226	228	215	231
Discount,.....	2½	2½	2½	2½	2½	4½
Buenos Ayres, 6 per cent.,..	80½	86	77	83	71	86
Chilian, 6 " " ..	..	104½	104	105	95	105½
" 3 " " ..	76	78½	..	..	68	78½
Dutch, 4 " " ..	100½	102	99½	101½	86	102½
" 2½ " " ..	65½	66	64½	66½	56	67
Mexican,.....	19	20½	22½	23	15½	24½
Peruvian, 4½ per cent.,.....	89	93	91½	92½	80	95½
" 3 " " ..	71	73	70	70½	60	75
Russian, 5 " " ..	112½	114	109	110	100	114
" 4½ " " ..	99	101½	100	101	87	101½
Sardinian, 5 " " ..	84½	90½	84½	86	65	90½
Turkish, 6 " " ..	88½	93	76½	79	57	94
" 4 " " ..	106½	106½	103½	104½	98	106½

RAILWAYS.

Caledonian,.....	84½	90½	91½	95	69½	95
Eastern Counties,.....	61½	64½	56½	59½	49	64½
Great Northern,.....	104½	107½	104½	108	93	108
Great Western,.....	54½	58½	66½	70½	45½	70½
Lancashire and Yorkshire, ..	95½	99½	98½	100½	83	100½
London and Brighton,.....	109½	114	113	116½	104	115½
London and North Western, ..	94½	98½	97	99½	83	99½
London and South Western, ..	92½	95½	96½	98½	84	98½
Midland,.....	101	104½	107½	110½	90	110½
North Eastern, Berwick,....	92½	95½	93½	95½	81	95½
South Eastern,.....	73½	76½	80½	85	59	85
East Indian,.....	101½	109	103	104	88	109
Great Indian, Peninsular,....	102	108½	99	102	90	108½
Grand Trunk, Canada,.....	33	37½	37½	44	28	44
Great Western, Canada,....	16	17	12½	13½	12½	17

New Loans in Europe, Year 1859.—The following is an account of the various loans introduced at the London market during the year 1859 :

Jan. 8.—£1,000,000 Victoria six per cent. railway debentures, at 107 and upward.

Feb. 1.—£6,000,000 Austrian five per cents, at 80, only a small proportion subscribed.

April 21.—£5,077,000 Indian four per cent. debentures, at 95 and upward. This loan was intended to be for £7,000,000, but the biddings at and above the *minimum* reached only £5,077,000.

Aug. 12.—£12,000,000 Russian three per cents, at 66½, stated to have been fully subscribed in London and on the continent, but subsequently believed to have been taken only to the extent of half or two-thirds; Russian officials having nominally subscribed for the remainder.

Aug. 23.—£4,000,000 India five per cent. stock, at 97 and upward. For this loan there was a large excess of applications.

Oct. 25.—£423,000 Victoria six per cent. railway debentures, at 108 and upward. In addition to this issue, about £500,000 is believed to have been sold at intervals by private contract.

Dec. 5.—£620,000 Turkish six per cents, at 62½. During the year, France has raised a home loan of £20,000,000 in three per cents, nominally at 60½, but reckoning allowances, at 59½. Austria also has raised £20,000,000 at Vienna, and £7,000,000 in Lombardy, besides resorting to a surreptitious issue of £12,000 at Vienna. Russia issued £4,500,000 five per cents at 95, and the various minor German powers came forward for small amounts. Sardinia obtained £1,200,000 from the National Bank at Turin, and £4,000,000 from the public. On the other hand, Denmark has paid off £697,200, the balance of a loan of £800,000, contracted in London in 1849. With regard to our own national debt, £2,000,000 of exchequer bonds were paid off at maturity in May last. Annuities to the amount of £306,000 per annum ceased in October, and shortly the securities known as long annuities will expire, thus effecting an additional yearly economy of £1,599,500.

THE YEAR 1860.

The British copper coinage is executed by private parties under contract. Of the English copper coinage, beginning in 1805 and ending in 1808, Messrs. BOULTON and WATT produced—of pence, 361 tons; of half-pence, 693 tons; and of farthings, 22½ tons. Of the Irish copper coinage, commencing in 1805 and terminating in 1806, the same firm supplied 151 tons of pence, 467 tons of half-pence, and 21 tons of farthings; giving a grand total of copper coins furnished by the presses of contractors between 1797 and 1808 of something over 3,500 tons, or above 300,000,000 individual pieces of all denominations. Subjoined are fac similes of the obverse and reverse of the new mixed metal coins issued in 1860:

THE NEW BRONZE PENNY (ACTUAL SIZE.)



The metal of which they are composed is a species of bronze, containing:

Copper.....	95 parts.
Tin.....	4 "
Zinc.....	1 "

The popular tradition that the personification of Britannia was originated by CHARLES II. is erroneous. On the Roman Imperial coinage of ANTONINUS PIUS, who died A. D. 161, we find a female figure seated on a globe surrounded by waves, in her right hand a standard, in her left a javelin, her elbow reclining upon the edge of a large buckler by her side; in the exergue "Britan." The figure is supposed to typify the subjugated province, and well illustrates the lines of VIRGIL: "*Et penitus toto divisos orbe Britannos.*" It is true, however, that in CHARLES II.'s reign, after an interval of 1,500 years, the Britannia re-appeared on the copper coinage of England. PHILIP ROETIER is said to have been the engraver, and to have introduced the likeness of Miss STEWART, afterwards Duchess of Richmond, in the figure of Britannia.

At the Bank of England, September 6th, 1860, the court of directors ordered a gratuity of 10 per cent. on the salaries of all the clerks who had been in the establishment more than two years. They likewise ordered a gratuity of £1,000 each to Mr. GRAY and Mr. MARSHALL, the chief accountant and chief cashier, with a complimentary acknowledgment on their having respectively completed fifty years of service. Bank officers are sufficiently paid for their labor, in the United States, but not for the heavy responsibilities they assume.

A half-yearly court of the Bank of England took place September 13th, Mr. BONAMY DOBREE, the governor, presiding. The net profits in the six months ending the 31st of August were stated to be £710,143, making the "rest" on that day £3,736,139; out of which, a dividend for the half-year was declared at the rate of five per cent., free of income tax. The "rest" then stood at £3,008,489. In reply to a question, it was mentioned that the large increase in the "rest" shown in the last account arises from the usual addition at the end of the half year of the circulating accruing interest on the numerous investments held by the bank.

Decimal Coinage.—The question of decimal coinage was shelved, for the present, by the final report of the royal commission, dated on 5th April, 1859. The conclusions offered do not appear to have been unanimously, or even harmoniously arrived at; the document itself is not signed by the chairman, Lord MONTEAGLE, formerly better known as Mr. SPRING RICE, and for a good while chancellor of the exchequer; and it is followed, in individual explanation or justification, by a very much longer paper, entitled a draft-report, by Lord OVERSTONE, also better known as the senior of JONES, LLOYD & Co., and by a memorandum of Mr. J. G. HUBBARD, now M. P. The result had been anticipated for some time before the report was in circulation, and, indeed, before it was written. Not that the advocates for decimal coinage had urged their views with feebleness, either of logic or of expression; on the contrary, they argued with a certain fierce fervor, and frequently with considerable force; and, without any invidious comparisons, a dispassionate reader would most likely think that the weight of sagacious and learned authority preponderated in their favor. On the other side, they were met by singular ingenuity, industry and perseverance; arguments the most plausible and affecting to the British ear—those drawn from the embarrassments of change and the disturbance that novelties always cause—are adduced in remarkable variety and repetition; and the inertia (so to

speak) of the actual system of money and accounts was skilfully invoked both to shelter its defenders and multiply the toil of its assailants. This position as defenders gave, besides, the advantage of unity of purpose and consistency of effort; and the advantage was still further heightened (whether accidentally or not) by the interest which one of the commissioners, Lord OVERSTONE, took in the question, and the active leadership he assumed, to such a degree as to give to the whole institution very much the aspect of a commission for preventing the adoption of a decimal system. Almost simultaneously with his appointment, he issued a series of more than threescore questions, bearing quite plausibly in favor of the actual system; a respectably sized volume was published under his auspices, containing extracts from, or reprints of old and forgotten essays on currency and coinage; and the final report itself is accompanied with an analysis of more or less of the testimony that had been collected, made at his instance by one of the witnesses, who, besides the opportunity of refreshing his own testimony, was thus indulged with an occasion for criticising that of every one else. The decimalists, on their side, appear to have been wholly without such (or any) inspiring and cloud-compelling guidance; the piquancy of the subject seems to have stimulated, chiefly, the faculty of invention; and every one, nearly, of the two hundred authors who wrote in favor of a change, fought, like HARRY of the Wynd, "for his own hand." The whole number of literary contributions which the discussion called forth, ranging from elaborate articles in daily newspapers and journals of rarer issue, up to portly volumes, exceeds that of the days in a calendar year; and hardly more than a fourth part of this mass is anti-decimalist. It would be obviously an enormous task, as it would be an unwelcome and unprofitable one, to attempt any detailed analysis of such a mass; and what follows will be a mere indication of the more important steps which have marked the progress of the proposed measure.

In consequence of the policy adopted towards the brokers or bill discounters in 1859-1860, an attempt was made in April, 1860, by Messrs. OVEREND, GURNEY & Co., to force the bank into a return to their former policy. A report to the House of Commons showed that the reserve of notes in the banking department had decreased, between the 4th of April and the 11th of April, 1860, from £6,842,000 to £4,922,000; and the magnitude of the change naturally excited much remark. The paper laid before Parliament proves that almost the whole of that decrease was caused by a large increase of £1,000 notes. The figures are these:

RETURN OF BANK NOTES ISSUED BY THE ISSUE DEPARTMENT OF THE BANK OF ENGLAND.

	<i>On April 4, 1860.</i>	<i>On April 11, 1860.</i>
£5 notes,.....	£7,261,000	£7,340,000
£10 notes.....	4,887,000	4,418,000
£20 to £100 notes,.....	6,672,000	6,536,000
£200 to £500 notes,.....	1,598,000	1,598,000
£1,000 notes,.....	1,927,000	3,585,000
Notes held by the public,.....	21,845,000	23,467,000
Notes held by the bank,.....	6,842,000	4,922,000

Now, as £1,000 notes are a kind of circulation very rarely used, it was evident that some peculiar agency must have been in operation; and it was ascertained that the house of **OVEREND, GURNEY & Co.** took from the bank about £1,650,000, and placed it in their own coffers. Of course, to this, in itself, the public could have no objection. The money was theirs. The payment of the dividends had given them an unusual command of money, and if they distrusted the solvency of the bank, or for any other reason thought it safer to keep their own cash in their own till, it would not be becoming in others to remark on it, still less would it be proper for us to write about it. But, as **MR. GLADSTONE** observed, the firm in question do not desire that their course of conduct should be kept a secret; they say that they adopted it on public grounds, and wish it to be subjected to public discussion. Their object was a very simple one. There had been an unceasing dispute for some months between the bill-brokers and the Bank of England, in consequence of the rule which excludes the brokers from the discount office of the bank. The greatest bill-broking house in London desired to put an end to this if possible; they wished to show the bank how strong they were—how much money they had control over—how much they could withdraw at a critical instant. Accordingly, they took advantage of a moment at which it seemed likely the bank reserve would be less than it had ever been since the end of the panic of 1857, and at which they themselves happened to have rather more spare money than usual; they withdrew the whole of it from the bank. What has been the result? We find from the return of this week that the “great house” have put their money back again. We are not aware that they have gained any thing; that they have brought their lamentable dispute with the bank nearer to a conclusion; that they have elucidated any thing or accomplished any thing. They have, indeed, shown their power. But every one knew that **Messrs. OVEREND & Co.** dealt with millions, and to deal with millions is a great power. And, though they have not gained any thing themselves, they certainly did some harm to the public; they caused some days’ uneasiness. So large a reduction in the reserve of notes could not but create some anxious feeling, even if the cause had been known, but at first it was only known vaguely. There were rumors of a “conspiracy among money-dealers,” and firms which had no concern in what had been done were said to have participated in doing it. So extraordinary a course of conduct adopted by such persons, under such circumstances, could not but cause some degree of anxiety. We have very lately expressed our views at length on the merits of the dispute between the bank and the bill-brokers, and we need not recur to that subject at present. We can only regret that what has occurred is likely to embitter the discussion between them. The Bank of England cannot afford to be frightened; **Messrs. OVEREND & Co.** have, in simple English, attempted to frighten them. A firm in such credit as **Messrs. OVEREND** cannot like to fail in so marked a manner; and yet they have replaced their money, and all goes on as before.*

The Bank of France.—The operations of the Bank of France for the

* *London Economist.*

ten years, 1846-1856, show a vastly augmented commerce throughout the empire, greater activity in her manufacturing system, and enlarged wealth among the people. The Emperor alludes to this in the opening of his speech of the 7th February: "France has, as you are aware, during the last six years, seen her welfare augment, her riches increase," &c. So far as these changes are indicated and confirmed by the movements of the Bank of France, there can be no doubt of renewed prosperity throughout the empire. The bank was allowed in 1856-'57 to double her capital, or from 91,250,000 francs to 182,500,000 francs. Upon this capital, equivalent to 36 millions of dollars, the bank has added largely to its individual deposits (say twenty-five per cent.) since May, 1856. The following is a recapitulation of the circulation, loans, specie reserve, dividends, and market value of shares of the Bank of France for each year, 1846-1856:

YEAR.	Amount of Loans. Francs.	Gold. Francs.	Specie. Francs.	Total. Francs.	Dividend per Share. Francs.	Highest price of Share. Francs.
1846,.....	1,618,957,841 ..	6,800,000 ..	94,282,000 ..	101,082,000 ..	159 ..	3,505
1847,.....	1,808,246,438 ..	440,000 ..	169,080,000 ..	169,500,000 ..	177 ..	3,600
1848,.....	1,643,728,634 ..	4,700,000 ..	248,600,000 ..	253,300,000 ..	75 ..	3,280
1849,.....	1,025,686,218 ..	4,600,000 ..	429,270,000 ..	433,870,000 ..	108 ..	2,500
1850,.....	1,176,423,896 ..	11,980,000 ..	448,840,000 ..	458,820,000 ..	101 ..	2,425
1851,.....	1,241,412,880 ..	82,360,000 ..	456,460,000 ..	568,720,000 ..	105 ..	2,650
1852,.....	1,824,469,438 ..	68,936,000 ..	434,974,000 ..	508,910,000 ..	118 ..	3,103
1853,.....	2,842,980,205 ..	108,598,000 ..	219,482,000 ..	328,080,000 ..	154 ..	2,950
1854,.....	2,244,643,591 ..	198,987,000 ..	198,723,000 ..	392,660,000 ..	194 ..	3,000
1855,.....	3,782,000,000 ..	99,000,000 ..	100,000,000 ..	199,000,000 ..	200 ..	3,300
1856,.....	4,674,000,000 ..	81,000,000 ..	109,900,000 ..	190,000,000 ..	272 ..	4,075

CIRCULATION.

YEAR.	Notes of 5,000 Francs.	Notes of 1,000 Francs.	Notes of 500 Francs.	Notes of 200 Francs.	Notes of 100 Francs.	Total of Circulation.
1848,...	1,120,000 ..	210,000,000 ..	72,000,000 ..	55,000,000 ..	71,000,000 ..	409,120,000
1849,...	1,145,000 ..	270,050,000 ..	68,330,000 ..	49,075,000 ..	42,422,000 ..	481,022,000
1850,...	580,000 ..	287,868,000 ..	89,174,000 ..	57,318,000 ..	46,632,000 ..	481,552,000
1851,...	120,000 ..	372,051,000 ..	90,198,000 ..	53,890,000 ..	66,781,000 ..	583,040,000
1852,...	490,000 ..	428,012,000 ..	96,053,000 ..	84,632,000 ..	78,167,000 ..	689,910,000
1853,...	290,000 ..	419,282,000 ..	87,003,000 ..	74,767,000 ..	62,988,000 ..	644,280,000
1854,...	90,000 ..	408,849,000 ..	76,707,000 ..	79,321,000 ..	75,308,000 ..	636,970,000
1855,...	120,000 ..	381,991,000 ..	72,744,000 ..	74,747,000 ..	80,416,000 ..	612,327,000
1856,...	50,000 ..	371,505,000 ..	69,954,000 ..	72,704,000 ..	95,927,000 ..	612,332,000

The par value of the shares of the Bank of France is 1,000 francs. These have sold of late years from 2,425 to 4,075 francs per share, equivalent to about 200 per cent. advance. They have held much higher, viz.:

	Francs.		Francs.
In 1847,.....	3,600	In 1852,.....	3,108
In 1848,.....	3,230	In 1853,.....	2,950
In 1849,.....	2,500	In 1854,.....	3,000
In 1850,.....	2,425	In 1855,.....	3,300
In 1851,.....	2,650	In 1856,.....	4,075

Up to 1857, the smallest denomination of notes issued by the Bank of France was one hundred francs. In that year bills of fifty francs were authorized. The circulation is more largely in 1,000f. bills than in any other; a marked contrast with the condition of bank issues in the United States.

Review of the Year.—Throughout the whole year 1860 the extreme range of consols was $3\frac{3}{8}$ per cent., that of the preceding year having been $8\frac{3}{8}$, while in 1858 it was 5 per cent. The highest price, $95\frac{7}{8}$, was touched on the 4th of January, and the lowest, $92\frac{3}{8}$, on the first of December. The difference between the opening and closing quotations of the year shows a decline of $3\frac{3}{8}$. In railway shares the average range of fluctuations was about 15 per cent., while, instead of a decline being established, as in consols, there has been an average improvement of about 10 per cent. of the bank bullion, its amount at the beginning was £16,460,824; it reached £16,552,030 on the 27th of June, and declined to £12,798,119, its lowest point, at the end of the year. At the Bank of France the total at the commencement was £23,200,000, while it is now £17,300,000, showing a loss of £5,900,000 during the year. On the Paris Bourse the fall in French rentes has been $1\frac{1}{8}$ per cent. With respect to the declared value of British exportations, the board of trade tables, for eleven months of the year, show a total of £123,714,276, against £119,613,185 in the corresponding period of 1859, being an increase of £4,101,091, or $3\frac{1}{2}$ per cent., while it exceeds by $7\frac{1}{2}$ per cent. the total of 1857, the great year of inflation. The changes in the bank rate of discount, which were five in number in 1859, were eleven in 1860. On the first of January, the rate was $2\frac{1}{2}$ per cent., whence it was gradually advanced to 5 per cent. It then went back to 4 per cent., but reached 6 per cent. on the 15th of November, and is now again at that point, after a temporary reduction to 5 per cent. In the cotton market there had been great steadiness; the price of fair Orleans, at the commencement, was about $7\frac{3}{4}$ d. per lb., and, after ranging between that price and 8d., it has closed at $7\frac{3}{4}$ d. to 8d. In the wheat market the movement has been large, and almost constantly upwards; Norfolk, which was quoted at 41s. to 42s. in January, having advanced to 64s.

The stock values of the year were as follow :

FLUCTUATIONS, 1860.	Price on 1st Jan., 1860.	Price 31st Dec., 1860.	Lowest Price, 1860.	Highest Price, 1860.
Consols,	$95\frac{3}{8}$ to $95\frac{7}{8}$..	$92\frac{3}{8}$ to $92\frac{3}{8}$..	$92\frac{3}{8}$..	$95\frac{7}{8}$..
Exchequer bills,	30s. prem. ..	2s. dis. ..	6s. dis. ..	33s. prem.
Brighton Railway,	111 $\frac{1}{2}$..	118 ..	109 $\frac{1}{2}$..	118 $\frac{1}{2}$..
Caledonian,	95 ..	97 $\frac{1}{2}$..	89 ..	99 $\frac{1}{2}$..
Eastern Counties,	58 $\frac{1}{2}$..	58 $\frac{1}{2}$..	50 $\frac{1}{2}$..	58 $\frac{1}{2}$..
Great Northern,	107 $\frac{1}{2}$..	108 ..	103 ..	119 ..
Great Western,	70 ..	73 $\frac{1}{2}$..	59 $\frac{1}{2}$..	75 $\frac{1}{2}$..
London and North Western,	99 ..	101 $\frac{1}{2}$..	95 $\frac{1}{2}$..	104 $\frac{1}{2}$..
Midland,	110 $\frac{1}{2}$..	135 $\frac{1}{2}$..	105 $\frac{1}{2}$..	136 $\frac{1}{2}$..
Lancashire and Yorkshire,	100 $\frac{1}{2}$..	118 $\frac{1}{2}$..	97 $\frac{1}{2}$..	121 $\frac{1}{2}$..
Sheffield,	39 $\frac{1}{2}$..	55 ..	37 $\frac{1}{2}$..	57 $\frac{1}{2}$..
South Eastern,	84 $\frac{1}{2}$..	87 $\frac{1}{2}$..	82 $\frac{1}{2}$..	89 $\frac{1}{2}$..
South Western,	98 $\frac{1}{2}$..	95 ..	91 $\frac{1}{2}$..	98 $\frac{1}{2}$..
North East—Berwick,	95 $\frac{1}{2}$..	104 $\frac{1}{2}$..	91 $\frac{1}{2}$..	105 $\frac{1}{2}$..
North East—York,	79 $\frac{1}{2}$..	95 ..	75 $\frac{1}{2}$..	95 $\frac{1}{2}$..
Lombard—Venetian,	2 $\frac{1}{2}$ prem. ..	1 $\frac{1}{2}$ dis. ..	1 $\frac{1}{2}$ dis. ..	2 $\frac{1}{2}$ prem.
East Indian,	101 $\frac{1}{2}$..	98 $\frac{1}{2}$..	98 $\frac{1}{2}$..	103 $\frac{1}{2}$..

Subjoined is a summary of the principal financial and commercial events of the year 1860, in England and on the continent :

January 1. Consols, 95½; French three per cents, 68f. 90c. Proposals put forth by Messrs. BARING & GLYN, on behalf of government of Canada, to convert the various debts of the province, amounting to £11,661,010, into a consolidated five per cent. stock, irredeemable for twenty-five years. This arrangement involved the payment of certain old bonds, and an issue of £2,800,000 new ones on the London market; the whole of which were rapidly subscribed; the applications having reached about £22,000,000. 8. Announcement of peace between Buenos Ayres and the other States of the Argentine Republic. Buenos Ayres six per cents., 82, whence they have since steadily advanced to 96½. Mexican bonds quoted 23. Prospectus issued of the Bank of Turkey. News of treaty concluded by Mr. M'LANE, the United States envoy in Mexico, and the JUAREZ government in Vera Cruz. The treaty failed to obtain ratification at Washington. 12. Notice from the colony of Victoria, fixing the issue of Victoria railway debentures, in 1860, at £3,000,000. 16. Commercial manifesto of the French emperor. Consols firm. 17. New Belgian loan of £1,800,000 introduced at Brussels at 95½. 19. Encouraging report published of Grand Trunk Railway of Canada, from Mr. BLACKWELL, its vice-president and manager, on opening of Victoria Bridge. Bank rate of discount raised from 2½ per cent., at which it had stood for six months, to 3 per cent. Consols, 95½. 26. Outline of treaty of commerce with France published in the *Patrie*. Cape of Good Hope six per cent. government debentures for £50,000 adjudicated, at prices varying from 105½ to 108½. 31. Bank bullion reduced to £14,542,502, or £1,918,322 less than on the 1st of January, owing chiefly to continuous purchases by the public of the Indian rupee debt and other Indian securities. Bank discount advanced from 3 per cent. to 4 per cent. Consols, 94.

February 1. Silver discoveries at the Washoe mines announced from California. 10. Budget of the chancellor of the exchequer, showing an estimated charge of £70,000,000, and a surplus of £464,000. The diminution of revenue was estimated at £1,000,000 from the French treaty, and £1,900,000 from the abolition of customs and excise duties, including that on paper. On the other hand, new imposts and savings were to yield £982,000. The balance from alterations, therefore, showed a net loss to revenue of £2,108,000. An increase of the income tax from 9d. to 10d., and an alteration in the collection of it, so as to force an additional quarter into the current year; a shortening of the malt and hop credits, and a renewal of £1,000,000 exchequer bonds maturing in November, were the main resources adopted to restore the account and to furnish the surplus promised. Intelligence from India that a government issue of notes had been resolved upon—the first emission to be £5,000,000, but future issues to be made without other limit than the necessity of holding a sum equal to one-third of the amount in bullion. The latter part of this proposal was subsequently disallowed by Sir C. WOOD. Introduction of a bill by the Railway Companies' Association, to enable railways to escape the liabilities of the common carriers' act. An analogous movement had been made by the Great Western Company, in 1859, but without success, and the present measure ultimately shared the same fate.

March 11. Improvements in India rupee paper, on definitive statement from Calcutta, that no further loans would be required, and that the deficit for the current year, to be made up by new taxes, would be only £900,000. Rupee five per cents, 99½; five and a half per cents, 105½. 15. Half-yearly court at Bank of England; dividend of 4½ per cent. declared; leaving the rest £3,025,991. 16. Introduction of new bankruptcy bill, containing five hundred and twenty-nine clauses, by the attorney-general—subsequently abandoned. 18. Brazilian four and a half per cent. loan for £1,373,013, introduced by Messrs. ROTHSCHILD, at 90, or £88 3s. 8d., reckoning dividend, &c. 20. Intelligence of the proposals of Mr. WILSON for establishing an income tax, in India, of 2 per cent. on all incomes above £20, and 4 per cent. above £50, and to levy import duties of 10 per cent. on cotton twist and yarn. 24. Unsuccessful meeting at the stock exchange, to consider the propriety of revising existing scale of brokers' commissions. 27. Deputation from Manchester to the president of the India Council, to remonstrate against the protective duties imposed in India. 29. Bank discount advanced from 4 per cent. to 4½ per cent. Consols, 94½.

April 7. Act imposing new stamp duties came into operation. 10. Tenders opened for £2,650,000 six per cent. government railway debentures of the colony of Victoria. Minimum price declared to be 105; only £1,570,000 subscribed. 12. Bank rate advanced from 4½ per cent. to 5. Consols, 94½. Intelligence of revolutionary movements in Sicily. Proposition from government of the Central American republic of San Salvador, to compromise the foreign debt of the State (£79,000) by a cash payment of £16,000, or about 4s. in the pound, unanimously rejected. Extraordinary drain of notes from the bank, the amount in circulation being £23,467,255, or about £3,000,000 beyond the average. Much alarm among a portion of the trading classes at sudden refusal of discount houses to continue their operations on the ordinary scale. Disquiet allayed by the discovery that Messrs. OVEREND, GURNEY & Co. had simply withdrawn a total of about £1,550,000 in notes from the bank, being a portion of the amount held by them as deposits from customers, with the view of locking these notes in their own safe. Dissatisfaction on their part at the strict operation of the rule adopted by the bank, after the panic of 1857, to withdraw all facilities for the practice of re-discounting, alleged to be the cause of this proceeding. The experiment terminated in the notes being carried back to the bank by Messrs. OVEREND, GURNEY & Co., on the 19th of April. About this time Messrs. STREATFIELD, LAURENCE & Co. were in the height of their business, and experiencing some inconvenience from what was termed the "conduct of the bank in checking the commerce of the country." News of the indigo riots in Lower Bengal. 17. Balance of the Victoria Railway loan again offered, and taken at the minimum originally named, 105. 20. Frauds detected of PULLINGER on the Union Bank of London, of which he was principal cashier. The amount subsequently proved to be £263,000, and on the 15th of May he was found guilty, and sentenced to twenty years' penal servitude. The shares of the bank declined from 30 to 28.

May 1. Tenders invited by the Grand Trunk Railway of Canada for

£1,111,500 second six per cent. preference bonds at 80. On the 8th of May the whole were stated to have been subscribed, with the exception of £225,000, which was afterwards placed. Default occurred on the first dividend becoming due at the end of September. 3. Failure of Messrs. J. & A. BLAICKIE, solicitors, at Aberdeen, with liabilities estimated at £200,000. The senior partner absconded. Protest of purchasers of Indian rupee securities against a determination of the government to render them liable to double income tax. 8. News of native outbreak in New-Zealand. Receipt of the minute issued at Madras by Sir CHARLES TREVELYAN, on the financial measures of Mr. WILSON. 11. Reduction of the bank rate of discount from 5 to $4\frac{1}{2}$ per cent. Consols, 95 $\frac{1}{2}$. 12. Stocks flat, partly in consequence of the expedition of GARIBALDI to Sicily. News of failure of the Red Sea telegraph cable, and the consequent loss of £800,000, on which the British government had guaranteed $4\frac{1}{2}$ per cent. for fifty years. 17. Fall of nearly 1 per cent. on the Paris Bourse, owing to the landing of GARIBALDI at Marsala. Consols, 94 $\frac{1}{2}$. 19. London bankers adopt an arrangement to close at 3 o'clock on Saturdays. 20. News of the Emperor of China having refused the ultimatum of the Allies. 22. Vote of the House of Lords for maintaining the paper duties. Consols advanced from 94 $\frac{3}{8}$ to 95. 24. Reduction of the bank rate of discount from $4\frac{1}{2}$ to 4 per cent. Consols, 95 $\frac{1}{2}$.

June 18. Meeting of the Emperor NAPOLEON and German sovereigns at Baden. Consols, 93 $\frac{1}{2}$. 23. News of the stoppage of the banking-house of JECKER, TORRE & Co., at Mexico, with liabilities for £880,000. 24. New Russian $4\frac{1}{2}$ per cent. loan of £8,000,000 introduced by Messrs. BARING, of London, and HOPE, of Amsterdam, at 92. The amount ultimately subscribed was £5,000,000. 25. Public subscription opened by Bank of France for £12,000,000 of railway obligations.

July 3. Failure of STREATFIELD, LAURENCE & MORTIMORE, in the leather trade, with liabilities, including those of their Liverpool house, amounting to about £1,200,000, followed by the stoppage of a number of other houses, with aggregate debts (chiefly represented by accommodation bills) of about £1,000,000 or £1,500,000. 4. Consols dull on announcement of £3,800,000 being required for China war. 17. Funds firmer on announcement that the deficit of £2,336,000 now shown in the revenue, notwithstanding the retention of the paper duties, would be provided for without the creation of new securities, partly by an increase of the spirit duties. £1,500,000 East Indian 5 per cent. railway debentures for five years offered at par. Only £1,200,000 were taken in the first instance, but the balance was ultimately placed. 23. Consols flat on the disturbances in Syria. 27. Announcement of £9,000,000 being required for fortifications, of which £2,000,000 would be raised within a year.

August 5. New 5 per cent. Sardinian loan for £6,000,000 opened at Turin, at 80 $\frac{1}{2}$, the whole of which was speedily subscribed, the applications having amounted to £22,000,000. 10. Intimation by Lord JOHN RUSSELL that Great Britain does not concur in the attempt to gain admission for Spain to the rank of a first-rate power. Satisfaction expressed by the holders of her securities, who are suffering from the confiscation she still practices. 14. Vote taken for an Indian loan of £3,000,000, as matter of precaution against possible contingencies before the next

meeting of Parliament, the estimate published in the spring having proved erroneous. 17. Power taken by the chancellor of the exchequer, as a precaution against the contingency of a bad harvest and a possible falling off in the revenue, to issue an extra million of exchequer bonds. 23. Reduction in the Piedmontese import duties on yarn tissues, &c., of cotton, hemp and other articles.

September 1. Transfer and dividend business of the Indian debt removed to the Bank of England. 11. News of the death of Mr. WILSON, at Calcutta. 13. Half-yearly court at Bank of England; dividend of 5 per cent. declared, leaving the rest £3,008,489. Heavy failures reported from Rio de Janeiro. Proposal to open up communication between Pegu and Western China discountenanced by the foreign office, partly on the ground that it might inconvenience that department.

October 10. Decline in consols, owing to purchase of gold by the Bank of France. Public meeting on the determination of the government to extort double income-tax on Indian native securities held in England. Committee appointed to adopt legal measures on behalf of the holders. Monthly return of the Bank of France, showing a falling off of £2,840,000 in the stock of bullion. 21. The English creditors of the republic of San Salvador agree to accept £25,000 in liquidation of their claims of £79,000. Intelligence of legal proceedings having been taken in Canada by the agents of judgment creditors in England to protect their interests. Rapid fall in the stock and debentures, the price of the stock, which a year previously stood at 40, having declined to 26, and of the ordinary debentures, which were at 74½, to 52. 28. News of the complete overthrow of the illegal power of General FRANCO, in the republic of Equador, (the debt of which, chiefly held in England and Holland, amounts to £1,824,000,) by the constitutional army of General FLORES.

November 8. Bank rate of discount raised from 4 to 4½ per cent. Consols, 93½. Protest, in consequence of serious disasters in the Baltic, against the deck-loading of vessels. 9. Bank of France return shows another falling off, of £1,000,000, in the bullion. Total reduction within the past year, £8,600,000, or from £26,000,000 to £17,400,000. 12. Advance in rate of discount of Bank of France from 3½ to 4½ per cent. 13. Advance in the Bank of England rate from 4½ to 5 per cent. Consols, 93½. 15. Advance in the Bank of England rate from 5 to 6 per cent., in consequence of a rapid increase in the drain of gold to Paris. On this occasion the joint-stock banks, instead of raising their allowances for money at call to within 1 per cent. of the bank rate of discount, as usual, fixed it at 4½ per cent. 21. Meeting of the London Discount Company. Resolution to wind up. Arrangement between the Bank of France and the Bank of England for the latter to purchase £2,000,000 of silver. Immediate improvement in the money markets of London and Paris. 25. News of heavy fall in the rate of exchange at New-York, owing to money panic, consequent on the prospects of disunion. 29. Reduction in the bank rate of discount from 6 to 5 per cent. Consols, 93½. 30. Further unfavorable accounts from New-York. Average fall of 20 or 30 per cent. in the principal securities.

December 1. Commencement of gold shipments to America. £108,500.

transmitted by the *Europa*, and followed by other amounts, which, before the end of the year, raised the aggregate to nearly £2,000,000. 5. News of the suspension of most of the banks in the Southern States of America. 7. News of combination among the New-York banks for mutual support. 9. News of the robbery by the Mexican government of £173,000 belonging to the English bondholders, deposited under the seal of the British legation. 12. A further sum of £1,500,000 East Indian 5 per cent. railway debentures for five years, offered at par. Prospectus issued by M. MIRAZ, of Paris, of new Turkish 6 per cent. loan of £16,000,000, of which £5,000,000 is offered for subscription in London, at a price equal to 59½. List to be closed January 5, 1861. 15. Intelligence of the crossing of the Australian continent, from south to north, having been completed by Mr. STUART, of Adelaide. 17. News of the treaty of peace with China. Indemnity, £2,900,000. 21. £50,000 4 per cent. Jamaica bonds, guaranteed by the home government, subscribed, at 105. Abolition of the passport system in France as regards English subjects. 31. Bank bullion, £12,798,119, being the lowest point of the year, and showing a reduction of £3,662,705 from the total held at the commencement. Consols, 92½.

The governors of the bank are mostly engaged in large concerns of their own, and it is hardly possible to suppose that there may not arise occasions, on which their attention may be distracted or diverted from the affairs of the bank to their own. At all events, this circumstance is calculated to interfere with that continuity of attention to the concerns of the bank and to the interests and convenience of the public, which, in the opinion of Mr. NORMAN, with whom on this point I agree, it is desirable that the person intrusted with the supervision and direction of every part of that vast establishment, should be able to apply. This condition is of necessity very imperfectly fulfilled in the present management.*

I consider that a board, consisting of twenty-four directors and two governors, is too numerous for deliberation and discussion on questions of importance, involving points of difficult solution, and affecting the interests and convenience of the public, and at the same time requiring prompt decision. If the members possess and profess independent opinions, each of them might descant, for half an hour or upwards, upon his peculiar views, and the most fluent and determined speaker would occupy most time, and say, perhaps, what was least to the purpose, leaving insufficient opportunity for those best acquainted with the subject to express their opinions. The delivery of an opinion in an assemblage so numerous partakes of the nature of a set speech; and a decision come to as the result of such speaking, and carried by a simple majority, is as likely to be wrong as to be right, and in some points of view more likely to be wrong than to be right. I do not say, because I have no means of knowing the fact, that this would be a correct description of what passes in the bank court, in the discussion of matters of financial importance brought before it. But what I do mean to say is, that a board consisting of twenty-six members is totally unfit for the discussion of questions such as alterations in the rate of interest, which are brought before the weekly courts.*

* *Toomey's History of Prices*, vol. v.

REVENUE STAMPS, TAXES, &c.

DECISIONS OF THE COMMISSIONER OF INTERNAL REVENUE, 1862.

The general principle of the Excise Law is, that each particular manufacture is taxed for its value, though materials used in its production are in themselves manufactures, on which a duty has been previously paid. This is true of shoes made from taxed leather, of engines made from iron, on which a tax has been paid, &c., &c.

Where a manufacturer has goods on hand at the place of manufacture, but has not taken out a license, nor kept his factory in operation since September 1st, such goods are subject to duty whenever sold or removed from the place of manufacture.

Concerning the Tanning of Leather.—A tanner who receives hides from other parties, (owners,) upon an agreement to tan the same by the piece or by the pound, may remove the tanned leather, without inspection, to such owners, whenever it is ready to go forward; having first obtained and filed at this office the written certificate of the assessor and collector of the district in which the tannery is situated, that in their judgment such removal will not be prejudicial to the just administration of the Excise Law: *Provided*, that every tanner so removing tanned leather shall make a monthly return to the assessor of the district, of the number and weight of the sides or pieces of leather so removed: and provided, that he shall furnish to the assessor, monthly, the inspector's certificate of the weight and quality of the leather so removed during the preceding month, and that the tax shall be paid in the district where the tannery is situated.

In Reference to Tanning Leather and Making Shoes.—Tanning leather and manufacturing shoes are distinct branches of manufactures, and the product of each must be taxed, though the same person may be engaged in both branches of business.

The cutting of soles, however, as subjecting the material to no new process affecting its quality, may be considered as part of the shoemaking, and exempt, as such, from taxation as a separate manufacture.

Finished or curried upper leather made from rough leather, upon which the tax has actually been paid, is not subject to any additional tax in consequence of such finishing or currying.

In Reference to the place where a Manufacturer's License should be taken out and the Tax paid.—A manufacturer's license should be taken out in the district where the manufactory is situated. The taxes must always be paid to the collector of the same district.

Goods sent by a manufacturing establishment to its agents are regarded as still in the factory. In such case the tax is due when the goods are sold, or removed from the agent's hands.

A commission merchant cannot be regarded as an agent; and when-

ever goods are removed from the factory and sent to a commission house, they are at once liable to assessment.

In Reference to Goods Printed since August 31st, upon Cloths Manufactured previous to September 1st.—Goods printed since August 31st, upon cloths manufactured previous to September 1st, on which no duty or tax has been paid, are liable to assessment upon the present value of the goods.

The provision of sec. 75 authorizes an assessment upon the *increased value* only when the duty or tax shall have been paid before the cloths were so prepared or printed.

Manufacturers of rubber, oil, and other cloth-using goods on which the tax has been paid, are liable to taxation only upon the increased value.

Regulations in regard to the Tax upon Manufactures produced since the 31st day of August, and delivered under Contracts of Sale, made prior to the 1st of July last.—The manufacturer will pay the duty upon such goods, without regard to the fact of such contract.

The manufacturer will be authorized to collect of the purchaser the amount of the taxes so paid, whenever satisfactory proof shall be furnished to the Commissioner of Internal Revenue that the contract was made prior to the 1st day of July last, and in good faith, between the parties and towards the government, and that the taxes properly assessed upon such goods or manufactures have been actually paid by the seller.

A manufacturer of any article for the government must pay the tax as though he were selling to an individual.

In Reference to Manufacturers of Clothing.—When persons receive from a manufacturer of clothing, whether in the same town or at a distance, garments to be made, and, when finished, to be returned to the manufacturer or owner as aforesaid, such persons may not be required to pay the tax of 3 per cent. on the value thereof: *Provided*, that at the request of the assistant assessor they make out a list subscribed and sworn; which list shall contain the quantity of garments so made up, during each month, and, as near as may be, the value thereof; together with the name and residence of the person for whom the labor has been performed. Such list shall be transmitted by the assessor receiving the same to the assessor of the district wherein the owner of the goods resides or has his usual place of business, to the end that the tax thereon due, under the excise laws, may be paid in the district where the actual owner's place of business is situated.

In Regard to Iron Castings.—1st. All castings which are so well known and so generally used as to have a commercial value, must be taxed as manufactures, when sold or removed.

2d. Other castings made upon special order of a machinist, but which are not known to the trade as manufactures in themselves, are exempt, not being manufactures within the contemplation of law.

Where a person makes castings only, he must pay the tax thereon. If, however, he manufactures castings, and uses them himself in the manufacture of other articles, the tax can be assessed only on the last. The

right to levy the tax depends upon the fact of sale, or removal for sale or consumption.

In Relation to Partnerships.—Section 6 provides that any number of persons carrying on business in co-partnership may be licensed to transact such business at the place and in the manner specified in the license. In order that one license will avail for several persons or members of a firm, the assessor must be satisfied :

1st. That a legal *bona fide* partnership exists, and not merely an arrangement or understanding by which to evade the full effects of the License Law.

2d. That the parties have a place of business, and only one place, which is common to all.

3d. That the alleged members are mutually responsible for the acts of each other, and that they jointly share the benefits and suffer the losses of a common business.

4th. That the parties, on no occasion, transact business on private account in the branch for which the firm purports to have been organized.

In Reference to Lawyers, &c.—A lawyer having taken out a license to practice law in a certain State, for one year, will not be permitted to remove (with the design of permanently locating) to another State, and practice his profession there, without having first taken out a new license in the State to which he may have removed. If, however, the office from which the lawyer removes be taken by another lawyer, his license might be made available to the new comer, under sec. 63.

A lawyer licensed to practice law in a certain State may, however, go into another State, or into another county of the same State, on a temporary employment to argue a cause, or to give advice to clients, without being required to take out a license in such State or county.

A lawyer who displays a sign at his residence and transacts business there as well as at his office, must take out two licenses.

If a person holds out to the public by words, deeds or writing, that he is engaged in any kind of business requiring license, he must take license therefor, although the business in question may not be his chief or exclusive occupation.

In Reference to Market-Men and other Dealers.—Generally the business of one who keeps a stall in the market is that of a retail dealer. There are exceptions, however. The assistant assessor and assessor must judge in each case. If the dealer sells chiefly or entirely to consumers, though he may often sell in original packages, he should be classed as a retail dealer. If, on the other hand, his sales are generally in the original packages, or if it is his occupation to sell to those who buy to sell again, or if this part of his business is considerable, so much that he depends upon and procures stock with reference to it, he should be classed as a wholesale dealer, even though he sells at retail. The law contemplates sales at retail by wholesale dealers.

A dealer who sells soap, candles, starch, tea or other articles, by the original package, or salt by the wagon load, &c., &c., to consumers, is not a wholesale dealer under the law; but if he sells to those who sell again, he will be required to have a wholesale dealer's license. A furniture

dealer who sells a bureau, sofa or table to customers for their own use, whether in the package in which he received it or not, is not a wholesale dealer.

In Reference to Collectors of Rents.—A person engaged in settling an estate, who collects rents merely as an incident thereto, and not as an occupation, is not liable to a license as a Commercial Broker. If, however, he in any way indicates his readiness to engage in such business, and accepts it whenever offered, then he is liable to a license tax, under sec. 64, item 14. The amount of business actually done is not conclusive evidence upon the point. The main inquiry is, Is it the person's occupation "to purchase, rent or sell real estate for others?" Nor is it necessary that he should be engaged exclusively in this employment.

In Reference to Brokers and Bankers.—It is impossible to lay down an arbitrary rule by which to test a man's business, and decide whether he is a broker or banker. The law is explicit. Assistant assessors must exercise their best judgment, with the facts of each case in view. Parties who feel aggrieved can appeal to assessors. If an attempt were made to decide in advance, such a decision would confuse the judgment of the local officers, rather than aid it.

Concerning Savings Institutions.—The tax of 3 per centum must be paid on all dividends declared due and payable after September 1st, 1862. The same tax must also be paid on all sums, added to surplus or contingent funds.

I am not aware of any provision of law by which proceeds of investments in rail-road or bank stocks are exempt from taxation, when divided among policy holders or stockholders. I am of opinion that the tax must be withheld from all dividends and sums added to surplus funds, and the amount so withheld be paid over to the government.

In Regard to Rectifiers' License.—The basis for calculating the amount of license duty that a rectifier of liquor is subject to, under the Internal Revenue Law, is, the number of barrels or casks, containing not more than 40 gallons each, produced by the process of rectification; and not on the quantity of proof liquor used. Rectifiers will keep a record of the quantity of liquor produced, and will be required to make a monthly return of the same to the assistant assessor, subscribed and sworn, and to pay the amount of license tax accrued thereon, when required by the collector.

In Reference to Exportation of Distilled Spirits and Coal Oil.—Distilled spirits may be removed from the place of manufacture, for the purpose of being exported, or for the purpose of being re-distilled for export; and refined coal oil may be removed for the purpose of being exported, after the quantity of oil or spirits so removed shall have been ascertained by inspection, according to the provisions of the Excise Law, upon and with the written permission of the collector (see form No. 31) of the district, without payment of the tax thereon, previous to such removal; the owner thereof having first given bonds (Form No. 32) to the United States, with sufficient sureties in at least double the amount of said duty,

to export said spirit or oil, or pay the duties thereon within a period not exceeding ninety days from the date of said bond.

This bond must be given by the owner of the spirit or oil, whether distiller or otherwise, and must be executed to the satisfaction of the collector before the spirit or oil is removed from the premises where distilled or manufactured.

When a bond for export has been given and a permit granted, the spirits or oil may be exported from the specified port, without the intervention of the collector, under the Excise Laws, at such port.

In Regard to the Manufacture of Alcohol from Whiskey, Distilled and removed from the place of Manufacture prior to September 1st, 1862.—Alcohol manufactured from whiskey, distilled prior to September 1st, 1862, and on which an excise tax has not been paid, will be subject to a duty of three per cent. *ad valorem*.

In Reference to Sale of Liquors.—Alcohol, or spirituous liquors of any kind, can only be used by an apothecary in *compounding* medicines.

When sold otherwise he will be required to take license as a dealer.

A license to wholesale liquor confers no authority upon the party holding such license to retail liquor. Nor does a license to sell liquor authorize the sale of any other kind of merchandise.

In Reference to Coal Oil Distillers. (Bonded Warehouse.)—The owner or owners of any coal oil distillery may erect a warehouse, at his or their own expense, of materials to be approved by the collector of the district. Said warehouse, when approved, is hereby declared by the collector a bonded warehouse of the United States, to be used only for storing coal oil, and to be under the custody of the collector or his deputy. The duty on the oil stored in such warehouse shall be paid when, and as the oil is sold, or removed from such warehouse for sale.

In Reference to Distillate, (Granting Permits to Remove, &c.)—1st. Collectors may grant permits to producers of coal oil, not refined, and known as "distillate," to remove such distillate from the place of production for the purpose of refining the same elsewhere, upon condition that the producer or owner first give bonds, to the satisfaction of the collector of the district where the same is produced, that the distillate shall be so refined, and the tax or duty thereon paid to the collector of the district where the same shall be refined: *Provided, however*, that the oil, when refined, may be bonded for exportation, under the regulations relating to the exportation of coal oil.

2d. It shall be the duty of collectors and deputy collectors, before granting a permit for the removal of distillate, to cause the casks containing the same to be marked in such manner that they may be identified; and the permit shall contain an accurate description of such marks, and a copy of the permit shall be transmitted to the collector of the district to which the distillate is to be removed.

Interpreting Section 77, in Relation to Carriages, Yachts, Billiard Tables and Plate.—Sec. 77. The phrase "any person or persons owning, possessing or keeping any carriage, yacht and billiard table," is to be interpreted as referring to three different classes of owners, viz.: Such

as possess any carriage; and as a second class, such as possess any yacht; and as a third class, such as possess any billiard table.

There is nothing in the wording of the law referring to plate that could lead to the inference that the tax upon it is to be made contingent upon the keeping of a carriage, yacht, or billiard table.

The tax of ten dollars upon billiard tables kept for use, as provided in Schedule A, does not apply to billiard tables kept for hire, and subjected to a license tax in Section 64, Article 20.

The phrase, "kept for use," employed in reference to silver plate, is construed to except silver plate or ware "kept for sale," and also that which is in possession of a family or its members as souvenirs or keepsakes.

The plate properly taxable is that which has been purchased for the use of the family or has been presented to the family as a part of the household furniture, and, as such, is kept for use, whether for ornament or actual service. In the execution of the law, assessors are directed to allow owners of silver ware to have the same weighed, and to make report thereof.

In Reference to Ship and Boat Building.—Vessels and steamers that are built and launched in the ordinary manner are exempt from taxation. Several of the articles of which the vessel is composed are considered as manufactures, and will be subject to duty. Nails, engines, copper, cordage, &c., will pay duty as manufactures, when removed from the place of manufacture. If produced by the builder of the ship, he is to be treated as a manufacturer of such nails, engines, &c., and to be taxed upon the product. Boats propelled by oars are regarded as manufactures.

There may be vessels that would not be included in either of the specified classes, whose classifications cannot be anticipated, and which must be assigned to one class or the other, according to the facts.

Defining who must have a Peddler's License.—Dealers in ice, who supply customers from carts and wagons, collecting their bills monthly or at the end of the season, do not require a peddler's license for such carts and wagons, although occasionally small sales of ice are made by such drivers. They do not travel from place to place for the purpose of selling, but to deliver what has been previously sold. The same rule applies to milk wagons, grocer's wagons, bakers' and butchers' carts, used to deliver what was previously purchased or contracted for. It does not apply to bread, meat and fish carts, dealers in fruit and vegetables, owned or hired and run for the purpose of selling (peddling) their contents from house to house.

A farmer who sells the products of his own farm, by travelling from house to house, is not a peddler; but a person who buys and sells, as an occupation, and does his business while travelling from house to house, or place to place, must take license as a peddler.

In Reference to Photographers.—Photographers may be allowed to travel from place to place, under license as photographers. Each license in this case should state the place of residence of the photographer, and should specify that he is to travel.

In Reference to where the License of Vessels shall be taken out.—The license of steam and sailing packets, as provided in Section 64, Article 11, must in all cases be taken out, and the tax paid by the person or firm having the care or management of the steamer or vessel specified in the law, at the principal terminus or landing thereof, whether such person or firm be known as owner or agent.

In Relation to Newspapers.—If weekly, tri-weekly and daily newspapers are published in one office by the same parties, and are composed principally of the same matter, though the matter in them may differ to some extent, there can be no doubt that they are to be regarded as one paper, and are liable to taxation, if their combined circulation exceeds two thousand copies.

The Returns of Railroads of their Receipts for Transportation, &c.—The returns of railroads of their receipts for the transportation of passengers should be made at their principal office or place of business. Where several roads are so united as to have but one office, the return may be made on the entire line at such office—although some of the roads may be located wholly or in part within other collection districts.

The per centage is to be paid by railroads on receipts from transportation of troops, as well as from any other class of passengers.

In Regard to Auctioneers.—A regular licensed auctioneer can sell the goods of a licensed dealer in such dealer's store; but he cannot sell the goods, wares, &c., of an unlicensed dealer, who is subject to a license tax, at his (the dealer's) place of business, without being subject to the penalty.

An auctioneer can sell such goods as are not usually included in the stocks of dealers, wherever such goods may be situated, without taking special license therefor.

Stamp Tax on Express Receipts.—The item marked "Express," on page 89 of the Excise Law, was not intended to embrace the freight business of railroads and ordinary wagoners, but is limited to persons who are express carriers, and not merely common carriers, under the law. The distinction is very well known in practical business. The express carrier is usually expected to take the parcel, box or bundle from the house or place of business of the consignor to the house or place of business of the consignee, while a railway company receives and delivers goods only at its own stations.

In the absence of specific language in the statutes authorizing the broader construction, I must hold, that persons and companies engaged in transporting goods over the country, as such business is usually performed by railway corporations, are not liable to the payment of a stamp tax, upon the receipt given for such goods. I am also of opinion that the first item in Schedule B does not include such receipts for freight as are usually given by railway companies.

A receipt is no doubt, in a technical sense, an agreement or contract, but, in the ordinary use of language, this close construction does not hold. Had Congress intended to include receipts, it would have been easy to have so provided in plain language.

In Regard to Insurance Companies.—1. Each insurance policy, whether fire or marine, must be stamped.

2. An open policy will require but one stamp where the risks entered under such policy are all upon property shipped by or consigned or belonging to the policy holder.

3. Whenever certificates or other evidences of insurance are issued by the holder of an open policy, every such paper must bear an appropriate insurance stamp.

4. Whenever an insurance company refunds to the holder of an open policy any part of the premium, because the policy has not been used in full, the amount so refunded may be deducted from the premium received during the quarter, and the tax to the government may be paid upon the remainder. *Provided*, that this regulation shall not apply to money so refunded, on which the tax to the government shall not have been previously paid.

5. Dividends paid by mutual insurance companies, in scrip or money, to the insured, upon expiring or expired policies, are subject to the tax of three per cent., under sec. 82.

6. The agents of insurance companies located within the United States are not, in consequence of such agency, commercial brokers, nor do they appear to be taxable under the law. Foreign agents are taxable under sec. 85.

In regard to Stamps upon Instruments.—In stamping promissory notes or other instruments requiring stamps, under the provisions of the Excise Law, two or more of a smaller denomination may be used in numbers sufficient to amount to the sum of the stamp required: *Provided*, that they are of the kind denominated for the kind of instrument to which the stamps are applied.

Certificates.—A stamp will be required upon every certificate which has or may have a legal value in any court of law or equity.

Certificates, warrants, orders, and drafts, by one State officer upon another, for the purpose of carrying on the internal business of the government, are not subject to a stamp tax.

The same rule applies to the certificates, orders, &c., of county, city and town officers.

Messages transmitted by telegraph and railroad companies over their own wires, on their own business, for which they receive no pay, are not taxable.

Extract from an act passed at the second session of the 37th Congress, chapter 163, section 24; approved July 16, 1862; relating to the validity of unstamped instruments executed previous to January 1, 1863;

Sec. 24. *And be it further enacted:* That the ninety-fifth section of the act entitled, "An act to provide internal revenue to support the government, and (to) pay interest on the public debt," approved July first, eighteen hundred and sixty-two, be so amended that no instrument, document or paper made, signed or issued prior to the first day of January, 1863, without being duly stamped, or having thereon an adhesive stamp to denote the duty imposed thereon, shall for that cause be deemed invalid and of no effect. *Provided, however*, that no instrument,

document or paper, shall be admitted or used as evidence in any court, until the same shall have been duly stamped, nor until the holder thereof shall have proved, to the satisfaction of the court, that he has paid to the collector or deputy collector of the district within which such court may be held the sum of five dollars for the use of the United States.

In reference to hearing of Appeals by Assessors.—Assessors are not to give fifteen days to each county, but only so much time after the expiration of the notice as may be necessary. Quite likely a day or two may suffice, as in some counties there may be no appeal. The hearing will be summary and brief. Counsel should not be allowed, in ordinary cases, to argue matters at length.

In reference to Produce Dealers.—Persons buying produce, butter, eggs, &c., and forwarding the same to wholesale or commission merchants, to be sold by them, are not subject to a license tax in consequence of such buying; *provided* they buy for themselves. But if they buy for others, they are liable to the license, as commercial brokers.

Nursery-men and Tree-Dealers.—Nursery-men are required to take out licenses, as wholesale or retail dealers, as the case may be; and tree-dealers, who buy to sell again, if they peddle their trees, must take out licenses as peddlers, and also as dealers, if they have places of business.

Concerning the affixing and cancelling of Excise Stamps on Documents, &c.—Sec. 94 of the Excise Law requires, "That on and after the first day of October, certain stamp duties shall be collected on all instruments, matters and things, as described in schedule, marked B.

Sec. 95 provides: "That if any person or persons shall *make, sign* or *issue*, or cause to be made, signed or issued, any instrument, document or paper of any kind or description whatsoever, without the same being duly stamped for denoting the duty imposed thereon, or without having thereupon an adhesive stamp to denote said duty, such person or persons shall incur a penalty of \$50: and such instrument, document or paper shall be deemed invalid and of no effect."

It seems to me perfectly clear, that by the provisions of sec. 95, the person who *makes, signs* and *issues* the instrument, is the only person who is authorized to affix the stamp required by the law; and the person who *makes, signs* and *issues, &c.*, without affixing the stamp, incurs the penalty as aforesaid, and is liable to prosecution therefor, and the instrument or document is invalid in consequence of such neglect.

Sec. 99 provides: "That the person *using* or *affixing* the stamp shall write thereupon the initials of his name, date, &c.

Other portions of the law impose penalties upon persons who receive documents or articles subject to stamp duty from the person who *makes, signs* and *issues* them, without being duly stamped, etc.

I am therefore of the opinion that a faithful compliance with the requirements of the provisions of the Excise Law demands:

First: That all papers subject to stamp tax shall have the stamp affixed before the same is issued.

Second: That the stamp so affixed must be cancelled in the manner prescribed, by the party making, signing or issuing (in other words, executing,) the instrument, document or paper.

Hence, the receiving of an unstamped paper is a violation of the law. The attaching and cancelling of a stamp on a document so received, is also unlawful, and the cancellation of a stamp on a paper (otherwise lawfully issued,) by other than the party executing the paper to which the stamp is affixed, is equally improper.

The only exception that exists in the law to the above ruling is in the case of a bill of exchange, or order for the payment of any sum of money drawn, or purporting to be drawn, in any foreign country, but payable in the United States; in which case the acceptor or acceptors shall, before paying or accepting the same, place thereupon a stamp, indicating the duty upon the same, as provided by sec. 101 of the Excise Law.

GEORGE S. BOUTWELL, *Commissioner of Internal Revenue.*

In reference to Life Insurance Policies.—All life insurance policies are subject to stamp duty, when the policy is conditional that the assured is to pay a certain sum annually, or at any other stated period: receipts for such payments are not subject to stamp duty.

If the policy has expired by limitation, or by non-fulfilment of the conditions of the assured, renewal or revival of the policy, in whatever form made, will be subject to stamp tax.

Permits or agreements, by which the terms of a policy are varied or changed in any respect, are subject to stamps as agreements.

Relative to the tax on the Manufacture of Clothing.—The Commissioner of Internal Revenue having heard the arguments of counsel in regard to the liability to taxation under the Excise Law of persons engaged in the manufacture of clothing, makes the following statement and decision for the guidance of assessors and collectors.

The arguments submitted have been directed to two points: First: That clothing, under the law, is not a manufacture, and, consequently, not subject to taxation. Secondly: If a manufacture, and subject to taxation, the tax should be levied upon the increased value only, over the value of the materials, on which the taxes have been previously levied and paid.

It is claimed, that had Congress intended to tax clothing, its importance is such that it would have been mentioned among the articles enumerated in the 75th section. It is, however, to be considered, that only a limited number of articles subject to taxation under the law are thus enumerated. The enumeration is limited to articles produced, as distinguished from those which are manufactured; to those manufactures which are peculiar in character; to preparations which cannot be strictly classed either as productions or manufactures; and to manufactures, productions and preparations on which Congress saw fit to impose specific duties or exceptional rates of *ad valorem* duties. Following the enumeration is a provision sufficiently broad in language to include every variety and form of manufactures not otherwise specially provided for. It is in these words: "On all manufactures of cotton, wool, silk, worsted, flax, hemp, jute, India rubber, gutta-percha, wood, willow, glass, pottery-ware, leather, paper, iron, steel, lead, tin, copper, zinc, brass, gold, silver, horn, ivory, bone, bristles, wholly or in part, or of other materials not

in this act otherwise provided for, a duty of three per centum *ad valorem*."

It is claimed that the material or materials of which clothing is made are not enumerated nor covered by the phrase, "or of other materials." This interpretation does not seem to be justified by the language of the provision, nor is it sustained by the general policy of the law. As leather is the material of which shoes are made, or paper the material of a variety of manufactures, so cloth may properly be regarded as a principal material in the manufacture of clothing, and, as such, is covered by the phrase, "or of other materials," in the section of the law before referred to. It would also be a reasonable construction of the provision under consideration to say that the tax of three per cent. *ad valorem* is to be levied upon all manufactures of which "cotton" is the material, of which "wool" is the material, of which "silk" is the material, of which "worsted" is the material, "wholly or in part," and so on through the list of articles enumerated in the statute. This construction would cover clothing, as it is a manufacture of which cotton, and wool, and silk, and worsted, wholly or in part, are the ultimate materials of which it is composed. But using the language of the statute as the same language is used in daily business, it seems altogether reasonable to speak of cloths of the various sorts as the materials of which clothing is manufactured.

Hence, upon either construction of this provision of the law, clothing must be regarded as a manufacture, and as subject to an *ad valorem* duty of three per cent.

The proviso on which the claim is made to rest, that the tax should be assessed only on the increased value of the clothing over the value of the articles used, on which a tax may have been previously paid, is in these words: "That on all cloths dyed, printed, bleached, manufactured into other fabrics, or otherwise prepared, on which a duty or tax shall have been paid before the same were so dyed, printed, bleached, manufactured or prepared, the said duty or tax of three per centum shall be assessed only upon the increased value thereof." A sufficient objection to this view is, that the proviso treats of cloths as fabrics; and provides for a tax on the increased value of such cloths, as "fabrics," when they have been subjected to the process of dyeing, bleaching, printing or manufacturing. In the language of commerce and trade, cloth is a fabric, but a coat is not. Under this proviso, white cloths may be dyed and printed, brown cloths may be bleached, oil cloth, India-rubber cloth or enamelled cloth may be manufactured or prepared, and the manufacturer be liable to taxation for the increased value of his product over the value of the basis or primary manufacture, on which the tax shall have been previously paid. This construction appears to give reasonable and adequate scope to the language employed; and this proviso being an exception to the general policy of the law, which is to tax each distinct manufacture at its full commercial value, no broader construction can properly be made.

It is, then, the decision of the Commissioner, that clothing is a manufacture, and subject to taxation at the rate of three per cent. *ad valorem*, the value to be returned by the manufacturers, or estimated by assessors, in the manner pointed out by the statute.

It was represented by parties and counsel that the work of manufacturing is generally performed by persons who are not the owners of the materials, and who receive the garments cut, and return them completed to the owners. Upon this statement it was suggested that those who performed the larger part of the manual labor should be regarded as the manufacturers. This view does not seem to be warranted by the law. It is the general fact, that the manufacturer does not contribute any considerable portion of the manual labor needed in the branch of business which he pursues. Indeed, in every important branch of manufacturing industry, the manufacturer furnishes only the capital and business capacity necessary for the support and management of the business. There seems to be no reason why the operative employed in the manufacture of a coat should be regarded as the manufacturer, which would not apply with equal force to the weaver of cloth in a mill. It is sufficient to say that the construction asked for, if applied to every branch of manufactures, where reasons of equal force could be urged, would render the execution of the law, in the collection of taxes upon manufacturers, exceedingly difficult, if not impossible.

The decision upon this point, then, must be, that the manufacturer is he who furnishes the materials, the money and the skill employed in the management of the business.

Assessors and collectors will be further guided by printed decisions, Nos. *five* and *seven*.

In reference to the tax on Carpets and Curtains.—Carpets and curtains, when prepared by dealers in those articles, upon special orders, to suit specified rooms and windows, are not regarded as manufactures, nor liable to taxation as such.

In reference to Sails.—Sails, when made upon order and to suit a particular vessel, are not regarded as manufactures within the meaning of the Excise Law, and they are consequently exempt from duty.

In reference to the tax on Diamonds and Emeralds.—The tax on diamonds and emeralds, when previously cut and prepared for setting, will be assessed only on the value of the setting.

Relating to the business of Job Printers, Lithographers and Engravers.—The articles produced by job printers, lithographers and engravers, which are made upon specific orders, and which are not known as articles of commerce, are exempt from duty as manufactures.

Job printers, engravers and lithographers, whose business is confined to the production of articles covered by the foregoing rule of exemption, are not liable to assessment for license as manufacturers.

In reference to Drafts drawn by Banks and Bankers, and their Liability as Brokers.—Whenever an incorporated bank, or other bank legally authorized to issue notes as circulation, (mentioned in paragraph 1 of section 64,) has in the ordinary course of business accumulated funds at other places than that in which the bank is situated, such bank may draw against such funds, and sell such drafts without thereby being liable to take license as a broker.

This regulation will also apply to licensed bankers.

Incorporated banks, as well as licensed bankers, doing the business described in paragraph 13 of section 64, will be required to take the license prescribed in said paragraph; it being understood that selling drafts, in the manner and for the purpose above stated, is not considered as "dealing in exchanges relating to money," within the meaning of said paragraph.

In reference to Claim Agents.—Persons who hold themselves out to the public to prosecute claims against the government in any of the executive departments, whether such claims are actually prosecuted by them personally or by their correspondents, are required to take out license as claim agents under the 33d article of the 64th section of the Excise Law.

In regard to Manufacturers and Employees under the Proviso to Section 73.—Where one party furnishes the materials, or any part thereof, and employs another party to manufacture, make or finish the goods, wares and merchandise or articles, paying or promising to pay therefor, and receiving the goods, wares and merchandise or articles, whether the parties are in the same or in different places, the party so employed may not be required to pay the tax on the value thereof: *Provided*, That, at the request of the assessor or assistant assessor, the party employed shall make out a list, subscribed and sworn; which list shall state the number or quantity of the goods, wares and merchandise or articles manufactured, made or finished, during each month, as may be required by law in each case, and, as near as may be, the value thereof, together with the name and usual place of business of the party for whom the labor is performed. If the parties have their usual places of business in the same district where the list is made out, then the tax due thereon shall be assessed to the party for whom the labor is performed. But if the parties have their usual places of business in different districts, then the assessor receiving such list shall transmit it to the assessor of the district wherein the party for whom the labor is performed has his usual place of business, to the end that the tax due on such list may be paid by such party.

What constitutes a Cattle Broker.—A person who buys cattle to stock his own farm, and by keeping them thereon adds materially to their value, cannot be considered a cattle broker. If, however, it is his business to buy and sell, without making material additions to the intrinsic value of the animals, he is liable to taxation as a cattle broker.

The profits of the former, if any, are those of a producer; the profits of the latter, if any, are those of a trader; and this distinction may be deemed a test of the question, "Who is a cattle broker within the meaning of the Excise Law?"

In reference to Manufacturers of Cigars.—When persons are employed by tobaccoists or dealers in cigars, whether in the same town or at a distance, to manufacture cigars, and for this purpose receive tobacco from their employers to be made into cigars, which, when finished, are returned to their employers aforesaid, such persons may not be required to pay the duties on the value thereof: *Provided*, That, at the request of the assessor or assistant assessor, they make out a list, subscribed and

sworn ; which list shall state the number of cigars so made during each month, and, as near as may be, the value thereof, together with the name and residence of the person to whom the cigars have been returned. If the said employer, to whom the cigars are returned, resides, or has his usual place of business in a district different from that in which the list is made out, then the assessor receiving such list shall transmit it to the assessor of the district where such employer resides or has his usual place of business, to the end that the duties thereon, under the Excise Law, may be paid by the employer. But if the parties live in the same district, the assessor will assess the amount due on such lists to the employer.

Defining the Place of Manufacture.—Whenever, previous to September 1, 1862, goods, wares or merchandise shall have been made by persons who were not the owners of the materials, the premises where such goods, wares or merchandise were made, shall be regarded as the place of manufacture.

In reference to Tax on Hats and Bonnets.—When, according to the usages of trade, at the time of the passage of the Excise Law, hats and bonnets were sold without trimming, persons, whose business it is to trim such hats and bonnets will not be regarded as manufacturers.

REGULATIONS IN REGARD TO REVENUE STAMPS.

OFFICE OF INTERNAL REVENUE, *September 17, 1862.*

Revenue stamps may be ordered from this office in quantities to suit the purchasers. Orders should cover remittances of Treasury notes, or an original certificate of a United States Assistant Treasurer or designated depository, of a deposit made for the purchase of stamps.

The following commission, payable in stamps, will be allowed :

On purchases of \$50 or more,	2	per	centum.		
" " \$100	"	3	"	"	"
" " \$500	"	4	"	"	"
" " \$1,000	"	5	"	"	"

In sending orders for stamps it should be remembered that every stamp expresses upon its face its kind as well as its denomination, and that each stamp must be used for the purpose thus specified, and for no other. For instance: check stamps must be used for checks alone; contract stamps only on contracts, &c., &c. Revenue stamps will be ready for delivery on the 22d instant. Every correspondent is requested to give the State, as well as town and county, of his residence.

If not otherwise instructed, the stamps will be transmitted by mail.

GEORGE S. BUTWELL, *Commissioner.*

EXCHANGE ON EUROPE.

The Lowest and Highest Quotations for Bills on Europe, for the Steamers of each week, 1862. (Bankers' Bills at Sixty days' sight.)

WEEK END- ING, 1862.	ON LONDON, 60 days.	ON PARIS, Proc. per doll.	AMSTERDAM, Cents per gulder.	BREMEN, Cents per ris dollar.	HAMBURG, Cents per mark banco.
Jan. 4.	112 @ 113	5. @ 4.95	43½ @ 43½	82 @ 82½	38 @ 39
11.	113½ @ 114½	4.90 @ 4.87½	43½ @ 44	84 @ 85	38½ @ 39
18.	114 @ 114½	4.95 @ 4.90	43 @ 44	84 @ 85	38½ @ 39
25.	111 @ 112	5.05 @ 5.	43½ @ 43½	84 @ 85	38½ @ 39
Feb. 1.	113 @ 113½	5. @ 4.97½	43½ @ 44	84 @ 85	38½ @ 39
8.	114 @ 114½	5. @ 4.95	43½ @ 44	84 @ 85	38½ @ 39
15.	114½ @ 115½	4.95 @ 4.90	43½ @ 44	84 @ 85	38½ @ 39
22.	114½ @ 115	4.97½ @ 4.95	43½ @ 43½	84 @ 85	38½ @ 39
Mc'h 1.	113 @ 114½	5. @ 4.97½	43½ @ 43½	82 @ 83	37½ @ 38
8.	113 @ 113½	5.02½ @ 5.	43 @ 43½	82 @ 82½	37½ @ 38
15.	111½ @ 112½	5.05 @ 5.02½	43 @ 43½	81 @ 81½	37½ @ 37½
22.	111½ @ 112	5.05 @ 5.02½	42½ @ 43	81 @ 81½	37½ @ 37½
29.	112 @ 112½	5.06½ @ 5.05	42½ @ 43	81 @ 81½	37½ @ 37½
Apr 5.	112 @ 113	5.05 @ 5.02½	42½ @ 43	81 @ 81½	37 @ 37½
12.	112½ @ 112½	5.02½ @ 5.	42½ @ 43	81½ @ 81½	37 @ 37½
19.	112½ @ 112½	5.05 @ 5.02½	42½ @ 43	81½ @ 81½	37½ @ 37½
26.	112 @ 112½	5.05 @ 5.02½	42½ @ 43	81½ @ 81½	37½ @ 37½
May 3.	112½ @ 113½	4.97½ @ 4.96½	43 @ 43½	82½ @ 82½	37½ @ 37½
10.	113½ @ 114	5. @ 4.95	43 @ 43½	82½ @ 82½	37½ @ 38
17.	113½ @ 114	5. @ 4.95	43 @ 43½	82½ @ 82½	37½ @ 38
24.	113½ @ 114½	4.97½ @ 4.95	43 @ 43½	82½ @ 82½	37½ @ 38
31.	114½ @ 114½	4.92½ @ 4.91½	43½ @ 43½	82½ @ 82½	37½ @ 38
June 7.	114½ @ 114½	4.95 @ 4.93½	43½ @ 43½	82½ @ 82½	37½ @ 38½
14.	114½ @ 116½	4.88½ @ 4.85	44½ @ 44½	82½ @ 82½	38½ @ 38½
21.	116½ @ 118	4.78½ @ 4.77½	44½ @ 44½	84½ @ 85	39 @ 40
28.	118 @ 121	4.77½ @ 4.67½	44½ @ 45	86 @ 87½	40 @ 40½
July 5.	120½ @ 122	4.65 @ 4.62½	45½ @ 46	89 @ 90	40½ @ 40½
12.	121½ @ 130	4.57½ @ 4.52½	46½ @ 49½	90 @ 94	42½ @ 43
19.	128 @ 129	4.40 @ 4.32½	50 @ 50½	95 @ 96	44 @ 44½
26.	129 @ 132½	4.30 @ 4.25	50 @ 50½	94½ @ 94½	44 @ 44½
Aug. 2.	127½ @ 129	4.45 @ 4.35	48½ @ 48½	90 @ 90½	43 @ 43½
9.	124½ @ 125½	4.50 @ 4.47½	47½ @ 48½	89 @ 90	43 @ 43½
16.	125 @ 128	4.50 @ 4.30	48 @ 48½	90½ @ 91	43 @ 43½
23.	127 @ 128	4.45 @ 4.40	48½ @ 48½	91½ @ 92	43½ @ 43
30.	127½ @ 127½	4.41 @ 4.37½	48½ @ 48½	92 @ ..	43½ @ 43
Sept. 6.	129 @ 130	4.37½ @ 4.35	49½ @ 49½	92½ @ ..	43½ @ 43
13.	131 @ 131½	4.32½ @ 4.28½	49½ @ 49½	94 @ ..	43½ @ 44
20.	139 @ 130	4.35 @ 4.32½	49½ @ 49½	92 @ ..	43½ @ 44
27.	129½ @ 132	4.32½ @ 4.27½	49 @ 49½	94½ @ 95	43½ @ 44
Oct. 4.	132½ @ 135½	4.17½ @ 4.12½	51½ @ 51	97½ @ ..	45 @ 45
11.	136 @ 141	4.13½ @ 3.95	52 @ 54½	102½ @ 102½	45½ @ 46
18.	141½ @ 147	3.97½ @ 3.80	55½ @ 56	107 @ 107½	46 @ 49
25.	141 @ 151	4. @ 3.82½	54 @ 56	104 @ 104½	48 @ 48½
Nov. 1.	144½ @ 145	3.93½ @ 3.85	55 @ 55½	105 @ 105½	48½ @ 49
8.	145 @ 146	3.90 @ 3.85	55½ @ 56	106½ @ 107	48½ @ 49
15.	146½ @ 146½	3.90 @ 3.82½	54½ @ 56½	104½ @ 106	48 @ 48½
22.	144½ @ 144½	4. @ 3.87½	54 @ 55	104 @ 105	47½ @ 48½
29.	142½ @ 143	4.02½ @ 3.90	53½ @ 54½	103½ @ 104½	47½ @ 48
Dec. 6.	145½ @ 146	3.90 @ 3.80	55 @ 56	105 @ 107	48 @ 49
13.	144½ @ 145½	3.92½ @ 3.82½	54½ @ 55½	104½ @ 105½	48½ @ 48½
20.	145½ @ 146½	3.90 @ 3.83½	54½ @ 55½	105 @ 106	48½ @ 49½
27.	145½ @ 148½	3.92½ @ 3.85	55 @ 55½	104½ @ 105½	48½ @ 49

TABULAR STATEMENT, SHOWING THE NUMBER OF REPRESENTATIVES IN CONGRESS, 1863-1873, BANK CIRCULATION AND BANK CAPITAL OF EACH STATE, JANUARY, 1863, AND THE CIRCULATION UNDER THE ACT OF FEBRUARY, 1863.

LOYAL STATES.	Bank Circulation, Jan., 1863.	Bank Capital.	PROPOSED CIRCULATION.		
			One-half, according to Congressional representation, or \$150,000,000.	Per centage of Bank Capital.	Total by Mr. SHEPHERD'S BILL.
Maine,.....	\$ 7,800,000 ..	\$ 7,983,000 ..	\$ 3,110,000 ..	\$ 2,883,000 ..	\$ 5,943,000
New-Hampshire,....	8,825,000 ..	4,732,000 ..	1,866,000 ..	1,680,000 ..	3,546,000
Vermont,.....	8,000,000 ..	3,916,000 ..	1,866,000 ..	1,690,800 ..	3,556,800
Massachusetts,....	29,500,000 ..	67,544,000 ..	6,322,000 ..	28,972,000 ..	80,194,000
Rhode Island,.....	6,950,000 ..	21,000,000 ..	1,245,000 ..	7,453,000 ..	8,693,000
Connecticut,.....	8,800,000 ..	21,800,000 ..	2,490,000 ..	7,787,000 ..	10,227,000
New-York,.....	38,500,000 ..	108,670,000 ..	19,300,000 ..	33,563,000 ..	57,863,000
New-Jersey,.....	8,600,000 ..	8,030,000 ..	3,110,000 ..	2,346,000 ..	5,956,000
Pennsylvania,.....	27,500,000 ..	25,820,000 ..	14,950,000 ..	9,164,000 ..	24,114,000
Delaware,.....	1,200,000 ..	1,900,000 ..	632,000 ..	674,000 ..	1,296,000
Maryland,.....	5,000,000 ..	12,302,000 ..	3,110,000 ..	4,366,000 ..	7,476,000
District of Columbia, ..	none ..	800,000 ..	none ..	284,000 ..	284,000
California,.....	none ..	none ..	1,368,000 ..	none ..	1,368,000
Illinois,.....	600,000 ..	1,000,000 ..	3,712,000 ..	855,000 ..	9,067,000
Indiana,.....	6,660,000 ..	4,560,000 ..	6,849,000 ..	1,619,000 ..	8,459,000
Iowa,.....	1,160,000 ..	880,000 ..	3,784,000 ..	295,000 ..	4,029,000
Kansas,.....	none ..	100,000 ..	622,000 ..	85,000 ..	657,000
Kentucky,.....	7,500,000 ..	18,000,000 ..	5,600,000 ..	5,324,000 ..	10,924,000
Michigan,.....	150,000 ..	600,000 ..	3,784,000 ..	213,000 ..	3,947,000
Minnesota,.....	50,000 ..	300,000 ..	1,245,000 ..	106,000 ..	1,351,000
Missouri,.....	4,000,000 ..	11,250,000 ..	5,000,000 ..	3,993,000 ..	5,993,000
Ohio,.....	10,030,000 ..	5,700,000 ..	11,820,000 ..	2,022,000 ..	13,842,000
Oregon,.....	none ..	none ..	622,000 ..	none ..	622,000
Tennessee,.....	*4,000,000 ..	10,000,000 ..	4,982,000 ..	3,549,000 ..	8,581,000
Wisconsin,.....	2,645,000 ..	3,055,000 ..	3,780,000 ..	1,055,000 ..	4,815,000
Loyal States,.....	\$ 173,500,000 ..	\$ 336,832,000 ..	\$ 117,000,000 ..	\$ 119,563,000 ..	\$ 236,563,000
SECEDED STATES.					
Alabama,.....	\$ 5,000,000 ..	\$ 4,900,000 ..	\$ 2,734,000 ..	\$ 1,789,000 ..	\$ 5,473,000
Arkansas,.....	none ..	none ..	1,968,000 ..	none ..	1,968,000
Florida,.....	100,000 ..	420,000 ..	622,000 ..	149,000 ..	771,000
Georgia,.....	8,000,000 ..	16,550,000 ..	4,860,000 ..	5,874,000 ..	10,234,000
Louisiana,.....	6,000,000 ..	24,600,000 ..	3,110,000 ..	3,781,000 ..	11,841,000
Mississippi,.....	none ..	none ..	3,110,000 ..	none ..	3,110,000
North Carolina,.....	5,000,000 ..	7,360,000 ..	4,360,000 ..	2,789,000 ..	7,149,000
South Carolina,.....	6,000,000 ..	14,950,000 ..	2,497,000 ..	5,306,000 ..	7,803,000
Texas,.....	none ..	none ..	2,497,000 ..	none ..	2,497,000
Virginia,.....	19,000,000 ..	16,480,000 ..	6,342,000 ..	5,549,000 ..	13,691,000
Seceding States,†..	\$ 49,100,000 ..	\$ 86,760,000 ..	\$ 33,000,000 ..	\$ 30,487,000 ..	\$ 63,487,000
Loyal States,.....	173,500,000 ..	336,832,000 ..	117,000,000 ..	119,563,000 ..	236,563,000
Total United States, ..	\$ 222,600,000 ..	\$ 423,642,000 ..	\$ 150,000,000 ..	\$ 150,000,000 ..	\$ 300,000,000

* January, 1861.

† The latest returns received.

DECISIONS OF THE COMMISSIONER OF INTERNAL REVENUE.

COPIES of these decisions, as hereafter made known, will be supplied without charge to subscribers, on application to the editor of the *BANKERS' MAGAZINE*. All the decisions, to No. 45, inclusive, are published in the *BANKERS' ALMANAC*, 1863.

No. 63. *In relation to the Transfer of Shares by Stockholders.*—Any written authority, in whatever form drawn, made by a stockholder in a corporation, for the transfer of shares in such corporation, is regarded as a power of attorney; and, as such, is subject, under Schedule B., to a stamp duty of twenty-five cents.

No. 70. *Relative to Stamps required upon Certificates of Stocks in Corporations.*—Whenever the officers of a corporation receive satisfactory evidence that any person, persons or party have become stockholders in such corporation, and shall make in the books thereof the requisite entries, showing that such person, persons or party have become stockholders, and shall make and sign a certificate or certificates thereof, it shall be the duty of such officers to affix to every such certificate the appropriate revenue stamp; the expense thereof to be paid by the person, persons or party for whose use or benefit such certificate or certificates are made and signed.

A misconception, and wrong practice under it, having obtained currency in regard to the stamps required on notes payable on demand, commonly known as loans to brokers and others, with collateral attached, the Commissioner of Internal Revenue has issued the following notice:

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE, Jan. 23, 1863. }

I desire to state that promissory notes, whether "*on demand*" or "*on time*," are liable to stamp duty, under the third clause of Schedule "B.," excise law, pertaining to "*Inland Bills of Exchange*."

Respectfully,

GEORGE S. BOUTWELL, *Commissioner*.

The mistaken practice referred to was to stamp all such paper with a single two cent stamp, the same as on checks or drafts at sight, or on demand. We presume that if not already given over by our banks and other lenders on demand, it will be, for their own security, before the 1st of March. They are now liable to the penalty for failing to use the proper amount of stamps, scaled by the amount of the loan, and after the 1st of March the loans themselves will be invalid, if not rightly stamped.

NOTICES OF NEW PUBLICATIONS.

I. *A Treatise on the Law of Promissory Notes and Bills of Exchange.* By THEOPHILUS PARSONS, LL. D., *Dane Professor of Law in Harvard University, and author of Treatises on the Law of Contracts, etc.* Two volumes, pp. 664, 854. Philadelphia: J. B. LIPPINCOTT & Co., 1863.

IN the brief preface to this work Professor PARSONS throws out the hint, that "it might be a benefit to the courts, to the profession and to the community, if an avoidance of diffuse and discursive argumentation should give to the decisions point, precision and weight, and permit a single volume to contain, and to express distinctly, all the law which must now be sought in very many, with much labor, and sometimes imperfect success." All who have noticed the rapidity with which law reports have been issued of late years, will agree with this most wholesome suggestion.

But if the evil cannot be corrected, much may be done to assist the student and professional man, by the publication of text-books, which are thorough and complete digests of the law upon the topics upon which they treat, and which, at the same time, give both the rule of law and the reason of the rule.

This is a distinguishing excellence of Professor PARSONS' works. They are not merely a collection of decisions, but are books full of legal principles carefully deduced from adjudged cases. If there is any doubt whether the case will support the principle, it is generally cited somewhat fully in the notes, in order that the reader may judge for himself.

The first volume of the present work treats of the origin and functions of notes and bills, of their essential elements, of the parties and of the consideration, of the rights and duties of the maker and the holder, of presentment, notice and protest. The second volume treats of transfer both by endorsement and delivery, of checks, bank bills, and other instruments similar in character to notes and bills; of guaranty, payment, lost notes and bills, law of place, interest, usury, action, evidence, and defences of all kinds.

It will be seen from this summary of contents, that the scope of the work is most comprehensive, embracing all the questions that can arise on the subjects connected with commercial paper. The author has treated them with his usual clearness of statement and careful analysis of principle. The chapters on "Usury" and on "Defences" are very interesting, and, indeed, all the work must be so to every professional man, and would be of great use to those who wish to see all the law in regard to negotiable paper brought into one treatise.

There is a short appendix upon the subject of the stamps required by the statute of the United States, but the recent date of the law forbade any full discussion of this topic. The volumes are beautifully printed and bound, and will, no doubt, meet with the ready and extensive sale they deserve.

We shall take occasion, in an early number, to extract a few paragraphs from the present work for the information of bankers; and now recommend those gentlemen who wish to become more familiar with the law relating to bills and notes, to purchase the volumes for their own use and for the use of their clerks. One of the obligations of a banker is to furnish his subordinates with the proper "tools of trade," in the shape of standard works.

II. *Des Crises Commerciales et de leur retour periodique en France en Angleterre, et aux Etats Unis.* By DR. CLEMENT JUGLAR. Paris: 1862.

The Academy of Moral and Political Sciences of Paris proposed, in 1860, to give a prize for the best treatise on "The causes and the effects of the commercial crises in Europe and in North America in the course of the nineteenth century." DR. JUGLAR, who had written on the subject in the *Journal des Economistes*, made a profound study thereof, and collected all the facts and figures calculated to elucidate it. He

then wrote an elaborate essay, and submitted it to the academy, and the academy, on the report of M. WALKWICK, "crowned" it as the best. That essay, with some additions and improvements, is the work before us.

Most continental economists consider the causes of commercial crises as very various: political perturbations, war, the re-establishment of peace after long war, inundations and other disasters, scarcity, abundance, excessive speculation, sudden tariff changes, &c., &c.; but Dr. JUGLAR holds that crises are the natural and inevitable result of great prosperity; and that though the circumstances mentioned may contribute to, and even hasten them, they are not, properly speaking, the causes of them. To establish his position, he makes an examination of the returns of the banks of France, England and the United States, from the beginning of the present century down to 1859, and he shows from them that commercial activity, as demonstrated by an increase in the discounts and a decrease in the metallic reserve of the banks, goes on augmenting for a series of years, when it is checked by a crisis followed by a liquidation; after which it commences again, and is continued for a new series of years with the like result. As to the effects produced by commercial crises, M. JUGLAR demonstrates, from official tables, that not only do crises for a time paralyze commerce and destroy credit, but that they check marriages, the increase of population, and the yield of taxes.

Dr. JUGLAR seems to think that what he calls "an exaggerated development of discounts," or what we would term an undue increase of bank loans, in the banks, leading to speculations of all kinds, a rise in the price of all productions, of houses, of land, in workmen's wages, &c., resulting after a while in a crisis, is a new economic law. But experience has demonstrated in this country, that over-trading, over speculation, always produce that consequence, and they naturally occasion an excess of discounts. It has not, however, proved that it is the *only* cause of crises; and France herself shows us that political perturbations, scarcities and wars—even wars in which France is not directly engaged—bring about such catastrophes. It follows that though, as M. WALKWICK, the academic reporter on the work, says, excessive discounts and the diminution of metallic reserves precede certain crises, they must not be too exclusively regarded. Be this as it may, Dr. JUGLAR has rendered a good service to economic science in collecting and grouping a mass of valuable statistics, and his work will be consulted by all who wish to study commercial catastrophes.—*London Economist, September, 1862.*

III. *The Employments of Women.* By VIRGINIA PENNY. BOSTON: WALKER, WISE & Co.

The purpose of this work, indicated in Miss PENNY's dedication, "To worthy and industrious women striving to earn a livelihood," will secure for it more attention than most new books receive; and when this attention is given to the book, more general commendation will follow, for its treatment of the subject, than we had supposed at all probable, considering it is one wherein all well-wishers of man and woman agree in thinking a desirable result, but wherein they are equally unanimous in differing as to the best means of attainment; namely, how to give employment to women. Miss PENNY has, with labor, obtained information upon almost every employment proper to women, mainly under the heads of wages, adaptability to women's power of labor, and the extent to which women are now employed.

A better illustration of the book, or one more pertinent to our readers, cannot be given than by quoting the paragraph relating to "Bankers and Bankers' Clerks:" "Before the existence of savings banks, the poor had no safe place of deposit, where they could receive interest, and whence they could withdraw their deposits at pleasure. If they loaned their money, there was no certainty of recovering it. If they tried to accumulate by saving what they had, it was not always secure from depreciation; consequently they were tempted to spend any surplus money they had, and often no forethought of the future could save them from anxiety and misery. Now, by industry and perseverance, they are enabled to accumulate something for contingencies—to provide against want, sickness, old age and slackness of employment. The idea of a savings bank was originated by a woman, Mrs. PRISCILLA WAKEFIELD. It is a most worthy institution, and deserving of support and patronage. Holding office in a bank is a very responsible

situation. The numerous men defaulters that have disgraced themselves in the last few years, are sufficient proof that the temptation to appropriate unjustly is very great. It requires men and women of fixed principle, whose honor is dearer to them than life itself. We think women could very well manage savings banks. They could, at any rate, attend in the female department, and in some parts of Europe do. We find in the census of Great Britain two female bankers reported. In the *English Woman's Journal* we read: "At St. Malo, a few years ago, the wife of a rich banker, during his absence, took her place at his desk, amid the numerous clerks, received checks, and gave to the writer of this article French money in return. They are frequently found in offices, and often mainly conduct a husband's or a father's business." One of the Mrs. ROTHSCHILD, I have been told, even now spends two or three hours every day in her husband's banking-house. Mrs. MARY SOMERVILLE says: "Three of the most beneficial systems of modern times are due to the benevolence of English ladies—the improvement of prison discipline, savings banks and banks for lending small sums to the poor." Not many years ago a banking-house was conducted by a lady in Nashville, Tenn. She was a widow, but had, during her first husband's life, attended to some of the duties of the bank, and accompanied her husband when he visited New-York on business. She is now the wife of one of the late candidates for the highest office in this nation—that of chief magistrate. A lady was employed in a savings bank in Boston a few years back. A gentleman who has been cashier in a bank for many years writes me: "I have no doubt that women might be qualified for bank and brokers' clerks, as well as men. In the offices of cashier and teller, they would have to come in contact with so many rough characters, I doubt whether it would do. I do not know the salaries paid in Europe either in stores, shops, bank or brokers' offices, but suppose it varies as it does in this country, according to the size of the city, the bank or broker's capital, the qualifications and character, and the situations the persons occupy. The cashier receives more than the teller; the teller often more than the clerk, and the clerks are graded. In large banks in the city of New-York the cashiers get from \$4,000 to \$6,000 per annum, while in the country banks they scarcely get half that amount. In the city their situations are very laborious and very responsible, and many of them have been twenty-five or thirty years in the business before they get to be cashiers. Tellers receive in large cities from \$2,500 to \$3,000, and in small places from \$1,200 to \$2,000. Clerks get in New-York banks from \$600 to \$3,000, taking the whole range from boys of seventeen to men of sixty, with families and great experience. In smaller towns they receive from \$300 to \$2,500, taking the same range, many of them getting not more than \$1,500 at any time during their lives. In stores and shops the salaries are much less, say not much over one-half in very many instances; but persons in stores and shops have this advantage over bank clerks, when they learn the business they are often taken into partnership with the proprietor, or they may set up in a similar business for themselves, but bank clerks have no such prospects before them. There may be salaries, in a few instances, over those mentioned, but very seldom; and, on the other hand, some young men are placed in business sometimes without any remuneration for the first year. I would also state that the situation of bank clerk, although very much sought for, is certainly not desirable, as \$1,200 or \$1,500 will not support a family in any city of the United States without the most rigid economy, and then they have little or nothing to lay up for a rainy day. Many bank clerks in this city are no better off now than they were twenty years ago, though they have lived poorly, and economized all the time. So in some respects the store clerk or salesman has the advantage. One reason why young men prefer becoming bank clerks to mercantile clerks' is, that they have more time for themselves. Say they commence by seven o'clock in a store and nine at bank, they get through by two or three o'clock in bank, and they have to work until nine in a store."

BANK STATISTICS.

COMPARATIVE TABLE OF THE BANKS OF THE STATE OF NEW-YORK,
DURING THE YEARS 1860, 1861, 1862.

RESOURCES.	Sept., 1860.	Dec., 1861.	June 30, '62.	Sept. 27, '62.	Dec. 27, '62.
Loans,.....	\$ 200,118,884 ..	\$ 191,068,141 ..	\$ 184,501,261 ..	\$ 165,598,06 ..	\$ 178,922,586
Overdrafts,.....	428,892 ..	868,866 ..	481,799 ..	507,511 ..	508,521
Due from banks,.....	17,167,040 ..	18,798,709 ..	21,720,219 ..	24,071,69 1..	27,692,461
Real estate,.....	8,865,800 ..	9,318,788 ..	9,609,060 ..	9,592,765 ..	9,602,673
Specie on hand,.....	21,710,828 ..	22,102,715 ..	22,822,698 ..	22,223,981 ..	27,506,647
Cash items,.....	22,918,841 ..	18,995,778 ..	24,429,278 ..	23,121,155 ..	23,108,776
Stocks and mortgages,	26,609,787 ..	68,238,864 ..	71,697,790 ..	118,758,710 ..	118,860,720
Bills of other banks,...	2,509,601 ..	2,121,785 ..	2,970,191 ..	25,178,642 ..	17,041,525
Loss and expense,.....	981,482 ..	1,811,547 ..	1,197,959 ..	902,594 ..	1,585,814
Total resources,.....	\$ 311,245,555	\$ 384,755,658	\$ 366,890,908	\$ 416,990,142	\$ 425,112,082
LIABILITIES.	Sept., 1860.	Dec., 1861.	June, 1862.	Sept., 1862.	Dec. 27, '62.
Capital paid in,.....	\$ 111,884,847' ..	\$ 109,408,879 ..	\$ 108,682,705 ..	\$ 108,606,062 ..	\$ 108,668,227
Circulation,.....	21,759,127 ..	20,538,020 ..	22,727,899 ..	27,567,878 ..	29,162,519
Profits undivided,.....	12,216,468 ..	14,152,157 ..	14,721,695 ..	14,228,874 ..	17,102,000
Due banks and bank'rs,	29,706,606 ..	24,481,615 ..	50,569,676 ..	60,421,247 ..	57,822,106
Due other than banks,.	2,252,961 ..	2,501,299 ..	1,676,746 ..	1,800,115 ..	1,951,401
Treasurer of the State,	3,569,907 ..	2,915,976 ..	2,861,798 ..	5,845,651 ..	7,625,473
Due depositors,.....	116,100,466 ..	125,178,984 ..	150,482,244 ..	186,890,795 ..	191,587,597
Miscellaneous,.....	2,615,678 ..	14,619,278 ..	2,681,964 ..	2,079,995 ..	1,945,664
Total liabilities,.....	\$ 311,245,555	\$ 384,755,658	\$ 366,890,908	\$ 416,990,142	\$ 425,112,082

PRIVATE BANKERS.

MISSOURI.—The firm of VAISSIER & NEWELL, St. Louis, has been dissolved, by the retirement of the senior partner. Mr. WILLIAM B. NEWELL continues the banking business at the old stand.

NEW-ORLEANS.—The banking firm of BENOIST & SHAW, New-Orleans, was dissolved in February. The business will be continued by their late partners, Messrs. NEWMAN & MURPHY.

W. H. WALDBY, of Adrian, Mich., has purchased the banking office, business and good will of the "Exchange Bank of L. G. BERRY," and will commence the new year with "W. H. WALDBY'S Bank of Adrian."

DISTRICT OF COLUMBIA.—Mr. J. D. BARROW has associated with himself Mr. J. C. MCKILDEN, to carry on the banking business at Washington. Their New-York correspondents are Messrs. CLARK, DODGE & Co., and E. MORRISON & Co.

BANK ITEMS.

NEW-YORK.—The attention of the Bank Superintendent, at Albany, has been called to the shape in which the weekly averages of specie are made up by the city banks for publication every Tuesday morning, as part of their "condition" through the previous week, under the act of April, 1853. The public aim and interest of the statute was, of course, to publish *the true condition* of each bank "in respect to the following items and particulars, to wit: average amount of loans and discounts, specie, deposits and circulation." So far as the line of specie, reported since the practice of receiving gold for special safe keeping, or as special security for advances made upon it by the banks, enters into the true condition of the bank *reporting all the specie in its vaults*, to whomsoever really belonging, it is wholly deceptive, and, by construction, a fraud upon the clear aim and intent of the statute. So far as the show of specie over and above the average sum owned or controlled, as *part of its condition*, is designed to represent the true *pro rata* of specie to the average indebtedness of the bank on deposits and circulation, the deception is still balder; for, as heretofore explained, and as the fact has become notorious, a large share of the gold in bank—say from 30 to 40 per cent., or \$12,000,000 to \$15,000,000—is specially held in bank, mostly on speculation, and that checks and certificates of such specie holding are circulated from bank to bank and from broker to broker, beyond the control of the bank issuing or certifying such tokens, and made the staple of speculation and of loans on demand in Wall-street, at such premiums on the par value as can be made on the Stock Exchange or with the money-lenders—*very many of the latter being the banks themselves.*

It is urged that no such showing of specie can, in any legal or common sense, be made to enter into the "condition" of the bank as reported for the information and security of the public, and that the Bank Superintendent has had his attention called to this abuse. What his construction of the statute may be is not yet known. The words of the act of 1853, chap. 250, involved in the question, are, that—

"Every bank, banking association or individual banker, doing business in the city of New-York, shall cause to be published on the morning of every Tuesday, in a newspaper printed in said city, to be designated by the Superintendent, under the oath of the president or cashier, *showing the condition of the bank*, banking association or individual banker, making such statement, on the morning of each day of the week preceding such statement, in respect to the following items and particulars, to wit: average amount of loans and discounts, specie, deposits and circulation."

Rochester.—A bill has been introduced into the legislature to authorize the Union Bank of Rochester to reduce its capital stock.

Cohoes.—A fourth call of twenty-five per cent. on the capital stock of the Bank of Cohoes, New-York, has been made, payable on the 31st inst. MURRAY HUBBARD is the Cashier.

MASSACHUSETTS.—No new banks were established in Massachusetts under the general law during the year 1862. There are seven organized in this way, with a capital of \$3,900,000, and an outstanding circulation on the first of January of \$1,928,931, secured by stocks to the amount of \$2,812,850.

The Provident Institution for Savings, Boston.—The annual meeting of the corporation of the Provident Institution for Savings, in this city, was held at their house in Temple-place, on Wednesday, December 17th, Hon. JAMES SAVAGE, the president of the corporation, in the chair. A statement of its operations was read, which showed that the deposits in its charge now exceed seven millions of dollars, to the credit of more than thirty thousand depositors, and that this sum is invested in the most careful and substantial manner. At the close of the meeting, Mr. SAVAGE, who had declined a re-election on the plea of increasing years and infirmities, took leave of the corporation, with which he had been connected from its commencement, a period of forty-six years. In this time he has in turn filled the posts of Trustee, Vice-President and President, the duties of which he has uniformly

discharged in the most assiduous and careful manner. A vote of thanks to him of the most appreciative and cordial description, proposed by the Hon. FRANCIS B. CROWNSHIELD, was unanimously adopted. There remains of the original chartered corporators of this institution, besides Mr. SAVAGE, we believe, only SAMUEL MAY, Esq. FRANCIS C. LOWEL was elected President; WILLIAM S. DEXTER, Secretary, for the coming year.

The East Boston Savings Bank held its annual meeting on the 28th inst., and elected trustees, &c. This bank has more than doubled its deposits during the last five years, and increased the same about \$40,000 the last year. It is now paying its twenty-eighth semi-annual dividend of 2½ per cent.

Boston.—SAMUEL G. REED and SYLVESTER BOWMAN, Receivers of the Grocers' Bank, Boston, have presented a report to the legislature, giving the following statement: Amount collected of debts due the bank, &c., \$9,871 38; disbursed for clerk hire, &c., \$2,147 81; and of the dividend of 12 per cent., ordered to be paid by the Supreme Judicial Court to stockholders on 6,549 shares, amounting to \$78,588, there has been paid \$77,460.

Springfield.—CALEB RICE, WM. BIRNIE and ELAM STOCKERIDGE, Receivers of the Western Bank, Springfield, Mass., have submitted to the legislature a statement of the affairs of that bank on January 13th, 1863. The assets amount to \$167,511 79, of which sum \$14 37 is cash on hand. The liabilities amount to \$208,750, being the amount of capital stock. There are no liabilities outstanding against the bank, except capital stock. Since the last report, \$36,250 have been paid to stockholders in part payment of their stock, or placed to their credit in the Chicopee Bank, Springfield. Claims to the amount of \$3,635 99 have been cancelled by an order of the Supreme Judicial Court, limiting the time of payment; \$7,417 44 of bills discounted charged to profit and loss. The sum of \$8 per share is now payable (since 12th inst.) to the holders or their order.

The Suppression of Counterfeiting.—The tenth annual report of the Board of Managers of the New-England Association of Banks for the suppression of Counterfeiting has appeared. The managers have continued their offer of rewards for the conviction and sentence of engravers of plates for counterfeiting bank notes, also for uttering counterfeit bank notes. During the year 69 persons were convicted and sentenced. It appears that the association has paid thirty-four rewards for banks that are not members, being eleven more than have been paid for banks that are members. The managers state that the law passed in 1862 concerning the taking of bail in criminal cases "works admirably." The approval of the legislature, and a continuance of the customary grant, \$1,500, are asked for. The association comprises 189 banks.

Falmouth.—S. P. BOURNE, Esq., who for nearly twenty years has filled the position of Cashier of the Falmouth (Mass.) Bank, has been obliged, in consequence of ill health, to resign. GEORGE E. CLARK, Esq., formerly principal of the Lawrence Academy, in that town, has been chosen as his successor.

Fitchburg.—The directors of the Rollstone Bank, Fitchburg, have voted HENRY A. WILLIS, Cashier, \$200 extra for faithful services, and given him nine months leave of absence, that he may accept the adjutancy of the 53d Mass. Regiment.

MAINE.—The Bank Commissioners of Maine mention that the Lincoln County Bank, Wiscasset, incorporated March 5, 1861, was never organized, the parties failing to pay in the capital stock within the time mentioned in the act of incorporation.

Legislation.—The Committee on Banks and Banking consists of Messrs. SPRING of Cumberland, WHITE of Waldo, MILLIKEN of Kennebec, of the Senate; HAZELTINE of Belfast, CONY of Augusta, STETSON of Bangor, LOWELL of Lewiston, COPELAND of Calais, VICKERY of Cape Elizabeth, JELLINEB of Biddeford, of the House.

RHODE ISLAND.—All persons holding bills of the Rhode Island Central Bank must deposit the same with JAMES M. CLARK, Receiver, at his office in Providence, on or before the 1st day of August, 1863, in order to be entitled to any dividend that may be declared out of the assets of said bank.

CONNECTICUT.—Mr. L. RICHARDSON has been elected President of the Iron Bank, at Falls Village, Conn., in place of WILLIAM P. BURRELL, resigned.

Savings Banks.—By an act of the Connecticut legislature, approved December 24th, 1862, the laws of that State relating to savings banks and savings societies has been modified, so that each of these institutions may invest one-half of their deposits heretofore required to be loaned on mortgage security, in the purchase of the public stock of any of the New-England States, or of the United States, or in the public stock or bonds of any incorporated city, town or borough of Connecticut.

Winsted.—Mr. GEORGE DUDLEY having declined re-appointment as president of the Winsted (Conn.) Bank, ELLIOT BEARDSLEY has been chosen.

New-Haven.—JOEL IVES, treasurer of the Connecticut Savings Bank, died at New-Haven, 13th inst. He was formerly a member of the State Senate.

NEW-JERSEY.—An extensive forgery, to the amount of nearly \$9,000, was committed in December, on three Newark banks—the Mechanics', \$3,200; State, \$2,400; City, \$3,200—by means of checks falsely purporting to be drawn by Mr. ROBERT J. BEACH, the well known banker, at No. 269 Broad-street.

The forgers having procured one of Mr. BEACH's genuine checks, had an engraving of it made, and then filling the blanks with the sums mentioned, forged the usual signature, "R. J. BEACH, by J. C. BEACH, attorney;" the endorsement of ENOS RUMFORD, Mr. BEACH's clerk, to whose order checks are frequently drawn; and also the usual certificate of Mr. CURTIS, Teller of the Essex County Bank, where Mr. BEACH keeps his account. The checks were presented, and appearing all correct, bearing three familiar signatures were paid. A short time after the money had been given a clerk in the City Bank, having occasion to do some business with Mr. BEACH, casually remarked that a check for \$3,200 had been paid at their counter, and asked if it was all right. This, of course, promptly led to the discovery of the fraud. The checks were presented by a middle aged man, of medium height, well-dressed, full face and whiskers, and of gentlemanly appearance. The money paid out by the Mechanics' Bank included three \$1,000 notes, between Nos. 130 to 150, payable to JOHN H. STEVENS, or bearer; that by the City Bank included five \$500 notes, from Nos. 1 to 10, inclusive.

Tom's River.—The stock in the "Bank of Ocean County," located at Tom's River, N. J., having been promptly taken, the bank is opened for business. The capital is \$50,000, and the corporation is said to be reliable.

Heavy Forgeries in Pennsylvania.—A series of the heaviest forgeries that have occurred in the northern part of Pennsylvania for many years, were recently perpetrated at Jersey Shore, in Lycoming county, Lock-Haven, in Clinton county, and at Bellefonte, Centre county, and were so skilfully performed, that up to this time no clue whatever has been discovered of the criminal.

It appears, that about the 6th of the present month, a well-dressed and gentlemanly-looking man presented himself at the counter of the Jersey Shore Bank, and representing himself to be L. O. KING, of the firm of SMITH L. KING & SONS, of 888 Broadway, New-York, and 364 Lake-street, Chicago, dealers in furs, skins, &c., stated, that in consequence of the Indian troubles in the West, this description of merchandise had greatly enhanced in price, and he had come up in that portion of Pennsylvania to see if he could not purchase there. He seemed to be perfectly posted in the trade, and wound up by presenting a draft of the State Bank of Indiana, for \$3,400 on the Park Bank of New-York, which was cashed. He then went to Lock Haven, and telling an equally plausible story there, succeeded in "doing" the bank, located there, out of \$3,000. He appeared to be in no hurry whatever, but in a day or two after took the stage for Bellefonte. At this point he presented to HUBBS, McALLISTER, HALE & Co., private bankers, a similar draft for \$1,100; also, one to W. F. REYNOLDS & Co., for \$900, both of which were cashed.—*Philadelphia Press.*

OHIO.—Mr. SHERWOOD, of the Ohio legislature, introduced a bill to prohibit banks, bankers, brokers, dealers in money, Treasurers of State, County Treasurers and incorporated companies from receiving or paying out the notes issued by any bank which is not incorporated by the laws of Ohio. Any body corporate violating

this law shall be subject to a fine of \$100, and in case such violation is made by a bank organized under the laws of this State, such bank, in addition to the fine, shall forfeit its corporate franchise. Treasurer of State and others shall pay twenty-five dollars for each violation.

Public Debt.—The Senate bill has passed to authorize executors, administrators, guardians and other trustees of funds, now by law allowed to be invested in the funded debt of Ohio, to invest in the funded debt of the United States.

Cincinnati.—The Lafayette Bank, of Cincinnati, originally established in 1834, and in operation until the expiration of its charter, in 1854; since then conducted as a private banking company, under the style of Lafayette Banking Co., is again re-organized with a capital of \$100,000, under the Free Banking Law of the State of Ohio. GEO. CARLISLE, President, JOSEPH C. BUTLER, Vice-President, W. G. W. GANO, Cashier, HENRY PEACHEY, Assistant Cashier. Under the law, the bank would have the right to issue notes upon a deposit of Ohio or government stocks; but it is not proposed, at present, to use this privilege. The business of the present banking company will be transferred to the new institution, without any change whatever in its general management. The members of the firm of the present banking company only are stockholders.

NORTH CAROLINA.—Within a year the principal bank of Cape Fear, at Wilmington, N. C., has lost its President, Cashier and five Directors by death.

INDIANA.—The Louisville *Journal* says, that the branch of the Bank of the State, at Lawrenceburg, Indiana, will be wound up by resolution of the present legislature on account of palpable violations of its charter by the present owners and directors.

KENTUCKY.—The following are the brokers' quotations for uncurrent money at Louisville at the close of January. Bankable funds are United States Treasury notes, Kentucky, Indiana and Ohio bank notes:

Missouri,.....	2	pr. ct. dis.	New England,.....	1	pr. ct. dia.
Except—Farmers' Bank, 10		“ “	Louisiana,.....	20	“ “
Union Bank, . . . 10		“ “	Maryland,.....	1@2	“ “
Illinois,.....	5@50	“ “	Tennessee—		
Wisconsin,.....	5@50	“ “	Planters,.....	1½@2	“ “
Iowa,.....	2	“ “	Union,.....	1½@2	“ “
Virginia—			Bank of Tennessee, 1½@2		“ “
Eastern,.....	50	“ “	Stock Banks, . . . 10 @30		“ “
Western,.....	3	“ “	South Carolina,.....	30	“ “
Pennsylvania—			Georgia,.....	30	“ “
Pittsburg,.....	1	“ “	Alabama,.....	30	“ “
Interior,.....	1½	“ “	Michigan,.....	2	“ “
New-York,.....	1	“ “	Canada,.....	10	“ p.m.

NEW ADVERTISEMENTS.—We call attention to the new advertisements in this month's number:

New-York City.—Messrs. JOHN MONROE & Co., New-York and Paris. By an error their name was left out of the list of foreign bankers, Paris, France, in the **BANKERS' ALMANAC, 1863.**

Messrs. VAN VLECK & TUCKER, formerly J. T. VAN VLECK, in New-York, and H. A. TUCKER at Chicago.

Philadelphia.—Messrs. JAY, COOKE & Co., Philadelphia and Washington, advertise as government agents for the sale of securities.

Washington.—The new cards of Messrs. BARROW, MCKELDEN & Co., and Messrs. JAY, COOKE & Co., are given in this number.

St. Louis, Missouri.—Messrs. CATES, ATWATER & Co., make collections in Missouri.

Marine Insurance Companies of New-York City.—We call attention to the reports of several Marine Insurance Companies, exhibited in our advertising columns of this month. Among them are the reports of the Columbian Marine Insurance Company. Union Mutual Insurance Company (Marine.) Washington Insurance Company (Fire and Inland Marine.)

The card of ALEX. J. DAVIS, Architect, will be found in our columns, and we commend his services to any bank or banker about building a banking-house.

Corrections to be made in list of Banks and Private Bankers in the Bankers' Almanac, 1863.

La Crosse, Wis.—L. R. Mitchell, Esq., has been appointed Cashier of the Batavia Bank, in place of J. P. D. Voswinkel, Esq., resigned.

St. Paul, Minn.—The firm of Bidwell & Waldby was dissolved in February, and is succeeded by Messrs. Thompson Bros.

Cambridge City, Ind.—John Callaway, President of the Cambridge City Bank, in place of Isaac Myer.

Colorado Territory.—Messrs. Horton, Pratt & Co. have established a banking house at Central City. New-York correspondent, Messrs. P. M. Myers & Co.

Cambridge City, Ind.—Mr. H. H. Hitchcock has been appointed Cashier of the Bank of Goshen, in place of J. H. Defrees, Esq.

St. Paul, Minn.—The firm of F. & G. Willius has been changed to Willius Bros. & Dunbar. Mr. L. L. Dunbar admitted.

The firm of John Munroe & Co., Bankers, Paris, France, was accidentally omitted in the Bankers' Almanac for 1863.

Colorado Territory.—Mr. Warren Hussey has established a banking house at Central City. New-York correspondent, Park Bank.

Denver City.—The name of Warren, Hussey, in the Bankers' Almanac, for 1863, should read Hussey, Warren.

NEW-YORK BANK DIVIDENDS, FEBRUARY, 1863, COMPARED WITH FEBRUARY AND AUGUST, 1862.

NAME OF BANK.	Capital, Jan., 1863.	Feb., 1862. Rate.	Aug., 1862. Rate.	Feb. 1863.	
				Rate.	Amount.
Bank of the Republic.....	\$ 2,000,000	.. *	.. *	3½	\$ 70,000
Citizens' Bank.....	400,000	.. 3½	.. 4	4	16,000
Corn Exchange Bank.....	1,000,000	.. 3½	.. 3½	3½	35,000
Leather Manufacturers' Bank...	600,000	.. 5	.. 5	5	30,000
Manhattan Bank.....	2,050,000	.. 4	.. 4	4	82,000
Marine Bank.....	400,000	.. 3½	.. 1	4	14,000
Ocean Bank.....	1,000,000	.. *	.. *	3½	35,000
Oriental Bank.....	800,000	.. 3	.. 3	3	9,000
St. Nicholas Bank.....	750,000	.. *	.. 3½	3½	26,250
	\$ 8,500,000				\$ 317,250

An average of about..... 3.73 per cent.

Miscellaneous Dividends.—Erie R. R. Co., five per cent., on preferred capital, payable February 17th. Illinois Central R. R. Co., two per cent., on the full paid and scrip shares and cancelled bond scrip.

* Dividend passed.

THE PRICE OF GOLD.

In our numbers from August to February, we published the daily fluctuations in the value of gold. The extreme range of premium on gold, since March last, has been as follows:

April, 1862,	1 $\frac{3}{4}$ @ 2 $\frac{1}{2}$	September, 1862,.....	16 $\frac{1}{2}$ @ 24
May, "	2 $\frac{1}{2}$ @ 4 $\frac{1}{2}$	October, "	22 @ 37 $\frac{1}{2}$
June, "	3 $\frac{1}{2}$ @ 9 $\frac{1}{2}$	November, "	28 $\frac{1}{2}$ @ 33 $\frac{1}{2}$
July, "	8 $\frac{1}{2}$ @ 20 $\frac{1}{2}$	December, "	28 $\frac{1}{2}$ @ 34
August, "	12 $\frac{1}{2}$ @ 16 $\frac{1}{2}$	January, 1863,.....	35 $\frac{1}{2}$ @ 60

The sales since 1st January have been as follows at the New-York Stock Board:

Jan. 2, ..	133 $\frac{1}{2}$ @ 135 ..	Jan. 21, ..	147 $\frac{1}{2}$ @ 148 $\frac{1}{2}$..	Feb. 9, ..	155 $\frac{1}{2}$ @ 155 $\frac{1}{2}$
3, ..	133 $\frac{1}{2}$ @ 134 $\frac{1}{2}$..	22, ..	147 $\frac{1}{2}$ @ 148 ..	10, ..	152 $\frac{1}{2}$ @ 153 $\frac{1}{2}$
5, ..	134 $\frac{1}{2}$ @ 135 ..	23, ..	147 $\frac{1}{2}$ @ 148 ..	11, ..	152 $\frac{1}{2}$ @ 156
6, ..	134 @ 134 $\frac{1}{2}$..	24, ..	148 $\frac{1}{2}$ @ 149 $\frac{1}{2}$..	12, ..	154 $\frac{1}{2}$ @ 154 $\frac{1}{2}$
7, ..	134 $\frac{1}{2}$ @ 135 ..	26, ..	148 $\frac{1}{2}$ @ 151 $\frac{1}{2}$..	13, ..	155 $\frac{1}{2}$ @ 155 $\frac{1}{2}$
8, ..	135 $\frac{1}{2}$ @ 136 $\frac{1}{2}$..	27, ..	153 @ 154 $\frac{1}{2}$..	14, ..	155 $\frac{1}{2}$ @ 155 $\frac{1}{2}$
9, ..	137 $\frac{1}{2}$ @ 138 $\frac{1}{2}$..	28, ..	153 @ 154 $\frac{1}{2}$..	16, ..	155 $\frac{1}{2}$ @ 157 $\frac{1}{2}$
10, ..	138 $\frac{1}{2}$ @ 139 ..	29, ..	153 @ 154 $\frac{1}{2}$..	17, ..	158 $\frac{1}{2}$ @ 159
12, ..	140 $\frac{1}{2}$ @ 142 ..	30, ..	156 @ 157 $\frac{1}{2}$..	18, ..	161 @ 161 $\frac{1}{2}$
13, ..	142 @ 144 ..	31, ..	159 $\frac{1}{2}$ @ 160 ..	19, ..	161 $\frac{1}{2}$ @ 164
14, ..	146 $\frac{1}{2}$ @ 147 $\frac{1}{2}$..	Feb. 2, ..	156 $\frac{1}{2}$ @ 157 $\frac{1}{2}$..	20, ..	163 $\frac{1}{2}$ @ 163 $\frac{1}{2}$
15, ..	148 @ 148 $\frac{1}{2}$..	3, ..	154 $\frac{1}{2}$ @ 155 ..	21, ..	162 $\frac{1}{2}$ @ 162 $\frac{1}{2}$
16, ..	145 $\frac{1}{2}$ @ 147 ..	4, ..	157 @ 157 $\frac{1}{2}$..	23, ..	164 $\frac{1}{2}$ @ 164 $\frac{1}{2}$
17, ..	146 $\frac{1}{2}$ @ 147 $\frac{1}{2}$..	5, ..	156 $\frac{1}{2}$ @ 157 $\frac{1}{2}$..	24, ..	171 $\frac{1}{2}$ @ 171 $\frac{1}{2}$
19, ..	147 $\frac{1}{2}$ @ 148 $\frac{1}{2}$..	6, ..	157 $\frac{1}{2}$ @ 157 $\frac{1}{2}$..		
20, ..	147 $\frac{1}{2}$ @ 148 ..	7, ..	156 $\frac{1}{2}$ @ 157 $\frac{1}{2}$..		

FOREIGN EXCHANGE MARKET.—Exchange on London has advanced this month to 170 @ 172. The highest price obtained for bankers' bills, at sixty days, was 187. The foreign export of gold from this port, from 1st January to middle of February, has been \$6,698,000, and, as compared with former years, as annexed:

1852,	\$5,695,000	1856,	\$568,000	1860,	\$1,627,000
1853,	1,329,000	1857,	2,892,000	1861,	202,000
1854,	2,045,000	1858,	8,864,000	1862,	5,226,000
1855,	793,000	1859,	4,287,000	1863,	6,318,000

This heavy export of gold leads to higher rates of premium on Exchange. We annex the rates for bankers' bills, at sixty days, on prominent points, at the close of the last four months:

	Nov. 24.	Dec. 24.	Jan. 24.	Feb. 21.
London, bankers' bills,.....	144 @ 145	145 $\frac{1}{2}$ @ 146	160 $\frac{1}{2}$ @ 162	185 @ 187
" mercantile bills,.....	142 @ 143	144 @ 145	159 @ 160	183 @ 184
" with bills of lading,...	140 @ 141	143 $\frac{1}{2}$ @ 144 $\frac{1}{2}$	158 @ 160	180 @ 183
Paris, bankers' bills,.....	8.90 @ 8.85	8.90 @ 8.89 $\frac{1}{2}$	8.47 @ 8.45	8.05 @ 8.00
Amsterdam, per guilder,.....	55 @ 55 $\frac{1}{2}$	55 $\frac{1}{2}$ @ 55 $\frac{1}{2}$	60 @ 61	70 @ 73
Bremen, per rix dollar,.....	105 @ 105 $\frac{1}{2}$	105 @ 105 $\frac{1}{2}$	115 @ 117	.. ..
Hamburg, per marc banco,....	43 $\frac{1}{2}$ @ 43 $\frac{1}{2}$	43 $\frac{1}{2}$ @ 49 $\frac{1}{2}$	53 $\frac{1}{2}$ @ 54 $\frac{1}{2}$	.. ..
Frankfort, per florin,.....	55 @ 55 $\frac{1}{2}$	55 $\frac{1}{2}$ @ 55 $\frac{1}{2}$	63 @ 68	.. ..

Notes on the Money Market.

NEW-YORK, FEBRUARY 20, 1863.

Exchange on London, at sixty days' sight, 172 @ 174.

THE market exhibits further inflation and more wide-spread speculation at the stock board. Money is abundant in Wall-street at five per cent. for strictly first class paper, and "on call" with prime collaterals. The month has been an excited one, both at New-York and Washington. The most important financial bill ever before Congress is now under discussion; which authorizes the Secretary of the Treasury to raise nine hundred millions of dollars, to meet the ordinary and extraordinary expenses of the current fiscal year, ending 30th June next, and of the next fiscal year, which will end on the 30th June, 1864. This money must be raised from the sale of government securities, and partly from the issue of government notes.

In the House of Representatives, at Washington, Mr. LOVJOY, of Illinois, presented the petition of JAMES H. COX and 69 others, citizens of Hudson, Illinois, for issuing Treasury notes, and for the suppression of private banking corporations; also, the petition of SAMUEL EATON and 62 others, citizens of Illinois, for the same purpose; also, the petition of ANDREW SIDKES and 49 others, citizens of Illinois, to authorize the Secretary of the Treasury to issue sufficient legal tender notes to pay all the indebtedness of the United States, &c.; also, the petition of B. H. SMITH and 41 others, citizens of Illinois, for the same purpose.

On the 12th inst. the United States Senate passed the bill authorizing the Secretary of the Treasury to issue a circulation to banks to the extent of three hundred millions of dollars. The following was the

VOTE ON THE PASSAGE OF THE CURRENCY BILL, FEBRUARY 12TH, IN THE SENATE OF THE UNITED STATES.

States.	Yeas.		Nays.	
Maine,.....	Fessenden,	Morrill.	....	....
New-Hampshire,.....	Clark,	....	....	....
Vermont,.....	....	....	Collamer,	Footo.
Massachusetts,.....	Sumner,	Wilson.	....	....
Rhode Island,.....	Anthony,	Arnold.	....	....
Connecticut,.....	Foster,	....	Dixon,	....
New-York,.....	Harris,	....	King,	....
New-Jersey,.....	Ten Eyck,	....	Wall,	....
Pennsylvania,.....	Willmot,	....	Cowan,	....
Delaware,.....	....	....	Saulsbury,	....
Maryland,.....	....	....	Hicks,	Kennedy.
Virginia,.....	....	....	Carlile,	....
California,.....	....	....	Latham,	McDougal.
Illinois,.....	....	....	Etchardson,	Trumbull.
Indiana,.....	....	....	Turple,	....
Iowa,.....	Harian,	....	Grimes,	....
Kansas,.....	Lane,	Pomeroy.	....	....
Kentucky,.....	....	....	Powell,	Davis.
Michigan,.....	Chandler,	Howard.	....	....
Minnesota,.....	Wilkinson,	....	Rice,	....
Missouri,.....	....	....	Henderson,	Wilson.
Ohio,.....	Sherman,	Wade.	....	....
Oregon,.....	NeSmith,	Harding.	....	....
Tennessee,.....	....	....	....	....
Wisconsin,.....	Doolittle,	Howe.	....	....

YEAS, 28. NAYS, 21.

Absent.—Hale, N. H.; Bayard, Del.; Willey, Va.; Lane, Indiana.

In the movements of the stock market great changes are on record for the month. State loans have risen since our last monthly report 1 @ 8 per cent. Kentucky sixes are quoted above par Ohio, 118½ @ 120; the Indiana war loan, 99½ @ 100; Pennsylvania fives, 104 @ 105. Southern State stocks are consequently lower. Government stocks have improved from 8 to 4 per cent.

We annex the highest cash prices offered, for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Dec. 16th.	20th.	Jan. 1st.	10th.	20th.	Feb. 2d.	10th.	20th.
U. S. 6's, 1881, coupons,...	104½	108½	98	98	95	92	94	97½
U. S. 5 per cents, 1874,.....	92½	94	92	92	88½	86½	87	91½
Ohio 6 per cents, 1886,.....	116	108½	118	118	116	120	118½	118½
Kentucky 6 per cents,.....	99	96	100	100	99	101	100½	100
Indiana 5 per cents,.....	80	80	*95½	95½	95	99	99½	101
Pennsylvania 5 per cents,...	94	96	96	96	98	104	103½	108½
Virginia 6 per cents,.....	61½	60	61	63	65½	75	73	73
Georgia 6 per cents,.....	80	80	80	80	80	80	80	80
California 7 per cents, 1877, 114	114	116	116	121	129	123	121	131½
North Carolina 6 per cents, 60½	60½	60½	60	73	74	80	80	74
Missouri 6 per cents,.....	52	51½	62	63½	65½	64	65½	64½
Louisiana 6 per cents,.....	60	64	64	63	66	70	71	71
Tennessee 6 per cents,.....	54½	54	56	60	62	63	61½	62½

* 6 per cents.

Rail-Road shares are generally higher. New-York Central and Erie are about the same, after touching lower points early this month. Hudson River Rail-Road, Panama, Cleveland and Toledo, and Chicago, Burlington and Quincy, have improved from 1 to 3 per cent. Harlem lost from 8 to 10 per cent. early in the month, but closes 5 per cent. lower. Michigan Central, Illinois Central, and Galena and Chicago, are lower.

We annex the current cash quotations for leading shares in this market within the past two months. Those with a star [*] paid no dividend last year.

	Dec. 20th.	Jan. 1st.	10th.	20th.	Feb. 2d.	10th.	20th.
N. Y. Central R. R. shares,.....	108½	103	112	119½	119½	117½	119
*N. Y. and Erie R. R. shares,.....	69	68½	68½	73½	74½	72½	77½
*Harlem R. R. shares,.....	22½	29½	30½	41½	33½	33½	33½
*Reading R. R. shares,.....	75	73	85	91½	90	90½	91
*Hudson River R. R. shares,.....	76½	83½	83½	96	98	98½	97
Michigan Central R. R. shares,....	91	92	93½	97½	96½	96½	97
*Michigan Southern R. R. shares,...	40½	46	49	61½	57½	57½	61½
Panama R. R. shares,.....	159	170	180	150	135	133	133
Baltimore and Ohio R. R. shares,...	73	83	84	86	89½	87½	87½
*Illinois Central R. R. shares,.....	79	82	86	95	92	90½	87
*Cleveland and Toledo R. R.,.....	71	73	81	94½	83½	87½	93
Chicago and Rock Island R. R.,...	82	84½	84½	94½	89½	91	94½
Galena & Chicago R. R. shares,...	88	84	85½	95	91	92½	93
Chicago, Burlington & Quincy,...	87½	91	93	106	103½	103½	103½
Pacific Mail Steamship shares,....	136	136½	148	165	163	170	163

We learn that \$1,000,000 of the Connecticut war loan, 6 per cent., was awarded January 5th, at Hartford, at rates ranging from 109 to 112 per cent. The Connecticut capitalists were the principal takers. They are abundantly able to hold it, as an investment, besides being ready to appreciate the high credit to which the State is entitled from her moneyed wealth and material resources. The present award leaves \$1,000,000 for war purposes, to be disposed of hereafter, should the public service require it. Notice is given to the holders of Maryland State stocks that are at present due, or over due, that the same will be redeemed at the treasury office, in Annapolis, on the second day of March next, being the first Monday of that month; and further, that after that date no interest will be allowed on over-due stocks of this State.

There has been a high degree of speculation in gold since the close of January, the highest price obtained to this date being 64 per cent. premium—equivalent to about 89 per cent. discount. If the gold held by the banks of this city as collateral for loans of paper now thrown upon the market, amounting to about ten millions of dollars, (\$10,000,000,) the price of gold would immediately fall in this market.

The abundance of money at New-York, and the extreme activity in stocks and business, are indicated in the following tables of bank loans and the clearings, &c., at New-York since first January last.

The loans, specie, circulation, net deposits and exchanges of the current year, at New-York, have been as follows, at the dates mentioned:

1863.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
Jan. 3,.....	\$ 173,510,000 ..	\$25,954,000 ..	\$9,754,000 ..	\$159,168,000 ..	\$186,861,000
" 10,.....	175,516,000 ..	86,770,000 ..	9,551,000 ..	162,878,000 ..	249,796,000
" 17,.....	170,600,000 ..	87,581,000 ..	9,241,000 ..	164,666,000 ..	814,471,000
" 25,.....	179,298,000 ..	83,599,000 ..	9,083,000 ..	163,269,000 ..	293,861,000
" 31,.....	179,823,000 ..	88,994,000 ..	8,906,000 ..	169,951,000 ..	293,076,000
Feb. 7,.....	179,892,000 ..	88,248,000 ..	8,780,000 ..	166,842,000 ..	802,852,000
" 14,.....	173,103,000 ..	83,426,000 ..	8,756,000 ..	167,720,000 ..	265,189,000

The report for second week of February, 1862, was as follows:

Feb. 15,.....	\$ 141,994,000 ..	\$28,114,000 ..	\$5,763,000 ..	\$110,480,000 ..	\$105,102,000
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The movement of the Boston banks, on a capital of \$83,281,700, is indicated by the following summary for the current year:

	Loans.	Specie.	Due to Banks.	Deposits.	Circulation.
January 3,.....	\$ 77,389,000 ..	\$ 7,673,000 ..	\$ 16,970,000 ..	\$ 83,372,000 ..	\$ 8,190,000
" 10,.....	77,427,000 ..	7,751,000 ..	17,006,000 ..	83,068,000 ..	8,373,000
" 17,.....	76,634,000 ..	7,710,000 ..	16,547,000 ..	83,262,000 ..	8,199,000
" 24,.....	76,354,000 ..	7,710,000 ..	16,811,000 ..	83,847,000 ..	8,003,000
Feb. 7,.....	78,420,000 ..	7,707,000 ..	16,932,000 ..	85,173,000 ..	8,074,000
" 14,.....	78,431,000 ..	7,794,000 ..	17,070,000 ..	84,903,000 ..	8,000,000

In the above statement the banks report their aggregate deposits separately from balances due other banks, whereas the item of deposits reported by the banks of New-York includes the balances due to other banks. Compared with the last statement, the report for middle of February, 1862, was as follows:

Feb. 15,.....	\$ 62,587,000 ..	\$ 3,410,000 ..	\$ 9,653,000 ..	\$ 22,084,000 ..	\$ 6,469,000
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The business of the Philadelphia banks, for the same period, on a capital of \$11,768,000, was as follows:

	Loans.	Specie.	Due to Banks.	Deposits.	Circulation.
January 3,.....	\$ 37,679,000 ..	\$ 4,510,000 ..	\$ 6,948,000 ..	\$ 28,429,000 ..	\$ 4,504,000
" 10,.....	37,336,000 ..	4,544,000 ..	6,890,000 ..	28,013,000 ..	4,450,000
" 17,.....	37,416,000 ..	4,549,000 ..	7,050,000 ..	27,877,000 ..	4,362,000
" 24,.....	37,479,000 ..	4,573,000 ..	6,755,000 ..	28,773,000 ..	4,384,000
" 31,.....	37,363,000 ..	4,562,000 ..	6,693,000 ..	29,221,000 ..	4,181,000
Feb. 7,.....	37,386,000 ..	4,819,000 ..	6,958,000 ..	28,862,000 ..	4,089,000
" 14,.....	37,710,000 ..	4,372,000 ..	7,452,000 ..	28,759,000 ..	3,888,000

Compared with this statement the Philadelphia report for the middle of February, 1862, was as follows:

Feb. 15,.....	\$ 29,338,000 ..	\$ 5,549,000 ..	\$ 4,661,000 ..	\$ 18,692,000 ..	\$ 2,191,000
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The discretionary power given to the Secretary of the Treasury, to negotiate government bonds on the best terms he can, will enable the Treasury to realize the spare capital of the country to meet war expense. This capital now scattered throughout the several States, in large and in small sums, must necessarily seek early investment. The twenty year bonds of the government are the safest investment that can be offered, as they are secured by the whole real and personal property of the country, including its immense gold and silver mines; its coal, copper, lead, iron, &c.

The adoption of a sound financial policy, a high tariff and internal duties will secure a public revenue, fully equal, in time of peace, to liquidate the government debt in twenty years, even if that debt should reach, as some fear, the enormous sum of two thousand millions of dollars.

A debt of two thousand millions of dollars would be of less consideration to this people than one-half such a debt to Great Britain, for two obvious reasons: 1st. The surplus revenue of this country may, in time of peace, be made to exceed one hundred and fifty millions of dollars; one-half of which may be applied to a sinking fund, for the final extinction of the debt. 2d. The incomes of our people are larger than those of Great Britain, and taxation will not be felt as severely

here as there. And, again, the mineral resources of this country, and its immense agricultural supplies, may make it, under peaceful commercial movements, the creditor nation of the world. We may draw gold from European nations, by the adoption of a sound tariff policy, and a restoration of public and private credit to the specie basis.

The House of Representatives, on the 20th inst., passed the government bank bill, as adopted by the Senate on the 12th. This act will not disturb the currency relations of the New-England and Eastern banks, but may be made to furnish a reliable circulation for the Southern and Western States. This act is too long for the pages of this work, but copies will be mailed to order from the office of the *BANKERS' MAGAZINE*.

There has been a continued and large export of gold from England to the continent, to such an extent that, on Wednesday, January 28th, the Bank of England advanced the rate of discount from 4 to 5 per cent.; compared with similar periods (the last week in January) of late years, the reserve of bullion is as follows:

1858,.....	£19,043,000	1862,.....	£16,390,000
1860,.....	14,943,000	1863,.....	13,611,000
1861,.....	11,617,000		

The rate of discount was 8 per cent. in 1858; 4 per cent. in 1860; 7 per cent. in 1861; $2\frac{1}{2}$ in 1862; and 5 per cent. in 1863. The extraordinary rate of 2 per cent. prevailing from 24th July to 30th October last, led to extraordinary speculation in new stock enterprises, demanding at least a hundred millions sterling, a large portion of which was for banking concerns in Brazil, Africa, Australia, India, &c. Last year there were projected in London, eighteen banking institutions for London and for various parts of the world, with a nominal capital of £21,250,000 sterling. Some few of these are in operation, but the sudden advance in the market value of money in Lombard-street, from 3 per cent. (as last summer) to 5 per cent., will serve to check the speculative fever in England, and to stop the progress of some of these new concerns.

If a similar move were made in this country, it would have a favorable effect upon its permanent financial and commercial interests. Money is too abundant at present for a sound condition of affairs.

The rise of money rates by the Bank of England has led to advanced rates in other channels. At the close of January the prevailing rates were as follows, for business paper:

30 to 60 days,.....	$4\frac{1}{2}$ @ $4\frac{1}{2}$	6 months' bank bills,.....	6 per cent.
3 months,.....	5 per cent.	6 " trade bills,.....	$6\frac{1}{2}$ "
4 "	$5\frac{1}{2}$ "		

The joint-stock banks, at the same time, allowed 4 per cent. on current deposits; the discount houses allowed also 4, and, with seven days' notice, $4\frac{1}{2}$. The prevailing rates of discount at continental cities were as follows:

	Bank Rate.	Open Market.		Bank Rate.	Open Market.
Paris,.....	5	$4\frac{1}{2}$ @ 5	Turin,.....	6	$5\frac{1}{2}$ @ 6
Vienna,.....	5	$5\frac{1}{2}$	Brussels,.....	3	3
Berlin,.....	4	$6\frac{1}{2}$	Hamburg,.....		$2\frac{1}{2}$
Frankfort,.....	3	3	St. Petersburg,.....	6	
Amsterdam,.....	4	4			

Advices from Frankfort state that the advance in the rates of discount of the Banks of England and France had not apparently exercised any influence on the Bourse of that city, money remaining abundant and business inactive. Very few new industrial companies are started, and only such of them as show sufficient security have any chance in the market. The subscription of three million dollars for the new mortgage bank at Meiningen has reached double the amount required. It is started on the same principle as the Credit Foncier, of Paris, and has secured the services of Councillor OBERLANDER as manager, who has acquired a certain reputation for such affairs. The first instalment of 25 per cent. has been paid up, and no further call can be made until ten times the amount has been issued in mortgage bonds, which would secure a fair dividend. Austrian funds continue firm, the five per cent. Austrian English loan having reached 80. The last return of the bank at Vienna is considered satisfactory. The notes in circulation were reduced in December about $18\frac{1}{2}$ millions of florins, by the sale of government stock held by the bank. The current dividend is 29 florins, being about 7 per cent. interest on the present price of bank stock. All German railways are in good demand, the traffic returns being satisfactory, and in most instances steadily on the increase.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII. NEW SERIES.

APRIL, 1863.

No. 10.

BANKING IN THE STATE OF NEW-YORK.

Annual Report of the Superintendent of the Banking Department of the State of New-York, December 31st, 1862.

BANK DEPARTMENT, ALBANY, December 31st, 1862.

To the Honorable the Legislature of the State of New-York :

THE Superintendent of the Banking Department submits, for the consideration of the legislature, the following report :

The number of banks, banking associations and individual bankers doing business within the State at the close of the fiscal year, September 30th, 1862, was three hundred and five. There were, at the same period, in addition to the number just stated, fifty-three closing and insolvent banks, whose notes are in process of redemption, either at their counters or under the direction of this department.

Ten banking associations, with an aggregate capital of \$1,560,000, and six individual bankers, have deposited the requisite securities and commenced the business of banking during the last fiscal year. The names and location of these will be found stated in detail in a subsequent part of this report. Four of the new associations were organized from incorporated banks whose charters expired during the last fiscal year. Three incorporated banks, (viz., Bank of Rome, Bank of Salina and Essex County Bank,) whose charters expired on the 1st of January, 1862, have not re-organized, and are closing business.

The amount of *securities* held in trust in this department, on September 30, 1862, was \$36,642,310, as follows:

For banking associations and individual bankers.....	\$36,377,021
For incorporated banks, (under special laws,).....	65,289
For trust companies.....	200,000

The amount of *circulating notes* issued and outstanding on the books of this department at the same period, was \$42,239,836, viz.:

To banking associations and individual bankers.....	\$24,262,449
To incorporated banks.....	7,977,387

Of this sum there was in the vaults of the banks, on the 27th of September, 1862, (as appears by the quarterly reports of that date,) \$4,682,463, leaving in actual circulation \$37,557,373.

The actual circulation reported September 21, 1861, was \$28,015,748; showing an increase of \$9,541,625 during the year.

The total amount of *New-York State stock* held in trust for all the banks, on the 1st of October, 1862, was \$19,022,890 10, viz.:

N. Y. State stock, 4½ per cent.,	\$205,400	N. Y. State stock, 6 per cent.,	\$11,978,155
“ “ 4 “	5,982,334	“ “ 7 “	688,000
“ “ 5½ “	169,000		

Of which amount \$5,928,966 was held for banks in the city of New-York, and \$13,093,924 10 for those in other sections of the State. The total amount of New-York stock held *December 1, 1862*, was \$19,812,225 10, and of United States stock, at the same date, \$12,729,450. It should be borne in mind, however, that the tables and statements appended to this report exhibit the condition of the accounts as they existed at the close of the fiscal year, being September 30, 1862.

There has been a *decrease* in the bonds and mortgages held as security, during the past year, of \$474,308; of Illinois stock, \$36,783 33. Not regarding Arkansas State stock as of any intrinsic value, I have caused it all to be withdrawn; and with the exception of \$414,466 67 Illinois and Michigan stock, all the stock held in trust by this department has been issued under the authority of this State and of the United States.

The amount of securities transferred by the department and counter-signed in the State treasury for the year, was \$6,067,890, viz.:

Stocks.....	\$5,488,021	Bonds and mortgages.....	\$679,869
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The Brockport Exchange Bank is the only one that has failed during the fiscal year. The securities were sold by the Superintendent and the notes redeemed at par. The name of the “Iron Bank,” an individual bank located at Plattsburgh, was changed by an act of the legislature, and the bank removed to Herkimer.

By chapter 236, laws of 1859, it is made the duty of every public officer, into whose hands shall come any counterfeit bank notes or plates, after using them as evidence, to send them to this department for destruction. None such have been received since July, 1860.

Redemption of Notes of Insolvent Banks.—It will be observed, from the statements herewith submitted, that there is now on deposit, in various banks, to the credit of the Superintendent of this department, the sum of \$103,720 60. This money is held in trust for the redemption of the

outstanding notes of banks which have failed, or which are closing business voluntarily, and by expiration of charter. A considerable share of the amount thus held results from the sale of securities belonging to banks which failed a number of years since. Originally the balance of cash in hand was paid over to the parties in interest, at the expiration of two years from the date of the notice of redemption by the Superintendent. It was found, however, that in this process a considerable amount of the outstanding circulation was left in the hands of the community, not being presented for redemption within the time specified. The law was thereupon amended so as to allow a bond to be given, conditioned for the redemption of the outstanding notes during six years, and thereupon the balance of cash in the hands of the Superintendent was surrendered to the parties claiming the same. Experience soon demonstrated that this method was also defective; the bonds not unfrequently proving worthless, and the process of enforced redemption too dilatory and expensive. By chapter 236, of the laws of 1859, the system of cash deposits was restored, and also applied to incorporated banks in process of liquidation, authorizing a cash deposit in cases where ninety per cent. of the circulation had been redeemed, and fixing the limit of redemption at six years from the date of the notice required to be published by the Superintendent of this department. This act, whilst it virtually repealed all prior remedies in this direction, was construed by the Superintendent to apply only to cases in which deposits were made after its passage; and hence, in numerous cases of suspended banks, no final notice for the presentation and redemption of notes has been given, and the accounts remain, from year to year, upon the books of the department, without any approximation to a final settlement. An act which shall provide for closing these long standing accounts, and after due notice for the presentation of claims, depositing the balance of funds in the State treasury, would seem just to the public, as it would be lessening to the responsibilities of this department.

Expired Incorporated Banks.—The charters of the following incorporated banks, viz., Cayuga County Bank; Chemung Canal Bank; Herkimer County Bank; Seneca County Bank; Seventh Ward Bank, New-York; Troy City Bank and Westchester County Bank, expire on the 1st of January, 1863. They have severally (with the exception of the Seneca County Bank) filed articles of association under the provisions of the general banking law, and will continue business at the same location. These banks, under their charters, had an authorized circulation of \$1,627,000, which enures to the benefit of the new associations, conditioned only upon the deposit, in each case, of \$10,000 in stocks in this department. The law requires the circulation of the expired institutions to be returned in three annual instalments. Such has been the demand for currency during the past season, that those banks whose charters expired on the first of January, 1862, have found it impracticable to comply with the provision for the return of one-third of their circulation at the close of the present year. In such event, a cash deposit equal to the deficiency is required. The length of time for which such deposits is to be held, will depend entirely upon the promptitude with which the notes are returned to be destroyed. If an interest of three per cent. be

received on the deposit thus made, it will be nearly equivalent to the interest received on New-York stocks, at the present market value, deposited for banking purposes by associations and individuals. As a penalty, therefore, for neglect to return the circulation of expired banks, this deposit of cash cannot be regarded as very effective; especially as the Superintendent has no power to apply the funds deposited to the redemption of the outstanding notes, or in any wise hasten their return. It is satisfactory to add, that no loss to the community has resulted from any failure, as yet, on the part of those banks whose charters have expired, to make ample provision for the ultimate redemption of all their circulating notes.

Deposit of Securities by New Banks.—I renew the recommendation, made in the last annual report from this department, for a modification of the law in relation to the deposit of securities by associations and individual bankers. In the case of the former, a deposit of \$100,000, and in the latter, of \$50,000, at the time of filing certificates of organization, is required. But there is nothing in the law requiring these amounts to be retained, and hence the practice in many cases is, to borrow the amount of stocks required until the organization is perfected, and then withdraw all not required for immediate use as security for circulating notes received. Whilst the amount of paid up capital may still be retained at the amount indicated in the case of associations, if thought expedient, there seems no impropriety in allowing the amount of securities deposited to be governed by the sum of the circulation from time to time required. It is believed that a deposit of \$10,000 by new organizations, and the retention of that sum from existing institutions, to be irrevocable save through the process of liquidation, would afford all the protection which the case requires, as well as obviate existing inconsistencies.

Suspension of Specie Payments by the Banks.—The most important event in the financial history of the last fiscal year is the suspension of specie payments by the banks of this and other States. This occurrence dates from December 28th, 1861, at which time the annual report from this department had already passed through the press, thus precluding allusion to the subject.

To whatever causes such suspension may be attributable, the event is one of serious moment to the whole community. Conversion of a paper currency into gold and silver, at the will of the holder, is the elementary attribute through which alone its existence can be tolerated. The evils resulting from an irredeemable paper currency are so generally understood and conceded, as to need no special elucidation. The laws of this State bearing upon the subject are of such unmitigated severity, that where the demand for payment in coin is persistently enforced, the banks have no alternative but compliance, or the relinquishment of banking privileges. In view of the immunity granted to the banks by the legislature, after the suspension of specie payments in 1837, the framers of the present constitution embodied therein the following inhibitory clause: "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." It is obvious, therefore, that under the unrestricted operation of the laws

of this State, an irredeemable paper currency cannot be maintained. It is true, the community might waive for a short period the payment of coin, if there was no extrinsic demand for the precious metals. Such was the case during the partial suspension of 1857, which, being the result of a mere monetary spasm, lasted only three or four months, and therefore fails to invalidate the position that there could be no continued suspension of specie payments by the banks of this State, without the intervention of some saving power not contemplated by the laws and constitution of New-York.

It is not to be credited that, with this penalty of being forced into immediate liquidation hanging over them, any number of sound and judiciously managed banks would voluntarily incur the hazards resulting from a refusal to redeem their obligations in coin. And yet the resolution to suspend specie payments was primarily adopted by the banks in the city of New-York—by institutions conceded to rank amongst the highest in the country for their monetary resources, and the intelligence with which those resources are directed. To what causes, then, are we to attribute this action, at once violative of financial honor, and at variance with the plainest dictates of prudence?

It is evident, from a reference to the returns made by the banks to this department, that they were not forced into suspension through the inability of the commercial and business classes to respond to the liabilities due from them. On the contrary, the general prostration of business consequent upon the civil war, had greatly reduced bank credits; whilst a timely forecast had enabled the community so to contract their business operations, as to guard against the disastrous results incident to the unparalleled condition in which the country was placed. The importations were of limited amount—the exchanges were in favor of this country—the harvests were plentiful, and the prices of the great agricultural staples remunerative. There was at the same time an absence of any financial panic—a fruitful cause of disaster in monetary affairs, as it is in military operations.

In 1857, the temporary suspension of the banks was the result of a commercial revulsion of this character. The banks suspended specie payments in October of that year. During the three months antecedent to the suspension there was a contraction in the loans and discounts of \$20,000,000; a withdrawal of circulation of \$5,273,000; a diminution of deposits equal to \$20,811,000; a lessening in stocks of \$2,244,000; whilst the issues of the banks, immediately prior to suspension, amounted to \$27,122,904 of circulation, against \$14,321,599 of specie.

In 1861, the banks suspended on the 28th of December. During the previous quarter there had been an increase in loans and discounts (chiefly on government securities) of \$14,000,000; an increase in circulation of \$2,547,000; an increase in deposits of \$13,283,000; an increase in stocks of \$16,000,000; whilst the banks held, at the time of suspension, \$29,102,715 in specie, against \$30,553,020 of circulation. It is evident, therefore, that the suspension at this time was not the result of a want of confidence in the community in the financial stability of the banks; nor did it follow from any inability on the part of those institutions to meet the obligations growing out of their relations to the business public.

It is not to be disguised, however, that the available resources of the

banks were not as great at the close of 1861 as they were six months antecedent. Thus, in June, 1861, the aggregate of loans and discounts was \$168,477,371; of circulation, \$25,617,151; of specie, \$41,824,079; of deposits, \$106,315,092; of stocks, \$34,292,755. The banks had seen their specie decrease from \$41,824,079 in June, to \$38,089,727, in September, and \$29,102,715 in December. They had seen their loans and discounts increase from \$168,477,371 in June, to \$176,055,848 in September, and \$191,083,141 in December. So, also, their liabilities to depositors, on demand, had increased from \$106,315,092 in June, to \$111,895,016 in September, and \$125,178,934 in December; and for notes in circulation, from \$25,617,151 in June, to \$28,015,748 in September, and \$30,553,020 in December.

The cause of this fluctuation in resources and liabilities arose from the exigency into which the financial affairs of the government had fallen, by reason of the vast expenditures incident to the suppression of the existing rebellion, and the action of the banks consequent thereupon. Congress, at its extra session, in July, 1861, authorized a loan of \$250,000,000 under various forms of securities. Measures were immediately taken to place the loan before the country. But, in the mean time, the necessities of the government, in clothing, arming and feeding troops, in providing munitions of war, and building a navy, became so imperious as to admit of no delay. The gigantic proportions of the national expenditures on the one hand, and the dilatory and vacillating action of Congress in providing adequate revenues to sustain the credit of the government on the other, had well nigh paralyzed the public credit, and the fate of the nation seemed trembling in the balance. In this exigency, the banks of New-York, Boston and Philadelphia, with a patriotism worthy of the highest praise, placed a large portion of their means at the disposal of the government. Their action not only served to bridge over the existing chasm in the national Treasury, but it also inspired confidence on the part of the public in the pecuniary resources of the government. In this manner \$150,000,000 was negotiated with the banks of the cities named; of which sum, \$105,000,000 was apportioned to the associated banks of the City of New-York alone. By far the greater part of this sum was paid in gold coin, and the balance in the currency of the government. The loan thus indicated was negotiated at the following periods, and for the following securities:

1861, August 19,.....	\$35,000,000	of 7 3-10 Treasury notes.
1861, October 1,.....	35,000,000	" 7 3-10 " "
1861, November 16,.....	17,500,000	" 6 per cent coupon bonds.
1861, November 16,.....	17,500,000	" 6 " registered stock.

Equal to..... \$105,000,000 at par.

The \$70,000,000 of 7 3-10 notes were taken at par. The \$35,000,000 of coupon bonds and registered stock cost the banks \$32,056,834 54, including the interest accrued from July 1st to November 16, 1861. Of the first loan of \$35,000,000 the government reimbursed the banks at various times between the 3d of September, 1861, and the 13th of January, 1862, to the extent of \$31,497,403, from sales made to outside parties. The whole amount of the loans thus taken was paid into the Treasury by the associated banks, between the 19th of August, 1861,

and the 3d of February, 1862; and yet none of the securities to be issued by the government were received by the banks until the 14th of January, 1862, when the balance of the loan of August 19, unsold by the government, was turned over to them in 7 3-10 notes. Thus, whilst the banks were continually supplying the national Treasury from their vaults, the only return they received was in certificates acknowledging the amount of the respective contributions, and not available except as a medium for the settlement of balances between themselves.

Nor was this all. Congress, in view of existing difficulties, by the act approved August 5, 1861, had suspended the "Independent Treasury" law "so far as to allow the Secretary of the Treasury to deposit any of the moneys obtained on any of the loans now authorized by law, to the credit of the Treasurer of the United States in such solvent specie paying banks as he may select; and the said moneys so deposited may be withdrawn from such deposit with the regular authorized depositaries, or for the payment of public dues, or paid in redemption of the notes authorized to be issued under this act, or the act to which this is supplementary, payable on demand, as may seem expedient to, or be directed by, the Secretary of the Treasury."

The use of this discretionary power, whereby the local banks contributing to the government loans could have been used for the time being as disbursing agents in the payment of public dues, was not compatible with the views of duty entertained by the Secretary of the Treasury. The call upon the banks for payment into the government depository of the remaining instalments of the loan, either in coin or Treasury notes, was persistently urged. The specie reserve of the banks had diminished from \$41,824,079 in June, to \$29,102,715 in December; whilst no corresponding return had been made in government securities, through the sale of which those institutions might have strengthened themselves to meet their remaining engagements to the government. Thus, with an imperative demand on the one hand, and with diminished resources on the other, it became a question whether depletion should be allowed to proceed to its utmost limit, or whether the connection between the banks and the Treasury should be broken in season to secure to the former, for ultimate use, so much of specie as still remained in their vaults.

It was under these circumstances that the banks in New-York resolved, on the 28th of December, 1861, to suspend specie payments; and the example was followed by the banks throughout the country. A few institutions have continued to redeem their notes in coin, but their obligations to depositors, and balances between themselves and other institutions, have, I believe, followed in the general train of settlement in paper.

The suspension of specie payments, therefore, is to be traced primarily to the patriotic efforts of the banks in the great cities to sustain the government. Aside from the obligations thus incurred, the banks of our own State were seldom, if ever, in a better condition to sustain inviolable the duty imposed upon them by law for the redemption of their liabilities in the constitutional currency of the country. In this respect they have at all times stood in a safer relation to their engagements, than has the government to its obligations of a similar character. With the large emission of demand notes rendered necessary by war expenditures, it

would have been practicable for the banks to have brought the government to protest, quite as readily as the latter could have forced such a result on well-managed institutions of the former class. But it is needless to speculate on consequences which might have resulted had the banks stood aloof, regardless of all considerations save their own safety. The government and banks are alike the agents of the people, designed to minister to their prosperity, happiness and independence. Each have their appropriate functions, and in a time of great public exigency, each is under obligations to a common constituency to contribute, as far as practicable, to the "general welfare and common defence." Nothing valuable can be gained by arraying them in antagonism. On the contrary, the harmonious and cordial action of moneyed corporations of every character, as well as of individuals, is absolutely essential to the maintenance of the public credit; through which alone can the government be enabled to thwart the parricidal efforts put forth to destroy the republican institutions under which we live.

The suspension of specie payments by the banks and government, has come to be regarded by many as an indispensable concomitant to a state of war; especially where the contest is upon a scale demanding vast expenditures. Such expenditures necessarily involve the creation of large credits, and these are thrown out in such profusion as to forbid their ready conversion into the measure of value recognised by all nations. In time of peace, the balances of trade, however large in amount, are readily adjusted by a mutual interchange of credits and commodities. But a state of war deranges the ordinary operations of trade and commerce, destroys or greatly impairs financial confidence, unduly stimulates some branches of production whilst it ruins others, and unhinges those systematic laws of demand and supply upon which credit relies for its permanency. Hence, in convulsions of this nature, it seems quite impossible, amid the conflicting interests that are aroused, and the unforeseen exigencies that arise, to carry forward the operations of war and business upon an undisturbed basis of specie payments. At any rate, our experience thus far in three wars, favors the doctrine that a suspension of specie payments is inseparable from a contest which involves the energies, and affects all the business relations of a nation.

But whatever might have been the ultimate effect of the pecuniary derangements incident to a condition of war, it is quite certain, that up to the period of the alliance between the banks and the general government, the former were never more fully prepared to meet their subsisting obligations to the community. Under the system of secured circulation which prevails in this State, joined to the individual liability of stockholders, those institutions enjoyed the public confidence to the fullest extent. Strong in this respect, and strong in pecuniary resources, they would have been justly chargeable with unwarrantable selfishness had they failed to respond to the demands of patriotism at a great crisis in the affairs of the country. To their credit, be it spoken, they met the exigency with a patriotism and liberality that excited surprise at home and abroad. Had they been met with a corresponding spirit on the part of those in authority; had the burdens assumed been mitigated by prompt action on the part of the government in the delivery of its securities;

had the rigors of the sub-treasury system been mitigated by the use of the banks as depositories for loans, to be disbursed in the usual manner through the use of checks, notes and the usual credits, as the demands of the government might have required; there is every reason for believing the banks would not have been driven to the exigency of breaking faith with the public in respect to the redemption of their notes in specie. Even as it was, they scrupulously fulfilled their engagements with the government, and on the 4th of February, 1862, made their final payment on the \$35,000,000 loan of November 16th, 1861, although at the date of such last payment but \$7,000,000 of the securities to be furnished had yet been received. Nor was such payment made, as has been alleged on the floor of Congress, in the depreciated notes of the banks, but in coin and government notes, many of the latter being of the class receivable for customs.

In thus drawing the attention of the legislature and the public to the facts connected with the present anomalous condition of our moneyed institutions, I am not actuated either by a querulous spirit toward the government, or an undue partiality for the banks. Had the latter brought themselves into their present condition by inordinate expansion, or through excesses stimulated by their own cupidity, they would be entitled to little sympathy. But, inasmuch as the difficulties they have encountered arise primarily from the necessities of the government incident to extraordinary war expenditures—since the banks have crippled themselves by patriotic endeavors to strengthen the public credit—they are at least entitled to fair consideration, and to be shielded from such adverse legislation as would tend to cripple them by new exactions.

How soon the banks will be in a condition to resume the payment of their obligations in specie, it is impossible to determine. Certainly not until the "legal tender" notes shall be withdrawn from circulation, and the government return to the redemption of its issues in coin. Under the present aspects of the Treasury Department, with a prospective engraving and printing establishment in operation in the attic, a paper depository in the basement, and an officer intermediate, who deals out *inamocuous* promises to pay at the rate of a million and a half dollars per day, a sad commentary will be presented on the constitutional prerogative to "coin money and regulate the value thereof, and of foreign coin." Let us hope that the present unnatural rebellion being subdued, peace will once more visit our distracted country, and that with its dawn we shall again return to the use of the true measure of value, both in corporate and governmental payments.

The Bank Note Circulation.—One of the prominent causes contributing to the present disparity in value between bank notes and specie, is held to be the redundancy of bank note circulation. That paper money, issued by the government and the banks, is plentiful, whilst the precious metals are scarce, is sufficiently obvious; but that there is an unnecessary expansion of paper issues, as compared with the business of the country, admits of serious doubt. Conceding for the moment the redundancy of the paper circulation, to what cause is it attributable? The Secretary of the Treasury, in his recent report to Congress, states the increase of corporate notes during the year ending November 1, 1862, at \$37,000,000. The

circulation of United States notes on November 1, 1861, was, in round numbers, \$15,000,000, while on November 1, 1862, it was \$210,000,000; showing an increase within the year of \$195,000,000. Yet the Secretary expresses a decided opinion that if there be an actual excess of circulation, it is *not* due to the issues of United States notes, but rather to the increase of deposits in the banks; such increase during the year being stated at \$80,000,000. If, then, we add the *whole* increase of deposits to the increased circulation of the banks, we have a total of \$117,000,000 by the banks, against \$195,000,000 by the Secretary; and yet the government notes are said to be innocent of having caused any excess or depreciation in the paper circulation of the country! What are the peculiar characteristics pertaining to the government notes which distinguish them in their effects from bank issues, when they have entered into general circulation, the Secretary has not been pleased to elucidate; nor why, since the government notes are equally inconvertible into specie, the depreciation of the currency should alone result from the corporate action, is a question still to be solved to the minds of the uninitiated. The inquiry also arises quite naturally, how much did the addition of \$195,000,000 to the currency by the government, become a component of the \$80,000,000 increase in the bank deposits? If, as may rationally be inferred, it formed an essential constituent, then the further inquiry may be indulged, whether the deposits increased from this source are equally innocent of having added to the increase of bank circulation, which the Secretary states "always accompanies an augmentation of deposits?"

It is a source of satisfaction that in this State, through the agency of a registered currency, and by means of the quarterly reports of the banks, we have the means of tracing causes and results with more accuracy than in many of our sister States. It is interesting to compare the condition of our bank note circulation in 1857, when there was a temporary suspension of specie payments, (and when the penalties were in full force,) with the operations of the past year. In June, 1857, the actual circulation of all the banks and bankers in the State was \$32,395,892. On September 26, being seventeen days before the suspension, it had fallen to \$27,122,904, being a reduction in one quarter of \$5,273,988. During the three months succeeding, there was a further reduction of \$3,222,940. At this period there had been a resumption of specie payments by all the leading banks, yet the reduction of circulation continued, so that in March, 1858, it had diminished to \$22,710,158, being a diminution in the volume of actual currency, during nine months, of \$9,685,734. From this period up to 1861, the banking capital and circulation gradually increased, so that in June, 1861, the actual circulation had risen to \$25,617,151; in September, to \$28,015,748; and in December, (the period of suspension of specie payments,) to \$30,553,020. During the quarter succeeding the suspension, there was a reduction in the actual circulation of the banks amounting to \$2,222,047; the aggregate being, on March 15, 1862, \$28,330,973.

It was at this time that a new element was thrown into the financial crucible. On the 30th of March, there was received at the department certain notes issued by the United States, bearing on one side the impress of a highly intellectual countenance, on the other the authoritative de-

claration: "This note is a LEGAL TENDER for all debts, public and private, except duties on imports and interest on the public debt." The reception of these notes released from embargo in this department nearly \$30,000 of the notes of banks, under protest for non-redemption in specie. Is it strange that, thus released from all sumptuary laws, and with an increasing demand for currency, the banks should have availed themselves of the immunity afforded? Hence we find, that from March 15, 1862, (the time at which the legal tender notes were issued,) to September 27, 1862, a period of six months, the actual circulation of the banks was increased \$9,226,400. Yet the Secretary of the Treasury assures Congress that the issue of United States notes has had no agency in producing a redundancy or depreciation of the currency!

In thus speaking, I am only alluding to the effects resulting from the issue of the "legal tender" notes, without stopping to question the wisdom of the measure. Without the relief thus afforded, many of the banks in this State must have succumbed to the financial pressure which would have ensued from the entire withdrawal of their circulation. It is also difficult to appreciate in what manner the means could have been obtained for moving the vast agricultural productions of the teeming West, and carrying on the active business operations which have marked the past season. It is not my purpose to decry the issues of currency either by the United States or well-conducted banks here and elsewhere. On the contrary, I am firmly of the conviction that, in this State, there has been no issue of bank circulation exceeding the requirements of active business. This is shown by the redemption of bank notes in Boston and New-York. All New-England redeems its bank notes at the Suffolk Bank and the Bank of Mutual Redemption, in Boston, precisely the same as those notes were redeemed when the banks were paying specie. Most of the banks of this State redeem their circulating notes at the Metropolitan Bank, in New-York, just as they did before the suspension. These facts speak volumes in favor of a system of daily redemption of bank notes, without the use of specie. If bank note currency were redundant, there would be a larger amount redeemed daily than there was when the whole volume of circulation was less. The fact is, however, that the daily redemptions of New-England bank bills, and those of the banks of this State, have been less, as I am assured by competent authority, throughout the past season, than when the circulation of New-England and New-York was, at least, one-third below its present amount. So, also, the records of this department show the following results:

Free banks, circulation returned to this department from		
July 1, 1861, to January 1, 1862,.....	\$3,355,820	
Incorporated banks, same time,.....	882,138	
		\$4,237,958
Free banks, circulation returned from June 15, 1862, to December 15, 1862,.....	\$1,982,011	
Incorporated banks, same time,.....	415,987	
		2,347,948
1861 over 1862,.....	\$1,890,010	

It will thus be seen that the returned circulation for six months, in 1861, was nearly two millions in excess of that for a like period in 1862, although the aggregate circulation of 1862 was many millions in excess

of what it was in 1861. No better barometer whereby to measure the state of the currency can be found than the returns made to this department; and these indicate most clearly that, as yet, no redundancy of the currency exists. Indeed, the capability of this department to meet the demand for notes was never more severely tested than it has been during the last nine months. Nor was it the result of a fictitious demand. The banks found themselves embarrassed in the transaction of their business by the want of currency to meet the daily requisitions. Every soiled and mutilated note, capable of service, was brought into use, and the banks of the east were literally besieged for currency wherewith to move the crops of the west. Engagements were made weeks in advance by those wanting currency, in order to secure a supply; and numerous facts might be adduced to prove, that with all the issues of the government and the banks, the volume of currency was not in excess of the wants of the country. Adequate grounds for this unusual demand may be found in the withdrawal of all the specie from circulation; in the abolition of the entire bank note circulation of several of the Western States, consequent upon the failure of local institutions; in the vast sums required for the payment of bounties and wages to volunteers; in the immense purchases of agricultural products by the government; in the enhanced prices of those products, calling for vast sums both in payment and for their transportation; and by the fact that nearly the entire business of the community has, during the past year, been transacted upon a cash basis.

Congressional Legislation in reference to Banks.—The Secretary of the Treasury of the United States, in his recent report, urges upon Congress the incorporation of banking institutions within the several States, with certain requisitions, immunities and privileges. The ostensible objects to be secured are two-fold—a market for United States stocks, and the creation of a uniform, secured currency. The subject was discussed at some length in the last annual report from this department, and I beg leave to invite your attention to the views therein presented.

The question is one in which the State of New-York has a paramount interest, and it demands the serious consideration of her immediate representatives in the legislature. After many years of corrective legislation, guided by an enlightened experience, she has perfected a system of banking which, with great freedom as to privilege, secures her citizens against loss from fraud, cupidity and recklessness in the matter of furnishing a circulating medium, and transacting the other important functions pertaining to the business of banking. Her inherent right to prescribe the terms upon which these functions shall be exercised by her citizens it is now proposed to take away, and to transfer to Congress and the national capital the control which the legislature has, since the foundation of the government, exercised over the institutions of its creation. With a wise forecast for the interests of the State, the legislature has provided that the stocks of New-York shall be received as a security for the prompt redemption of the circulating notes issued by banks and bankers, and, with great liberality, has permitted the stocks of the United States to be deposited for the same purpose, to an equal extent with her own. Under this provision, over \$19,000,000 of New-York stocks, and

over \$12,000,000 of those of the United States, are now on deposit in this department. If the amount is not equal, the cause is to be found only in the preference given by those depositing to the securities of New-York as an investment. It is now seriously proposed to deprive our citizens engaged in the business of banking of this privilege, and by compulsory measures in the way of taxation, to force them to receive the securities of the United States, to the total displacement of the stocks of our own State. It is not urged—it cannot be shown—that this innovation is required to make our currency more secure than it is under the present system. But because other States have failed to furnish a secured circulation, and because there is a strong desire, growing out of the present exigencies of the country, to find a market for United States stocks, it is proposed to set aside the wise provisions of our State laws, and compel the banks to receive their notes at the hands of the general government, secured by a deposit, at Washington, of national stocks alone. Nor is this all. It is also proposed to create, by Congressional legislation, and plant within this State, independent of control by its legislature, so many banking institutions as shall find it expedient to organize under the privileges extended to them by the national authority.

The changes thus proposed strike wide and deep. The power of taxation, if carried to a prohibitory extent, will force the banks of this and other States to withdraw their present circulation. The commanding credit of New-York, garnered up through long years by the unfaltering payment of her obligations, under any sacrifice required, has placed her stocks at such premium in the market, that they must ever remain the most desirable security that can be employed as a basis for bank circulation. Under the requirements of law they have been purchased at prices so high as to afford to the holders a very moderate interest. The profits upon the circulation received is consequently small; and a tax upon that circulation, in addition to that already imposed upon the earnings of banks, could not fail to prove onerous, and must have the desired effect to cause its withdrawal. This cannot be done, in the existing condition of affairs, without serious detriment to the business interests of the community. The rank injustice of oppressive legislation, from such a quarter, becomes more apparent when the fact is considered, that there is scarcely an institution of any magnitude in the State which is not already loaded down with the securities of the general government, in the shape of stocks, Treasury notes and indebtedness certificates. I may be allowed to instance a single bank in a neighboring village, which, with a capital of \$150,000, and a circulation of \$160,000, (chiefly obtained for the payment of bounties to United States volunteers,) now holds \$330,000 in securities of the general government. Facts of this character are patent all over the State; yet these are the institutions which are to be subjected to harassing provisions and numberless inconveniences, in order to compel them to transfer their allegiance from the State by which they were created to the legislative and bureaucratic authorities at Washington.

It is not my purpose or province to canvass the details of the proposed system of government banking, nor to dwell upon the crudities through which it is sought to secure the acquiescence of Congress. The idea that

a bank note can be made equal to gold and silver, all over the country, regardless of distance from the place of its redemption; that a bank becomes a safe depository for the public funds, merely because its circulating notes are secured by a deposit of government stocks; that every dollar invested in United States securities would represent real capital; and that a system of the character proposed could be brought into requisition, so as to relieve the present exigencies of the government, are positions which I have no inclination to discuss. A far more important consideration is found in the utter lack of *constitutional power on the part of Congress to create corporations within the States, without the assent of the State legislatures.* A more practical question for the legislature of New-York to decide is, how far it will suffer the abnegation of the stocks of New-York as a basis for banking; and to what extent it will allow the institutions of its creation to adjure their allegiance to State authority, and accept that of the Federal Congress.

And a consideration of no small magnitude for the guidance of our representatives in the national legislature may be found in the answer to the inquiries—whether the present is a favorable time for unsettling the monetary affairs of the States—for forcing upon the public new and untried schemes, which must seriously affect the business relations of the community—whether the banks of this State have not entitled themselves to some consideration by their efforts to sustain the public credit at the hazard of their own existence—and, above all, whether it is desirable at this juncture to invite a collision of authority between loyal States and the general government, through the assumption of doubtful constitutional powers?

Whatever may be the action of Congress in the premises, I have full faith that the legislature of New-York will protect its honor, and the interests of a common constituency, with dignity and firmness. Under the existing laws no association or person can issue, within this State, notes to circulate as money, without depositing the required securities in this department. Without legislative instruction to the contrary, it will be my duty, during my continuance in office, to enforce this provision against all associations or individuals claiming authority from any other source. If occasion require, I shall not hesitate to bring the question to the test of judicial decision, that we may learn authoritatively what powers over local institutions are still left to the States.

Respectfully submitted.

H. H. VAN DYCK, *Superintendent.*

Recapitulation of securities held in trust by the Superintendent of the Banking Department of the State of New-York, and of the circulating notes issued to banks, banking associations and individual bankers, outstanding September 30, 1862.

SECURITIES HELD.

For banking associations and individual bankers,.....	\$36,877,021 84
Incorporated banks,.....	65,289 14
Trust companies,.....	200,000 00
Total,.....	\$36,642,310 98

CIRCULATING NOTES ISSUED AND OUTSTANDING.

To banking associations and individual bankers,	\$34,262,449 00
Incorporated banks,	7,977,887 00
Total,	\$42,239,886 00

The total number of banks, banking associations, individual bankers and closing and insolvent banks, is 358, viz.: Incorporated banks, 19; banking associations, 247; individual bankers, 39; closing and insolvent banks, 53. Total, 358.

Statement showing the number of mutilated notes, the denominations, and the amount, returned and cancelled by the Bank Department of the State of New-York, during the year ending September 30, 1862.

FREE BANKS.			INCORPORATED BANKS.		
Number of notes.	Denominations.	Amount.	Number of notes.	Denominations.	Amount.
540,751 ..	1's, ..	\$ 540,751 ..	112,758 ..	1's, ..	\$ 112,758
298,101 ..	2's, ..	596,202 ..	60,492 ..	2's, ..	120,984
128,806 ..	3's, ..	384,918 ..	35,683 ..	3's, ..	107,049
291,640 ..	5's, ..	1,458,200 ..	70,801 ..	5's, ..	354,005
78,508 ..	10's, ..	785,080 ..	20,958 ..	10's, ..	209,580
17,868 ..	20's, ..	347,360 ..	4,698 ..	20's, ..	93,860
19 ..	25's, ..	475 ..	.. ..	.. ..	.. ..
7,564 ..	50's, ..	378,200 ..	1,833 ..	50's, ..	66,650
7,874 ..	100's, ..	737,400 ..	947 ..	100's, ..	94,700
6 ..	300's, ..	1,800 ..	.. ..	.. ..	.. ..
24 ..	400's, ..	9,600 ..	.. ..	.. ..	.. ..
243 ..	500's, ..	121,500 ..	18 ..	500's, ..	9,000
163 ..	1,000's, ..	163,000 ..	16 ..	1,000's, ..	16,000
.. ..	.. ..	.. ..	"Old emission" or unregistered notes,		1,085
1,370,067		\$5,524,386	307,699		\$1,185,621

Statement showing the banking associations (ten) and individual bankers (six) that have commenced business in the State of New-York; also the aggregates of the securities held, and the total circulation issued and outstanding at the close of the fiscal year ending September 30th, 1862.

During the last fiscal year ten banking associations, with an aggregate capital, as shown by their certificates of association on file in this department, of \$1,560,000, and six individual bankers, have deposited the requisite securities, and commenced the business of banking, viz.:

Name.	Location.	Capital.
1. Bank of Ontario,	Canandaigua,	\$ 100,000
2. Bank of Orange County,	Goshen,	110,000
3. Bank of Otego,	Otego,	100,000
4. Iron Bank of Plattsburgh,	Plattsburgh,	100,000
5. Leather Manufacturers' Bank,	New-York,	600,000
6. Lincoln Bank,	Clinton,	100,000
7. Palisade Bank at Yonkers,	Yonkers,	100,000
8. Schenectady Bank,	Schenectady,	100,000
9. Steuben County Bank,	Bath,	150,000
10. Union Bank of Medina,	Medina,	100,000

\$1,560,000

INDIVIDUAL BANKERS.—1. E. S. Rich's Bank of Exchange, Buffalo. 2. J. A. Clark & Company's Bank, Pulaski. 3. Joshua Pratt & Company's Bank, Sherbourne. 4. Q. W. Wellington & Company's Bank, Corning. 5. R. L. Ingersoll & Company's Bank, Pulaski. 6. T. O. Grannis & Company's Bank, Utica.

The total amount of outstanding circulation issued to banking associations and individual bankers, and the amount and character of the securities deposited and held in trust for its redemption, on the 30th day of September, 1862, was \$34,262,449.

		SECURITIES.	
Bonds and mortgages,			\$ 4,912,494 47
New-York State stock, 4½ per cent.,		\$ 205,400 00	
“ “ 5 “		5,982,324 18	
“ “ 5½ “		169,000 00	
“ “ 6 “		11,978,155 92	
“ “ 7 “		688,000 00	
		<hr/>	19,022,890 10
United States stock, 5 “		\$ 3,333,000 00	
“ “ 6 “		8,566,450 00	
		<hr/>	11,899,450 00
Arkansas State stock, 6 “		\$ 24,000 00	
Illinois “ 6 “		373,466 67	
Michigan, “ 6 “		41,000 00	
		<hr/>	438,466 67
Cash on deposit,			103,720 60
		<hr/>	\$ 36,377,021 84
Aggregate of the securities held in trust for banking associations and individual bankers, September 30th, 1861,			30,213,780 59
		<hr/>	\$ 6,163,241 25
Increase during the fiscal year 1862,			\$ 34,262,449 00
Amount of circulation outstanding September 30, 1862,			28,360,482 00
“ “ “ “ 1861,			<hr/>
			\$ 5,901,967 00

Increase and decrease in the several kinds of securities during the past year :

Increase in United States stock,		\$ 6,810,150 00
Decrease in bonds and mortgages,		\$ 474,308 00
“ New-York State stock,		100,815 82
“ Illinois “		36,783 33
“ cash,		35,001 60
		<hr/>
		646,908 75
		<hr/>
Total increase,		\$ 6,163,241 25

UPPER INDIA.—The most important new undertaking announced recently is the Scinde, Punjab and Delhi Bank Corporation (limited.) For many reasons, this undertaking is favorably regarded by those conversant with the progress, capacity, and wants of India, more especially of the rich and teeming region which is to form the scene of the operations of this company. That the field is one of the most promising in existence seems to be generally admitted; and it would, indeed, be rash to attempt to fix a limit to the commercial development of Upper India so soon as the requisite facilities shall have been organized.

BANKS OF THE STATE OF NEW-YORK, 1853-1862.

Aggregate Capital, Circulation, Individual Profits, Balances due to and from other Banks, Individual Deposits, Loans, Stocks, Bonds and Mortgages, Specie and Real Estate of the Banks of the State of New-York.

<i>Liabilities.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Profits.</i>	<i>Due other Banks.</i>	<i>Deposits.</i>
1853, June,.....	\$73,168,361 ..	\$80,025,570 ..	\$10,362,736 ..	\$21,839,139 ..	\$63,290,908
1854, "	81,589,289 ..	81,266,903 ..	11,334,056 ..	23,266,908 ..	85,294,111
1855, "	85,082,631 ..	83,562,395 ..	10,368,573 ..	24,009,363 ..	87,365,541
1856, "	92,334,173 ..	90,765,664 ..	12,945,961 ..	29,784,696 ..	100,358,349
1857, "	103,364,777 ..	92,395,393 ..	12,948,690 ..	27,519,617 ..	103,618,876
1858, "	109,240,541 ..	94,079,196 ..	13,568,650 ..	34,390,766 ..	101,637,767
1859, "	110,008,776 ..	96,759,915 ..	13,524,419 ..	30,173,329 ..	102,454,046
1860, "	111,494,398 ..	93,889,194 ..	14,449,196 ..	33,925,233 ..	115,266,061
1861, "	109,912,399 ..	95,617,151 ..	14,597,341 ..	30,912,733 ..	109,361,678
1862, "	103,682,708 ..	83,727,883 ..	14,721,695 ..	50,569,676 ..	153,994,739
" Dec.,	193,683,397 ..	99,183,319 ..	17,102,009 ..	37,339,106 ..	200,394,776

<i>Resources.</i>	<i>Loans.</i>	<i>Stocks and Mortgages.</i>	<i>Specie.</i>	<i>Bank Balances.</i>	<i>Real Estate.</i>
1853, June,.....	\$101,266,932 ..	\$25,900,228 ..	\$13,384,410 ..	\$13,693,754 ..	\$5,005,769
1854, "	133,375,336 ..	23,114,433 ..	10,723,439 ..	16,907,896 ..	5,556,571
1855, "	163,104,997 ..	23,644,581 ..	15,921,467 ..	12,790,900 ..	5,726,027
1856, "	174,141,775 ..	21,992,734 ..	13,510,895 ..	12,355,098 ..	6,734,163
1857, "	190,303,893 ..	25,047,366 ..	14,370,434 ..	11,643,380 ..	7,422,015
1858, "	173,833,145 ..	21,713,026 ..	23,597,211 ..	13,569,231 ..	7,399,956
1859, "	185,027,459 ..	23,089,390 ..	23,207,733 ..	12,156,354 ..	8,491,879
1860, "	196,908,068 ..	24,300,577 ..	24,523,319 ..	15,233,796 ..	8,754,865
1861, "	163,477,371 ..	41,527,496 ..	41,394,080 ..	13,324,677 ..	8,333,313
1862, "	184,501,261 ..	70,697,719 ..	32,323,693 ..	21,730,319 ..	9,609,099
" Dec.,	178,922,566 ..	118,360,730 ..	37,908,047 ..	27,632,451 ..	9,608,673

NEW-ORLEANS.—The New-Orleans papers say, that in uncurrent or distant bank notes there is a steady sale for all sums offering. They quote the range of quotations as follows, for February 1st, assuming legal tender notes as the standard of currency:

Gold,.....	40 @ 45	per cent. premium.
Silver,.....	35 @ 40	" "
Demand notes, U. S. Treasury,.....	35 @ 40	" "
Kentucky bank notes,.....	10 @ 15	" discount.
Indiana and Ohio,.....	10 @ 15	" "
Missouri,.....	10 @ 15	" "
Illinois,.....	15 @ 20	" "
South Carolina and Georgia,	25 @ 35	" "
Alabama,	25 @ 35	" "
Banks of Mobile,.....	20 @ 25	" "

Merchants' and Crescent City Bank notes are very quiet. They range from 20 @ 25 per cent. discount. It is believed there are no prospects of the branch mint of this city being placed in active operation. The expenses would amount to more than the benefits, so we are informed.

BANKING IN MASSACHUSETTS.

Annual Report of Messrs. GEORGE WALKER, J. FREDERIC MARSH and WILLIAM D. FORBES, Bank Commissioners of the Commonwealth of Massachusetts, October, 1862.

In the report of this Board for 1861, we adverted to some changes which had been wrought by the war, in the business of banking, and it becomes necessary, at this time, to explain more at length the circumstances which have produced those changes, and to show the effect of the war on the business of the Commonwealth, especially as it has influenced the condition and operations of the banks.

At the breaking out of the rebellion it was feared that the business of the country would be entirely prostrated, and the banks, which make their gains out of the activity of trade, expected to be the greatest sufferers. Neither of these fears have been justified by the event. Scarcely, if ever, has the business of Massachusetts been more active or profitable, than during the past year. The war has brought into activity many mechanical employments for which there is little occasion in time of peace; such, for example, as the manufacture of arms and ordnance, camp and garrison equipage, saddlery and artillery harness, and military clothing and accoutrements. It has, also, greatly stimulated the manufacture of boots and shoes, and of woolen goods; while the subsistence of the army has furnished a constant and remunerative market for bread-stuffs and provisions. There is hardly a branch of domestic industry which has not been actively employed. The cotton manufacture alone has been interrupted by the loss of the raw material, and has given less occupation to labor than usual; but there was never a time since this branch of industry established itself in New-England, when the profits realized from it have been so considerable. Dividends have been made exceeding any former precedent, and reserves carried to surplus funds of corporations, to insure and equalize dividends hereafter. Advantage has been taken of the stoppage of mills, to put machinery and buildings in thorough repair, so that whenever the supply of cotton is once more abundant, the manufacturers of Massachusetts will be better prepared than ever before to reap all the advantages incident to the occasion. Nor has the condition of the operatives, deprived of their usual employment, been materially impaired. So great has been the draft upon the male population to fill the army, that there has been an unusual demand for men's labor in other directions; while female operatives have found occupation in the manufactories of clothing, in the attendance of shops, and in domestic service.

The rail-roads of the Commonwealth were never more profitably employed, and they have made larger dividends, and their stocks have borne a higher price, than at any former period. The vast grain crops of the West have sought a market on the seaboard, or in foreign countries, and having been deprived of their usual water-carriage by the closing of

the Mississippi, have poured through the canals and over the rail-roads leading to New-York and Boston. The carriage of troops and army supplies has, also, furnished a considerable business even to the New-England roads, while those of the middle and border States, leading toward the seat of war, have been completely occupied with the new traffic.

The loss of the cotton crop, and closing of the seaports and great rivers of the South, seemed likely to destroy the occupation of our mercantile marine; but here, again, new channels of business have arisen, and anxieties have been dispelled. The necessity of transporting great bodies of troops from point to point along our seaboard, and of furnishing them subsistence, has called into the service of the government a vast fleet of transports, for the hire of which owners have received rates of compensation greatly exceeding the ordinary profits of commerce. Every steam vessel, capable of navigating either the ocean or harbors and rivers, has been thus employed, and many more, previously regarded as worn out, and no longer seaworthy, having been flimsily repaired, and made to pass through a hasty or corrupt inspection, have gone out, laden with valuable property, or invaluable lives, to be wrecked or rescued, as the chances of the weather, or as skillful seamanship might determine. The shipyards, both public and private, have been worked to their utmost capacity, in the construction of iron-clad gun-boats, and other vessels of war; while machine shops, rolling mills and foundries have been equally busy in building their engines, rolling their armor plates, and casting their guns. Nor has foreign commerce greatly declined, the grain trade, and the import of munitions and arms, having come in to supplement the loss occasioned by the detention of cotton. The increase in the export of breadstuffs since 1860 is very remarkable, and has a very material bearing on the future destiny of the Northern States. The statistics of this trade with Great Britain alone are stated as follows: The quantity of various grains imported into Great Britain, from all quarters, in 1860, was one hundred and sixteen million bushels, of which the United States furnished twenty million eight hundred thousand. In 1861 the quantity imported was one hundred and twenty-eight million bushels, of which the United States furnished forty-three million two hundred thousand; thus, in a single year, more than doubling the export, and that, too, at a time when agricultural industry was interrupted by the first notes of war, and by the hurry of unwonted preparations. In the first eight months of 1862, while the import into Great Britain has been almost identical with that of the same period last year, the portion contributed by the United States has increased nearly ten per cent.

In our report for 1860, we spoke of the depressed state of the shoe trade, the most important of all the industrial interests of Massachusetts. The extent of this production, and its rapid development, are but imperfectly realized by the people of the Commonwealth. In 1860, the value of boots and shoes manufactured in Massachusetts was \$46,440,000, being an increase of 92 per cent. over the product of 1850. The value of cotton goods produced in the same year was \$36,746,000, and the increase over 1850, 69 per cent. More than half the annual production of boots and shoes in the United States is due to Massachusetts. But great as that production is, its pecuniary value does not most strikingly demonstrate the importance of this industry to the State. That manufac.

ture is the best for a people which involves the largest contribution of labor and the smallest cost of capital in its result. Viewed in this aspect, the shoe trade excels all the other staple industries of New-England. The capital invested in it in Massachusetts, in 1860, was \$11,170,000, and the number of hands employed 69,398, of whom more than two-thirds were males; while in the cotton manufacture, in the same year, the capital invested was \$33,300,000, and the number of hands employed 34,988, of whom nearly two-thirds were females. We have already shown that the value of the product in the shoe trade exceeded the product of the cotton manufacture, by nearly ten millions of dollars.

Owing to the improvements in machinery, which reduced the cost of manufacture, the shoe business was greatly stimulated prior to 1860, and the market overstocked. Many manufacturers were made bankrupt, and banks, which held their paper, sustained heavy losses. The Southern States have heretofore furnished a very large market for boots and shoes, and old and wealthy houses of New-England origin, and often with Northern affiliations, had become established in the chief cities of the slave States. The war compelled these houses to suspend business, and, in many instances, to stop payment, and thus, not only was a large market for our productions taken away, but new and heavy losses were entailed on Northern creditors. During the year 1861, therefore, the shoe trade stagnated, and large numbers of workmen enlisted in the military service. The reduction of stocks, and diminution of production, soon restored the trade to its former activity. The wants of the army have come in to make good the loss of the Southern market, and the government has been a liberal and sure, if not a ready paymaster. Labor has been in great demand, wages have risen, and the trade is again in a high state of prosperity.

We are glad, also, to record a revival of the paper manufacture, a branch of business which has languished for several years, and by which some localities have severely suffered.

We have thus glanced at the principal sources of production in the Commonwealth; and the condition of each of them has been found to be satisfactory. Wealth has flowed into the State in no stinted measure, despite of war and heavy taxes. Either in the military service of their country, or in more peaceful pursuits, the laboring classes have found full employment. To satisfy ourselves still further on this point, inquiries have been presented to the managers of the leading savings banks, not only of this but of the other New-England States, and their replies establish the important facts, that all those institutions have made considerable gains during the current year, not only from accumulated interest, but also from new deposits; that the laboring classes have had full employment at more than average wages, and that in no single locality, not even in the great manufacturing towns, have deposits been withdrawn for support to an unusual degree. The gain in deposits does not fully represent the volume of money seeking such depositories, for in all the larger institutions there has been a reluctance to accept of large sums of money, the profitable investment of which has proved so difficult; and great numbers of such deposits have been refused.

We have thought this detailed review of the industrial condition of Massachusetts, and of the States of which Boston is the commercial centre, not irrelevant to the immediate subject of this report. The banks of the Commonwealth draw their living from its industry, and the nature of their business, during the past year, cannot better be explained than by showing how that industry has been employed. In every department of labor the government has been, directly or indirectly, the chief employer and paymaster. Though its payments have often been greatly delayed, to the serious embarrassment of contractors, yet the mode of conducting its business has so far reduced the practice of mercantile credit, that very little private business paper has been made. Vast contracts have been undertaken and executed with the use of no other credit than such as is based on government vouchers and certificates of indebtedness. In the absence of business paper, the banks have been obliged to invest a large proportion of their capital in the obligations of the government, under one form or another, and such private paper as has been obtained has been discounted at rates unusually low. The portion of the bank loan which is on call, or on demand, was never so great, and much of this has been loaned at four per cent., and in large sums, upon government securities or other collaterals. With a view to ascertaining the amount invested in national securities, the commissioners have procured a special return from the banks and savings institutions, showing the sums so held by them on the 30th day of September last. The amounts held as collateral security, as well as the sums deposited with the assistant treasurers of the United States, on interest, are also stated in the return. The following table presents a synopsis of these returns:

United States Securities held by the Banks and Savings Institutions of Massachusetts, September 30, 1862.

SECURITIES.	BANKS.		SAVINGS INSTITUTIONS.	
	Owued.	Collateral.	Owued.	Collateral.
7 8-10 Treasury notes,.....	\$ 11,597,438 ..	\$ 1,181,600 ..	\$ 1,504,750 ..	\$ 12,800
6 per cent. bonds, 1861,.....	8,017,187 ..	155,000 ..	1,594,400 ..	7,500
6 per cent. 5-20 bonds,.....	4,061,550 ..	20,000 ..	1,014,900 ..	....
5 per cent. bonds,.....	398,040 ..	50,500 ..	594,000 ..	....
6 per cent. Treasury notes,.....	877,330 ..	430,685 ..	....	....
One year certificates,.....	7,368,970 ..	703,393 ..	431,987 ..	74,000
Miscellaneous,.....	.....	....	383,550 ..	....
Deposits with Assistant Treasurer,.....	7,618,950 ..	....	615,000 ..	....
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 89,719,415 ..	\$ 3,489,967 ..	\$ 6,071,587 ..	\$ 94,800
Held by Boston banks,.....	\$ 80,167,570 ..	\$ 3,042,517 ..	....	....
Held by banks out of Boston,.....	9,551,845 ..	447,450 ..	....	....
Held by savings institutions,.....	6,071,587 ..	99,900 ..	....	....
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 45,791,009 ..	\$ 2,589,967 ..	....	....
Total owned,.....	\$ 45,791,009 ..	....	....	....
Total held as collateral,.....	.....	2,589,967 ..	....	....
	<hr/>	<hr/>	<hr/>	<hr/>
Total owned and as collateral,.....	\$ 48,377,909 ..	....	....	....

Thus, it will be seen that the banks of discount own government securi-

ties to an amount little short of forty millions of dollars, or about three-fifths of their capital. Though the greatest portion of this sum is held by the Boston banks, there are several institutions in the interior of the State which hold large amounts, and were among the earliest to avow their confidence in the government, by investing in the national obligations.

Tables will be found in the Appendix showing the average condition of the Boston banks for each week, and of the country banks for each month during the year, with a third table made up from the others, showing the average monthly condition of all the banks of the Commonwealth during the same period. The tables differ from those contained in the report of last year only in the substitution of the weekly statements of the Boston banks, as they are actually returned to the Secretary of the Commonwealth, for the aggregation of those statements into monthly averages. It is somewhat remarkable that, though these returns have been, for several years, required to be made, the law does not require them to be republished in a permanent form, either by the Secretary of the Commonwealth, or by the bank commissioners. The utility of such republication is obvious.

Comparing the annual averages, derived from the third table, with those of last year, it will be seen that there has been a considerable gain in each item of the statement. In capital, the increase has been \$417,624; in loans, \$2,509,498; in specie, \$2,810,929; in deposits, \$7,260,838; in circulation, \$633,498; and, in the proportion of specie to immediate liabilities, 2.9 per cent. Surprise will, no doubt, be felt that there has been no greater increase in the average circulation, as it is well understood that the total circulation of the banks has been rapidly increasing, and for some months past, and is increasing still.* The average circulation for September was \$26,845,759, but the average for October, November and December, 1861, was less than \$20,000,000, and did not, in fact, exceed the circulation of 1850, (\$19,700,000,) though, at that time, the banking capital of the Commonwealth was only \$38,265,000. The causes of this rapid increase of circulation, at a time when the loan of the banks is so largely absorbed by government, and when the currency has been swollen by the addition of \$200,000,000 of United States notes, are the subject of much discussion. The reasons popularly assigned are the scarcity of silver change, for which small bills are substituted, the withdrawal also of the gold coins, the large sums carried by soldiers to the seat of war, and other sums left to be expended by their families, the prevailing habit of buying and selling for cash, which requires more currency than the usual credit dealings, and the large amount of Eastern bills sent to the West by New-York banks, to fill the gap created by the winding up of local institutions. Each of these causes has, doubtless, contributed something toward the general result; but there is another agency to be found in the inconvertibility of paper money, the influence of which upon the circulation cannot be overlooked, though the force of it can never be accurately measured. So long as

* The average circulation for November was \$29,449,688.

bank notes are redeemed in gold upon demand, according to the tenor of the promise which they bear upon their face, the homeward current of the circulation will always be rapid. Besides the demand which there always is for gold for foreign payments, for distant remittances, and for meeting customs duties, there is a perpetual competition going on between the banks, each striving to enlarge its own circulation, and to drive home that of its rivals. The law of Massachusetts, which prohibits a bank from paying out any bills except its own, helps on the competition; for, the moment a bill is deposited in any bank other than that by which it was issued, it cannot be again used as currency, till it has travelled home, by way of State-street, and had its convertibility put to the test of actual redemption. When, however, specie payments are suspended, and bills are no longer redeemable in gold, a great motive for sending them home is withdrawn, since, if in good credit, they are as valuable as any thing which can be got in exchange for them. Men hold them and hoard them, therefore, precisely as they would do with specie, and the volume of the currency becomes greater, precisely as its current grows more sluggish. The tendency of this stagnant money to depreciate from excess, to enhance prices, to stimulate importations, and to drive gold out of the country, is too well established by experience in this and other countries to be seriously questioned.* Such a depreciation is now attested by the high price of gold, and of all merchandise bought with paper, and it is a calamity calculated to excite the greatest solicitude of our people.

The deposits have been large during the whole year, and in September attained the high figure of \$38,771,000. In the latter months of 1861 they were increased by some millions of undrawn credits of the United States, growing out of the \$150,000,000 loans; and, as these credits were withdrawn, their place was filled by private deposits, caused by the abundance of money waiting investment. The stoppage of the cotton manufactories has, without doubt, helped to swell the deposits of Boston banks, since very large sums, usually invested in the raw material, are now thrown out of use, but are, notwithstanding, kept on hand, either for early distribution in dividends, or to meet any new opening of the business.

The specie average has been more than two millions greater than that of 1861, and, for the first time since 1858, has exceeded the 15 per cent. required by the law of that year. This is, without doubt, owing to the suspension of specie payments by the banks of this State, which took place on the 30th day of December last. This measure was adopted by them in concurrence with the banks of the other loyal States, and by the

* "So long as paper money is redeemed in specie, the value of it depends on the demand by which the currency should be regulated. When, however, specie payments are suspended, a rise in prices takes place, followed by increased importations, since there is an advantage in selling in such a country. To restore the equilibrium in prices, circulation and capital, gold is exported. But if the circulation consists, in great part, of paper, all metallic values disappear. Foreign exchange also rises. Gold and silver constitute, in short, the only reliable basis of circulation."—JUGLAR'S *Des Crises Commerciales*, &c. Paris, 1862.

general government, except in paying interest on its debt. It was a measure greatly to be deplored, and only to be excused or justified by the critical and unnatural state of public affairs. The necessity of periodically repudiating a solemn obligation whenever a pinch occurs, is one of the weaknesses of our national system of banking, and it will continue to exist until sounder views prevail, as to the metallic strength which is required in order to give stability to a mixed currency. In the present instance, however, the exigency was of a public nature, and the banks may well shelter themselves behind the example of the government, whose foreshadowed necessities seem to have dictated the earlier adoption by them of a measure, which, if first adopted by the government, would have caused a severer shock to public credit.

Notwithstanding the suspension, the banks of Boston continued to pay their balances at the Clearing-House in gold, until the 7th day of May last, since which they have used the legal tender notes of the United States and city bank bills; and the gold, which had previously been deposited in the Merchants' Bank, has been removed to their own vaults.

The Commissioners were fearful that the total disuse of gold as currency, and its increasing price, would lead to the sale of it by the banks; but, by a constant watchfulness on their part, aided by the conservative judgment and counsels of leading bank officers, they believe that such sales have been rarely made. As the temptation, however, still exists, it may be proper to say, that the Commissioners regard the sale of gold by the banks as altogether illegal, so long as they refuse to pay specie on their obligations.* The inconvertibility of bank bills has made them of less value to the holders of them than they purport to be, and it would be a gross violation of justice if the banks were allowed to take advantage of their own wrong, and sell the gold, which is due to their creditors, at a premium, the very existence of which is largely owing to their own repudiation.

The specie law is, also, still in force, and it requires now, no less than heretofore, the maintenance of an habitual reserve of fifteen per cent. upon the circulation and deposits of the city banks. If it has, at times, occurred, within the last few months, that the great increase of deposits has brought an institution unexpectedly below the line, while specie could only be bought at a heavy premium, it is the obvious duty of its officers to hold all the gold they receive, whether for interest upon public securities, or otherwise, that the per centage may be restored.

The foregoing reference to the specie law leads to the recital of certain proceedings instituted by the Commissioners, in March last, against the Bank of Mutual Redemption, involving the construction of that statute, as well as of other sections of the banking law.

In the examination of one of the Boston banks, it was ascertained that the Bank of Mutual Redemption was in the habit of borrowing specie from day to day, to meet its current obligations. During the successive days occupied by the examination, such loans were made, amounting in

* Since the passage of the law of the United States making government notes a legal tender, the obligation to pay in specie may be denied, and if that law is constitutional, the obligation no longer exists.

the aggregate to more than one hundred thousand dollars. The practice of borrowing specie, whether to make good the daily balances at the Clearing-House, or to maintain the reserve required by law, has always been regarded by the Commissioners as highly objectionable, and they have never failed to enter their protest against it. The reports for 1860 and 1861 bear ample testimony to the truth of this statement. They have always considered that the purpose of the law as to specie reserves was defeated by borrowing—that purpose being to require a bank to have *within itself, and of its own property*, certain metallic resources as a safeguard to its bill-holders and depositors, they having a right to demand specie at any moment upon the obligations which they hold. To pretend to have such reserves, by borrowing long enough to make out the statement required by law, and to swear to it, is the merest *sham*; but it may serve to deceive the creditors of the bank, the State officials and the public, who cannot know the daily borrowings and lendings between bank officers. Of the general impolicy of this practice, when frequently resorted to, there is no difference of opinion among prudent bank officers; but the right to borrow occasionally, to meet an unexpected emergency, has been advocated or defended by nearly all. The Commissioners, however, had regarded all direct *borrowing* between banks as contrary to the provisions of the sixty-third section of the bank act, and in this view they were sustained by the opinion of Mr. PHILLIPS, the late Attorney-General, whose communication to the Board, on that subject, will be found in the Appendix to the report for 1859. The borrowing of specie to meet the daily balances at the Clearing-House is regarded as especially objectionable. It is looked upon as a sure indication of an unduly expanded loan; for in a well-regulated institution, the transactions with other banks will so adjust themselves that the debt and credit balances, in the long run, equal each other. Let us quote, in this connection, the words of Mr. LYMAN, the Superintendent of the New-York Clearing-House, in a paper describing the working of that institution: * “A positive principle or rule of financial government has been demonstrated by the action of the Clearing-House on the city banks—that is, *the restriction of loans by the necessity of maintaining a certain average of coin from resources within the bank*. Borrowing from day to day will no longer do. It cannot be concealed. The records will show conclusively whether the average is kept up by a healthy business, or by a forcing process.”

During the last winter the Commissioners were made aware that the Bank of Mutual Redemption had been almost constantly a debtor at the Clearing House for more than a year previous, and they knew that during the same period its loan had largely expanded. So long as it violated no law of the Commonwealth, its transactions with its associates were not subject to the interference or control of this board, as the Clearing-House is a purely private association, not subject to their supervision; but if the method of conducting its business was at variance with the principles of sound banking, and especially if it led to the infringement of any of the banking laws, it was, obviously, the duty of the Commissioners to in-

* “The Banks of New-York, their Dealers, the Clearing-House and the Panic of 1857,” p. 321.

terfere. The loan of specie first met with in the examination of the bank in question, did violate an important provision of law, namely, the sixty-seventh section of the statute, which forbids a bank, under heavy penalties, to "loan or issue any of its notes or bills, with an agreement or understanding that such notes or bills shall not be put into immediate, unrestricted circulation, or that they shall not be returned to the bank within a limited time." This loan was for \$40,000, upon security of a package of bills, (bearing the marks of having been often used before for the same purpose,) which were to be withheld from circulation for one day at least, and, whilst so withheld, interest was to be paid upon the loan.

About the same time, the Commissioners found, in another bank, evidence of loans to the Mutual Redemption Bank, of New-York funds, (then superabundant in Boston, and at a discount,) also upon a pledge of its bills, which were to be withheld from circulation three days. This transaction not only violated the statute above mentioned, but appeared to be otherwise illegitimate. From the nature of its business, the Mutual Redemption Bank should naturally receive large amounts of New-York funds from its country correspondents, and would, therefore, seek to part with, rather than to buy them. It is a well-known fact, also, that, at this very period, it was refusing to receive New-York funds at par from its correspondents in the western part of the Commonwealth, and in Connecticut; a refusal which led to the withdrawal of their accounts by some of them, and to the great embarrassment of all. The only inference which the Commissioners could draw from its borrowing these funds was, that the bank was discounting largely for exchange, and charging a premium for funds which it purchased at a discount, thereby violating the usury laws. Another irregularity in all these loans was, that they were payable at a time certain, which was clearly contrary to the sixty-third section.

An interview was had with the President of the Mutual Redemption Bank, in which some of the graver matters objected to were discussed, and the continuance of the obnoxious practices forbidden. That officer, however, refused to conform his practice on these points to the views of the Commissioners, and stated that he should continue to do as he had done theretofore, unless restrained by injunction of the Supreme Court. In justice to their official position, and to the strength of their convictions as to the meaning of important provisions of law, the Commissioners could not do otherwise than lay the facts before the Attorney-General, and, finding their views sustained by his judgment, invoke the aid of the Supreme Court both to interpret and vindicate the laws.

In reviewing the whole course of the institution, they were led to attribute the practices objected to, to a desire of its managers to carry a very high loan, and to use its own resources down to a very narrow and unsafe margin, relying on its neighbors in the street for help to meet its daily and ordinary obligations. The views of its leading officer as to the functions of specie in a banking business had frequently been declared by him to the Commissioners, and seemed to them erroneous and unsound, and the practical construction which he put upon the specie law wholly untenable. Entertaining these views, and desiring, for the good of the institution itself, and the general welfare of the banking system, to

have as few issues before the court as possible, the information against the Bank of Mutual Redemption was made to embrace all the points on which it was believed that it had violated the law; the violations being all induced by the same general course of policy, namely, to run the bank under a very high pressure, a course which its president denominated "making it an *active bank*."

The specie reserve law was one of the most important statutes which the Commissioners believed to be violated, in its spirit and intention, if not in its letter, and such a violation was accordingly alleged. The evidence did not disclose a large number of infractions of this law, but as these were shown to be intentional, and not accidental, they served as well as if they had been more numerous, to call out the opinion of the court as to the true construction of its provisions. From the nature of its business, the Bank of Mutual Redemption is not required by law to keep a large amount of specie, since it has a very small circulation, and few private depositors; but, with its heavy obligations to other banks, and its unprecedented loan, it was important that all the specie required to be kept by law should be its own, and should be sacredly kept. The construction of the specie law upon which the bank professed to act was, that only a *weekly average* of specie was required, and not an *habitual daily holding*. Although the statute nakedly declares that "every bank shall *keep* an amount of specie equal to fifteen per cent. upon its liability for circulation and deposits," it was contended that this requirement is qualified by the words which follow, namely, "and when, by the returns required by sections ninety-three and ninety-four, it appears that the weekly or monthly average of specie required thereby to be returned is less than that amount, such bank shall make no new loans until its specie is restored to *such amount*." The Commissioners, on the other hand, contended, that the only construction which could carry into effect the purpose of the law, declared in its original title, namely, "to increase the amount of specie in the Commonwealth," was one which required the bank to maintain an *habitual daily reserve* of fifteen per cent., a construction which does not conflict with the subsequent words, they having reference only to the mode by which the bank directors and the public are to know whether the law has been complied with. The returns of a week's or month's business cannot show any thing more than an average, and those returns were not required as a part of the specie law, but were already made under a law of some years' standing.

The opinion of the court, as pronounced by the Chief Justice, fully sustains the views entertained by the Commissioners upon this law, as well as upon the meaning of the sixty-seventh section. With respect to the power of the bank to borrow money, the court admits that it does exist, contrary to the opinion of the Attorney-General before cited, and they refer to the twenty-fifth section, which provides that "the debts of a bank shall not, at any time, exceed twice the amount of its capital actually paid in," as implying the right to become indebted in this manner; they, however, decide that such debts cannot be on a time limited, under the sixty-third section.

As to its main allegations, therefore, that the specie law had been violated, that money had been borrowed on time, and bills issued to be kept

out of circulation contrary to law, the complaint against the bank was fully sustained by the court, while upon the general power to borrow money their decision was against the views of the Commissioners. A full report of this case has been furnished by the reporter of the Commonwealth, and will be found in the Appendix. The circular heretofore sent to the banks, containing the opinion of the court, by a mistake, did not contain the arguments of counsel, which are essential to a full understanding of the questions at issue.

Another instance of grave and continued violation of law was discovered in the examination of the Bank of Cape Cod, at Harwich, in July last. It was found to be the practice of this institution to charge exchange on the discount of notes payable at its own counter. The practice had prevailed for a considerable time, and, at the date of the examination, covered about one-third of the notes then under discount. The usual exchange charged was one-half of one per cent., but in one instance one per cent. had been exacted. It was claimed by the officers of the bank, that exchange was only charged upon the renewal of notes, as a sort of penalty for having to continue the loan. The legality of the practice had been a subject of frequent discussion among the directors and officers of the bank, and, as a portion of them were convinced of its impropriety, it had been recently determined to make no such charges in future. In view, however, of the extent to which the practice had already been carried, and of its entire and obvious illegality, the Commissioners felt it to be their duty to lay the facts before the Secretary of the Commonwealth, in obedience to the provisions of section nine of the bank act. The facts having been communicated by the Secretary to the Attorney-General, measures were taken to institute a prosecution against the bank, to recover the penalty imposed by the sixty-eighth section of the act. These preparations were, however, discontinued at the solicitation of the bank, which came forward and paid into the treasury the penalty of \$500, imposed by law, the Commissioners acquiescing in this arrangement on condition that full publicity should be given to the facts in this report. The condition of the Bank of Cape Cod appeared to be entirely sound, and its affairs prudently conducted, except in this particular; and in their proceedings toward it, the Commissioners were governed only by a desire to arrest similar illegal practices, wherever they might occur, by applying to them, when discovered, the stringent correctives which the law affords.

Considerable trouble has always arisen in examining the unsigned bill account of banks. It is an account of great importance, and should be kept with the utmost strictness, to preclude the possibility of fraud or loss. Although a great improvement has taken place within a few years in the manner in which the account is kept, there is room for improvement still. The chief confusion arises from the state of accounts between the banks and the engraver, whose vouchers do not always accompany, and sometimes, on the other hand, precede, the transmission of the bills themselves. To remedy this, we would recommend the passage of a law requiring cashiers to notify the Bank Commissioners of the receipt of every package of bills from the engraver, accompanied by evidence that the bills had been printed on the proper authority of the directors, and with a certificate of the engraver, or printer, as to the amount delivered.

It is probable that further legislation may be asked for with reference to the purchase and holding of public stocks. The law of last year permitted stocks taken directly from the government to be held in excess of the existing limit of discounts. This privilege has been largely availed of, and has enabled banks to make a profitable use of their overflowing deposits. Owing to the mode in which the government loans were first distributed, through a limited number of associated banks, a liberal construction has been put upon the requirement to take such stocks directly from the government, and the first subscribers have, not improperly, been regarded as the agents of the government to effect their distribution. But besides the amounts thus taken from the government itself, large amounts have been bought in the market, and at times at prices below the par value; and the question has arisen, whether, in so buying, a bank violates the usury laws. The Commissioners, in reply to frequent inquiries on this point, have laid down the rule that a bank may buy, for the *bona fide* purpose of investment, any of the public stocks of the United States, or of Massachusetts, at the market price, and they have not objected to similar purchases of the other State stocks of New-England. There is, however, a difficulty in making any distinction in law between the purchase of these stocks and the purchase of the public securities of remoter States, or of municipal and corporate bodies, which should, in the opinion of the Commissioners, not be encouraged; and it is clearly against both law and public policy for banks to buy and sell, without restriction, as brokers or individuals may do, since this would insensibly lead them into the dangerous paths of speculation, and pervert the objects of their institution. The subject is worthy of the attention of the legislature.

The legislature of 1862 suspended the operation of section 59 of the 57th chapter of the General Statutes, which imposes a penalty of twenty-four per cent. a year for refusing payment of bank notes in specie. This suspension will expire on the first day of February next. The act is indexed in the authorized edition of the laws, as an act "*legalizing the suspension of specie payments,*" and we have heard it so spoken of by not a few bank officers. The act attempts no such thing; and if it had attempted it, it would, so far as past obligations were concerned, have been unconstitutional. The sole purpose of it was, to relieve the banks, already in a state of suspension, from the extreme penalties of that act. The bill-holder still continued to have his remedy, by action, for the refusal to pay specie, but his damages would have been only the legal rate of interest. The passage of the law of the United States making government notes a legal tender, (assuming that law to be constitutional,) first deprived the bill-holder of his legal remedy, on a refusal by a bank to redeem its bills in gold.

It is not unlikely that an attempt will be made the present year to increase the legal limits of bank note circulation, but we hope no such measure will be adopted. The circulation is still very much below the limit of the law, not exceeding twenty-seven millions; while it may legally be as great as the capital stock, or sixty-seven millions. It is true, the pressure for currency falls very unequally upon different institu-

tions, depending on their locality and business; but as all such legislation must be general, it would be most unwise to predicate an increase of the paper currency upon the wants or wishes of a few institutions, or upon a temporary necessity. We have indicated the dangers of further expansion, in the remarks already made upon the circulation. Another reason which should prevail to retard any legislation whatever touching the currency, is the attitude of the general government upon the subject. Should the suggestions of Mr. Secretary CHASE, made in his report of 1861, be embodied in the form of law, very grave questions will arise as to the future policy of the Commonwealth, in reference to her banking system, and as to the destiny of the banks themselves; but of these topics it is not our province to speak, until they are before the country in more positive shape than they have yet assumed.

Our attention has been called to the innumerable issues of paper promises, to take the place of the silver change which has disappeared from the currency. Many of these issues are clearly in violation of the eighteenth section of the one hundred and sixty-second chapter of the General Statutes. That section is in these words:

“Whoever issues or passes any note, bill, order or check, other than foreign bills of exchange, the notes or bills of some bank incorporated by the laws of this State, or by the laws of the United States, or of some one of the United States, or by the laws of either of the British Provinces in North America, *with the intent that the same shall be circulated as currency*, shall forfeit fifty dollars for each offence.”

It is entirely unimportant what the form of the paper issued is, provided it is issued with intent that it shall circulate as money. Many of the issues are in the form of printed promises to pay money, and as to the illegality of these there can be no doubt. The case of checks issued and sold for money, as has been very largely practiced, stands in no better light. We are not prepared to suggest the mode in which this growing evil may be best arrested, but that it is an evil is undeniable, and it should be checked before a heavy loss is entailed upon our population by the circulation of irresponsible promises. It is earnestly to be hoped that the general government, which has led the way in the issue of depreciated and depreciating paper, may be able to furnish an adequate amount of the postal currency, which has at least the advantage of having a responsible author.

Having devoted a considerable part of our last report to the consideration of savings banks, we have no occasion to add much at the present time to what was then suggested. The importance of a reserved fund in these institutions has been signally manifested in several instances during the past year. Owing to no bad management of their own, but to the depreciation of bank stocks, and other securities forming a part of their investments, savings banks have, in two cases, found their capitals impaired, and have been obliged to pass dividends, in order that the earnings may make good the deficiency. The course adopted by the managers was eminently wise and prudent; but to suspend dividends on this class of deposits, is certainly a thing to be regretted, and it might always be avoided, by keeping a moderate reserve to cover the depreciation of property.

Two other cases have occurred in which it was extremely difficult to ascertain the real condition of savings banks, (neither of them large,) from the imperfect manner in which their accounts were kept. In neither instance was there any neglect, or inattention to the keeping of books, but the treasurers had not the requisite knowledge of bookkeeping and of opening and balancing accounts. In both cases, it required time, expense, and the employment of experienced accountants, to strike a balance, and open the books in proper form. A well chosen method of bookkeeping, a familiarity with figures, and entire accuracy, are indispensable to the cashiers and treasurers of moneyed institutions, and no other considerations should be permitted to outweigh the importance of these qualifications in the officers selected.

In general, the condition of the savings banks of the Commonwealth was never more healthy. They have received a very considerable increase of deposits during the year,* and might have received much more, if the difficulty of finding safe and productive investments had not led the larger institutions to decline, in many instances, to open new accounts. If this difficulty continues, it may require that new restrictions be imposed by the legislature, as to the total amount to be received on interest from one individual, or as to the amount which may be so received in a single year—the latter restriction being in conformity with the English law upon the subject. We would also recommend that the list of authorized State and municipal securities be enlarged.

The legislature of 1862 passed a law taxing the deposits in savings banks one-half of one per cent. per annum, (1862, chapter 224, sect. 4.) Doubts being entertained as to the constitutionality of this tax, the question was brought before the Supreme Court by the Boston Five Cents Savings Bank, acting in concert with other institutions, and after full and learned arguments, the court decided in favor of the constitutionality of the tax.

In closing this report, we would say that the date at which it is now required by law to be made and presented, is in many respects inconvenient, and we recommend that it be changed from October 15 to such time in December as shall enable it to be laid before the legislature, in a printed form, at the opening of the session. This will give the Commissioners the benefit of inspecting the annual returns made by banks and savings institutions, to the Secretary of the Commonwealth, on the call of the governor, and will make the statistics published cover nearly the whole of each current year, instead of an arbitrary period of twelve months, as is now the case. It would also enable the Commissioners to prepare their report in the interval which naturally occurs, after completing the examination of the country banks, in the autumn, and before beginning that of Boston institutions, in the winter months.

GEORGE WALKER,
J. FREDERIC MARSH, } *Bank Commissioners.*
WM. D. FORBES,

Boston, October 15, 1862.

* The returns made to the Secretary, on the last Saturday of October, 1862, showed the deposits to be \$50,403,674, and the number of depositors, 248,900.

SAVINGS BANKS OF MASSACHUSETTS.

Table exhibiting the number, condition and progress of the Savings Banks of Massachusetts, from 1834 to 1862, inclusive.

YEAR.	No. of Banks.	Number of Depositors.	Increase in Depositors.	Per cent. increase in deposits.	Deposits.	Increase over previous year.	Per cent. increase.	Average to each Depositor.	Expenses of management.	Per cent. of expenses to total assets.	Average dividend.
1834	23	24,326	.....	.....	\$ 3,407,178	.....	.....	\$ 140.9	\$ 10,968	.....	.....
1835	27	27,882	2,576	12	3,921,570	514,392	15	145.99	12,046	.....	.....
1836	28	29,756	2,554	9	4,374,979	403,398	11 1/2	146.19	14,418	.....	.....
1837	30	32,554	2,778	9 1/2	4,781,426	406,348	9 1/2	148.51	17,464	.....	.....
1838	30	32,068	469	1 1/2	4,939,366	157,940	3	161.27	18,229	.....	.....
1839	30	34,666	2,608	11	5,003,109	783,766	15 1/2	162.94	17,304	.....	.....
1840	31	37,470	2,804	8	5,619,554	616,445	12 1/2	181.96	17,268	.....	.....
1841	30	41,438	3,968	10 1/2	6,714,188	1,094,634	16 1/2	224.66	19,345	.....	.....
1842	30	42,697	1,164	2 1/2	6,900,461	186,273	2 1/2	161.8	20,777	.....	.....
1843	31	43,317	620	1 1/2	6,993,547	93,086	1 1/2	163.69	20,777	.....	.....
1844	31	48,699	6,682	15	8,281,845	1,288,298	15	166.28	23,668	.....	.....
1845	33	53,178	4,479	5 1/2	9,818,268	1,536,423	15 1/2	186.66	27,071	.....	.....
1846	33	62,598	9,420	9 1/2	10,650,963	832,695	7 1/2	180.58	29,207	.....	.....
1847	33	63,513	915	0 1/2	11,780,813	1,129,850	9 1/2	172.45	34,480	.....	.....
1848	41	69,384	5,871	5 1/2	11,970,446	189,632	1 1/2	171.94	36,405	.....	.....
1849	43	71,829	2,445	2 1/2	13,111,554	1,141,108	8 1/2	180.9	37,261	.....	.....
1850	45	78,688	7,194	10	13,600,094	488,548	3 1/2	174.97	41,681	.....	.....
1851	45	84,867	7,715	5 1/2	15,554,669	1,954,575	12 1/2	178.73	48,707	.....	.....
1852	53	97,828	13,516	13 1/2	18,401,203	2,846,534	15 1/2	188.1	49,260	.....	.....
1853	60	117,404	20,576	20 1/2	22,370,103	4,968,894	22 1/2	198.5	56,071	.....	.....
1854	73	138,654	21,250	16 1/2	25,986,895	3,616,792	14 1/2	198.89	65,471	.....	.....
1855	80	143,938	11,609	8 1/2	31,394,317	5,407,422	17 1/2	184.10	71,707	.....	.....
1856	81	160,484	17,546	11 1/2	30,874,447	3,077,881	10 1/2	184.15	80,308	.....	.....
1857	86	177,875	17,391	9 1/2	36,045,737	5,171,290	14 1/2	186.18	106,987	.....	.....
1858	94	192,653	15,880	8	38,914,973	2,869,236	7 1/2	188.67	107,869	.....	.....
1859	94	205,499	22,754	11 1/2	39,464,419	5,549,446	14 1/2	191.98	107,869	.....	.....
1860	99	220,068	24,569	11 1/2	43,004,886	3,540,467	8 1/2	194.68	115,364	.....	.....
1861	99	225,068	5,000	2 1/2	44,785,489	1,780,603	4 1/2	194.99	120,924	.....	.....
1862	98	246,900	21,812	10 1/2	50,426,874	5,641,385	11 1/2	200.20	135,708	.....	.....

A FOREIGN REVIEW OF THE YEAR 1862.

I. *Financial Events.* II. *Bank Rate of Discount.* III. *Price of Consols.* IV. *New and Extraordinary Schemes for the Year 1863.* V. *Prominent Failures of the Year 1862, Debts and Assets.*

From the London Times.

January 1.—Consols improved from $91\frac{1}{2}$ to $91\frac{7}{8}$ on news of diminished prospect of war with America, and the probable surrender of Messrs. MASON and SLIDELL. Bank bullion, £15,961,439. French three per cents, 67 francs, 75 centimes.

6. News of occupation of Vera Cruz by Spanish troops.

8. News of the surrender of Messrs. MASON and SLIDELL by the Federal government of America; consols advanced from 92 to $92\frac{1}{2}$.

9. Bank discount reduced to $2\frac{1}{2}$ per cent.

13. Imperial Moorish loan for £501,200 five per cent. stock at 85, secured (with sinking fund for extinction at par within twenty years) by hypothecation of 50 per cent. of the customs' duties of the empire. Immediately quoted at 5 to 6 premium, the British government having entered into convention to appoint commissioners at the various ports.

14. News of the suspension of specie payments in America by the government and the banks on the 31st of December. Exchange, 112.

20. Issue of remaining £1,600,000 of six per cent. railway debentures of the colony of Victoria. Tenders sent in on the 28th January; amount applied for, £6,100,000.

21. Reduction of discount by Bank of France from 5 to $4\frac{1}{2}$ per cent.

22. Budget of M. FOULD, the French Finance Minister, showing that the expenditure of the last few years had exceeded the receipts by £40,320,000, and proposing new taxes to the amount of £2,000,000 to restore equilibrium for 1863. Also, additional taxes on salt and sugar to produce £1,160,000 for railway works, &c., option to be given to holders of the four and a half per cents, to exchange, at certain terms, into an amount of three per cents, that would yield the same income. This budget was followed by a fall of a half per cent. in French rentes, from which, however, there was a complete rebound in the course of a few days.

23. Death of two hundred and one men at Hartley Colliery, Northumberland, from suffocation in the mine, owing to the falling in of the pit shaft, seven days having elapsed before they could be reached.

27. Opening of the French Chambers.

30. Meeting at Manchester to protest against the Indian protective duties of 10 per cent. on cotton goods and 5 per cent. on yarns.

February.—Great speculation in Mexican bonds, the price, which was 22 a few months previously, having advanced to 35 $\frac{1}{2}$.

5. The French government propose to borrow £2,000,000 or £4,000,000 on French rentes from London capitalists, for three or six months, at 6 per cent., the object being to promote the success of the financial plan of

M. FOULD, including the conversion of the four and a half to three per cents. The Bank of France having meanwhile reduced its rate of interest from $4\frac{1}{2}$ to 4 per cent.; the anomalous character of the proceeding excited remark in the French Chambers, and notice of its abandonment was received on the 11th inst. Announcement that the Union Bank of London had agreed with the Lisbon government to place £4,500,000 of additional Portuguese stock on the London market before the end of 1863—an arrangement which was cancelled about three months afterward.

19. Proposals issued by Messrs. HAMBRO & SON for a five per cent. Italian loan of £1,338,000, at 74, for the completion of the Maremmana Railway. The whole was subscribed, but in the course of a few weeks the scrip touched 5 per cent. discount.

21. Notice of renewal of March exchequer bills at 3 per cent.

March 1.—First issue of government paper currency in India.

25. Turkish six per cent. loan of £8,000,000, at 68, or £5,440,000 sterling, introduced by the Ottoman Bank and DEVAUX & Co., with hypothecation of yearly revenues estimated at £1,885,220. The principal to be redeemed by a sinking fund in twenty-three and a half years, and the proceeds of the loan to be applied to the redemption of the floating debt and the depreciated currency, under the supervision of Lord HOBART. The first transactions after its announcement were at $2\frac{1}{4}$ to $2\frac{1}{2}$ premium, and the applications amounted to £34,949,860.

Intelligence of the destruction of the Cumberland and Congress, United States ships of war, by the Merrimac, iron-plated Confederate steamer, at Norfolk, Virginia; also, of fight between the Monitor and Merrimac, the Monitor having been constructed on plans publicly put forward in the year 1855.

28. Bank of France discount reduced to $3\frac{1}{2}$ per cent.

April 3.—Budget introduced by Mr. GLADSTONE. Deficiency for past year, (owing to expense of Canadian reinforcements,) £1,164,000. Estimate for current year: Expenditure, £70,040,000; revenue, £70,190,000; showing surplus of £150,000, which might be affected, however, by a loss of £45,000 from the abolition of the hop duty, and the substitution of brewing licenses. The wine duties were altered from four rates to two, viz., for all not exceeding 26 degrees of strength, 1s. per gallon; and from 2s. to 4s. 6d. per gallon.

4. Proposals issued by Messrs. FRUHLING & GOSCHEN for an Egyptian loan of £2,195,200 (or £1,811,040 sterling) in seven per cent. bonds, at $82\frac{1}{2}$, secured with interest and sinking fund by the hypothecation of the revenues of the Delta, yielding £600,000 per annum. Instalments to extend to the 1st of September, and 7 per cent. discount allowed for prepayment. The applications amounted to £9,635,200, and the scrip was quoted 2 to $2\frac{1}{2}$ premium; but a combined effort was made by hostile operators to bring it into discredit. The matter was taken up by the committee of the stock exchange, who pronounced the explanations given by the contractors to be perfectly satisfactory.

28. Russian five per cent. loan of £15,000,000, announced by ROTHSCHILDS, at the price of 94, with allowances which reduced it to 92.

The instalments to extend to the 12th of May, 1868. Of this loan £5,000,000 was stated to have been previously placed, and £10,000,000 was offered for subscription in London, Paris, Frankfort, Berlin, Amsterdam, &c. As it interfered with the prospects of the market for the concoction of speculative schemes, a combination was attempted among a certain class of dealers to frighten the public from subscribing, but in three days the applications exceeded by one-third the amount to be allotted; nearly half the entire amount was applied for in London, and the proportion allotted, except in special cases, was reduced to 60 per cent. of the total asked for.

May 1.—Opening of International Exhibition.

12. News of the capture of New-Orleans by Federal gun-boats, followed on the 16th by news of the evacuation of Yorktown by the Confederates. Advance in American securities.

22. The bank discount raised to 3 per cent.

June.—Decline of between 1 and 2 per cent. in Canada five per cents, owing to news of the refusal of the Provincial Parliament to vote the militia bill proposed by the ministry.

Commencement of a series of disastrous fires at St. Petersburg, which originated in the commercial quarter, and were attributed to political incendiaries. Total loss estimated at £1,000,000, of which, only about £200,000 was covered by insurance.

July 10.—Bank rate reduced from 3 to 2½ per cent.

Official recognition of the Italian kingdom by Russia.

11. Distribution of awards at International Exhibition.

14. News from America that the anger excited towards Great Britain by the feeling expressed against General BUTLER had induced the Boston shopkeepers to announce, "No English merchandise sold here," and that at Philadelphia many families had resolved to abstain from the use of any British manufactures.

18. News of defeat of General McCLELLAN before Richmond during six days' fighting, which resulted in a retreat of seventeen miles, until he intrenched himself under the protection of the gun-boats in the James River.

20. Portuguese three per cent. loan of £5,000,000 introduced by Messrs. KNOWLES & FOSTER, at 44, payable by instalment extending to July 1, 1868. The loan was for railway purposes, and immediately commanded a premium, which steadily increased to the end of the year, when the quotation was 4½; £500,000 was taken at Lisbon, and the total applications amounted to £21,500,000.

24. Bank discount reduced from 2½ to 2 per cent.; a rate lower than had previously been touched for ten years.

31. Issue of £1,097,000 additional Egyptian bonds to the holders of the previous loan of £2,195,200, and at the same price, with instalments extending to the 1st of November.

Issue of Peruvian four and a half per cent. loan of £5,500,000 at 93 by Messrs. HAYWOODS, KENNARD & Co., on the security of the British and Belgian guano contracts, with instalments extending to the 24th of

December; all the existing Peruvian debt in the London market, amounting to about £2,700,000, to be absorbed by this issue. Subsequently, the Peruvian Congress attempted to repudiate the contract thus entered into by their commissioner, and the recognition remained in abeyance till the 30th December, when the ratification was received. The object of the Peruvians was apparently to get a larger loan on cheaper terms, through another channel.

Issue of a Venezuela six per cent. loan of £1,000,000 by Messrs. BARRINGS, at 63, with instalments extending to the 15th of January, 1863, the security being a mortgage of 55 per cent. of the customs' duties at La Guayra and Porto Cabello, to be paid weekly to the British Consul and the agent of Messrs. BARING & Co. The applications were large, and the price went to 3½ per cent. premium, but subsequently declined to 4 per cent. discount.

August.—Issue of postage stamps as currency in America for sums ranging from five cents to fifty cents.

Introduction of the Turkish Consolidèd, or Home debt, on the London market, a large amount having been purchased by an influential house. The price at which they were first procured at Constantinople ranged between 29 and 33, whence they steadily advanced to about 41, thus causing a great profit to the English investors.

16. Discovery of extensive robbery of bank note paper from the mills of Messrs. PORTAL & Co. by a number of delinquents, who were all subsequently captured and convicted.

29. Rate of interest on exchequer bills reduced from 3 per cent. to 2½.

September.—Improvement in Italian stock on suppression of rebellion and capture of GARIBALDI.

1. New American tariff, imposing heavy additional duties on foreign goods and manufactures.

18. News of defeat of the combined armies of Generals POPE and M'CLELLAN at Bull Run, with immense loss of men and stores, and retreat to Centreville, and thence to Washington. Decline of 2d. per pound in the cotton market.

General improvement in Mexican, on account of better prospects of the French army, and probable submission of JUAREZ.

29. Southern journals state Confederate war expenditure to August, 1862, at £69,400,000.

News of three days' fighting in Maryland between Generals M'CLELLAN and LEE, followed by safe retirement of the Confederates into Virginia, with all their stores, wounded, &c.

October 6.—News of suspension of *habeas corpus* act throughout the United States, and decree of Emancipation for all slaves not belonging to "loyal" owners, to take effect on the 1st day of January, 1863. Gold, 20¼ premium.

Rise of 3 per cent. in French rentes during preceding week, and rise of 50 per cent. in Cr dit Mobilier shares during the month.

14. Fall of 1 per cent. on Paris Bourse in consequence of Prussian *coup d' tat* on the 13th against the authority of the Lower House on the budget.

19. Commencement of monthly mail line from Marseilles to Calcutta and China.

27. News of flight of King Otho, and formation of provisional government in Greece. Greek bonds were bought at $10\frac{1}{2}$, and soon advanced to $16\frac{1}{2}$.

Premium on gold at New-York, 39 per cent.

30. Bank rate advanced from 2 to 3 per cent.

November 1.—Closing of International Exhibition.

6. Bank of France rate raised from $3\frac{1}{2}$ to 4 per cent.

18. News of Democratic victory at New-York, followed in three days by removal of General M'CLELLAN.

December 2.—£130,000 raised at a public meeting at Manchester for relief of distressed operatives.

Fall of one per cent. in Greek bonds, on intimation that Prince ALFRED would not be allowed to accept nomination to the Greek throne.

11. Injunction granted by the Court of Chancery to prevent Turkish government seizing the caution-money of £20,000, deposited for the concession of the National Bank of Turkey, and which they had not proved to be forfeited.

23. News of battle of Fredericksburg, Virginia, and repulse of the Federal army under General BURNSIDE, with a loss in killed and wounded variously stated from 8,000 to 20,000.

29. Financial report of M. FOULD, stating deficit for 1862 at £1,200,000, consequent on Mexican expedition, and estimating surplus of £4,400,000 for budget of 1863.

New agreement between Austrian government and the National Bank at Vienna, by which the latter becomes entirely independent of the State, finally agreed to.

Annexed is a list of the new companies brought forward in 1862. A considerable portion of them failed to raise their capital :

Company.	Capital.	Company.	Capital.
Albion Marine, Mortgage and Insurance Company,.....	£1,000,000	British and Eastern Steam Navigation Company,.....	750,000
Alliance Bank of London and Liverpool,.....	2,000,000	British Fire, Prevention and Insurance Company,.....	500,000
Anglo-Indian Steam Navigation Co.,	50,000	British Columbia and Vancouver's Island Banking and Gold Company,.	250,000
Algerian Cotton, Land and Irrigation Company,.....	1,000,000	Bristol Port Railway and Pier Co.,...	125,000
Adelphi Hotel Company,.....	150,000	Bere Charter Mining Company,.....	20,000
Anglo-Danubian Steam and Colliery Company,.....	220,000	Bantry Bay Slate and and Slab Co.,...	15,000
Aerated Bread Company,.....	500,000	Bombay Gas Company,.....	250,000
Anglo-Indian Cotton Company,.....	500,000	Bank of Hindustan, China and Japan,	1,000,000
Atlantic Telegraph Company,.....	600,000	Bank of Canada, Nova Scotia and New-Brunswick,.....	1,000,000
Anglo-Portuguese Bank,.....	1,000,000	Bank of Queensland,.....	1,000,000
British Columbia Overland Transit Company,.....	500,000	Bank of Buenos Ayres,.....	500,000
Buenos Ayres Great Southern Railway Company,.....	750,000	Ebrighton Hotel Company,.....	75,000
		Belfast, Holyhead and Bangor Railway Company,.....	115,000

<i>Company.</i>	<i>Capital.</i>	<i>Company.</i>	<i>Capital.</i>
Brandon Walls Lead Mining Company,	18,000	Laguna Silver Mining Company,.....	20,000
British Paper Pulp Company,.....	50,000	Llantwit Vardre Colliery Company,...	20,000
Canadian Native Oil Company,.....	100,000	Leeswood Cannel and Gas Coal Co.,	100,000
Continental Company for Boat-Build- ing by Machinery,.....	50,000	Langham Hotel Company,.....	150,000
Channel Islands Hotel Company,....	80,000	Londonderry and Lough Swilly Rail- way Company,.....	60,000
Ceylon Company,.....	500,000	Lagunazo Sulphur and Copper Co.,...	80,000
Cape of Good Hope Telegraph Co.,...	62,000	Mincing-Lane Investment Co.,.....	100,000
Cork Carpet Company,.....	100,000	Mount Rose Cop., (South Australia),	120,000
Chartered Bank of British Columbia and Vancouver's Island,.....	250,000	Metropolitan Dairy Company,.....	60,000
Compagnie Générale Transatlantique Company,.....	80,000	Metropolitan Rail-Road Carriage Co.,	100,000
Cape (Eastern Province) Railway Co.,	1,200,000	Moelfra Slate and Slab Company,....	50,000
Charing-Cross Hotel Company,.....	160,000	Midland Gas Company,.....	25,000
Cambrian Consolidated Gold Mines Co.	150,000	Moldavian Railways Company,.....	2,440,000
Clifton Hotel Company,.....	40,000	Maretzo Company,.....	50,000
Cape of Good Hope Copper Mining Co.	150,000	North London Park and Land Co.,...	250,000
Dageham Thames Dock Company,...	800,000	Northern Counties Bank,.....	2,000,000
Dolfrwynog Mining Company,.....	20,000	Northern Railway of Buenos Ayres,	210,000
Eastern Bengal Tea Company,.....	100,000	North Sea Fish Guano Company,....	60,000
East India Cotton Agency,.....	500,000	Nova Scotia Land and Gold Crushing Company,.....	100,000
Ely Merthyr Colliery Company,.....	25,000	New-Zealand Land and Trust Co.,...	500,000
East Blonfroy Silver Lead Company, English and Irish Bank,.....	10,000	Oil Wells of Canada,.....	75,000
East Cambrian Gold Company,.....	50,000	Oriental Commercial Company,.....	200,000
Fortune Copper Mining Company, (West Australia),.....	80,000	Otea Copper Company,.....	50,000
Flintshire Lead and Zinc Company,...	150,000	Ottoman Gas Company,.....	100,000
Farnborough and Alderholt Freehold Ground-Rent Society,.....	75,000	Oriental Canal and Irrigation Co.,...	250,000
Geffe Gas Company,.....	50,000	Oxygen Gas Company,.....	100,000
Gilvach Coal Company,.....	80,000	Prize Medal Flour Company,.....	50,000
Great Copper Lode of Huaycabo Co.,	200,000	Permanent Lime Light Company,....	120,000
General Steam Fuel Company,.....	80,000	Park Gwyn Tin Mining Company,....	25,000
General Rolling Stock Company,....	150,000	Peninsular Irrigation Company,.....	800,000
Glenrhedol Silver Lead Company,...	12,000	Para Gas Company,.....	100,000
General Ventilation and Atmospheric Fire Grate Company,.....	80,000	Plantation Company of W. Hindustan,	170,000
Gray's Chalk Quarries,.....	50,000	Queensland Cotton Cultivation Co.,...	100,000
Glyn Neath Steam, Coal and Iron Co.,	50,000	Queen's Hotel Company, Ryde,.....	50,000
Greenland Company,.....	100,000	Quebrada Land and Mining Co.,.....	170,000
Great Devon and Bedford Mining Co.,	25,000	Queensland Wool Company,.....	200,000
Great Laxey Mining Co.,.....	60,000	Rue Lafayette Company,.....	1,000,000
Italian Irrigation Company,.....	1,000,000	Ross of Mull Granite Company,.....	50,000
Imperial Bank,.....	8,000,000	Rolling Stock Company of Ireland,...	200,000
Indian Branch Railway Company,....	500,000	Rio de Janeiro Improvements Co.,...	850,000
London and Middlesex Bank,.....	1,000,000	Royal Forest of Deal Mining Co.,...	55,000
" " South of Ireland Direct Telegraph Company,.....	100,000	River Navigation of India and China Company,.....	500,000
London and Colonial Bank,.....	500,000	Roaring Water Mining Company,....	18,000
" India-Rubber Company,....	75,000	Strand Hotel Company,.....	100,000
" Cab and Conveyance,.....	200,000	Sea Coast Hotel Company,.....	150,000
" and Bazilian Bank,.....	1,000,000	St. David's Gold Mining Company,...	100,000
" and Northern Bank,.....	1,000,000	Stevens' Patent Bread Machinery Co.,	60,000
" Birmingham and South Staf- fordshire Bank,.....	1,000,000	South Sea Pier Hotel Company,....	60,000
Land Investment Company,.....	500,000	South Greenland Mining Company,...	60,000
		South Kensington Hotel Company,...	100,000
		South Essex Water-Works Company,...	80,000
		South Fordale Mining Company,....	25,000
		South African Irrigation Company,...	1,000,000
		Singapore Gas Company,.....	100,000

<i>Company.</i>	<i>Capital.</i>	<i>Company.</i>	<i>Capital.</i>
Silver Mountain United Mines Co.,..	25,000	Union Bank of England and France..	1,000,000
St. Lawrence and Ottawa Land and Rail-Road Company,.....	600,000	United Kingdom Railway Rolling Stock Company,.....	100,000
Spring Creek Copper Company, (South Australia),.....	100,000	Vancouver Coal Mining Company,..	100,000
Standard Bank of South Africa,.....	1,000,000	Victoria (London) Mining Company,.	25,000
Severeuu Gold Mining Company,....	50,000	Ventnor Harbor Company,.....	20,000
Scinde, Punjab and Delhi Bank,....	1,000,000	Yarna Railway Company,.....	600,000
St. Cuthbert Lead Smelting Company, .	75,000	Ventilation and Sanitary Improve- ments Company,.....	50,000
Société Finandère d'Égypte-Company,	600,000	Victoria Hotel of Pau,.....	140,000
Thames Express Steamboat Company, .	75,000	Vistula Colliery Company,.....	60,000
Thames and Humber' Iron Shipbuild- ing Company,.....	500,000	Warmley Colliery and Spelter Co.,...	70,000
Toplitz Colliery Company,.....	40,000	West London Land Company,.....	125,000
Upper Norward Hotel Company,.....	50,000	Westminster Chambers Tontine Co.,.	200,000
Union Bank of Ireland,.....	1,000,000	Western Australia Cotton Co.,.....	220,000
United Kingdom Shipowning Co.,....	300,000	Western Neigherry Coffee, Tea and Chinchona Plantation Company,...	50,000
Universal Club and Permanent Expo- sition Company,.....	100,000	West Africa,.....	250,000
Upper Assam Tea Company,.....	250,000	Yudanamutana Mining (South Aus- tralia) Company,.....	45,000

The following list comprises the principal firms whose failure has been announced during the year in London. The number has been very few, compared with those of each of the two preceding years; 1861 having been marked by the crisis in the Levant trade, and 1860 by the break-up in the leather markets. In nearly every instance during the present year the amount has been unimportant. In the provinces there have been larger failures, the chief of which were those of RICHARD ROSTRON & Co., of Manchester; CRABTREE, AKED & Co., and TODD, NAYLOR & Co., of Liverpool—all in the South American trade—and Mr. Z. C. PEARSON, of Hull, ship-owner:

	<i>Actual or Estimated.</i>	
	<i>Debita.</i>	<i>Assets.</i>
A. Fitch, provision merchant,.....	£ 20,000	....
E. M. Abbott, brewer,.....	33,989	£ 6,842
C. Ogleby & Co., oil merchants,.....	53,244	59,432
T. Mansbridge, warehouseman,.....	25,015	15,704
John Forbes & Co., ".....	....	....
J. Rustal Browne, Australian merchant,.....	25,522	17,111
Sir H. Muggerridge, corn factor,.....	150,000	....
J. & E. Moor, warehousemen,.....	7,000	....
Shillito, Brothers, wholesale grocers,.....	24,282	10,926
Francisco Yague & Co., Spanish merchants,.....	....	....
Chenel, Moles & Co., leather factors,.....	....	....
Wilkins & De Bruyn, commission merchants,.....	37,420	7,290
T. Sworder & Co., brewers,.....	57,865	14,500
J. G. Vallentin, merchant,.....	200,000	....
J. S. Laws, wine ".....	....	....
Hill & Ledger, export oilmen,.....	20,000	10,000
W. N. Lynch & Co., West India merchants,.....	20,000	....
Maxwell & Co., publishers,.....	27,326	12,000
Alfred Gurney, wine merchant,.....	18,484	4,270
Buss & Leedham, provision merchants,.....	27,192	26,674
G. Capper & Nephews, merchants,.....	11,000	1,400
James Miller, elastic web manufacturer,.....	11,528	4,334
Janvria & Co., merchants,.....	100,000	....
J. B. Krabbe, ".....	....	....

LEGAL MISCELLANY.

- I. *Liability of Bank Stockholders.* II. *Bank Suit for Libel.* III. *Bank Stockholders.* IV. *Confederate Notes.* V. *Seizure of Specie in New-Orleans.* VI. *The Late Seizure of Specie.* VII. *Liabilities of Railroad Companies.* VIII. *Commercial Justice.* IX. *The Stay Law in Pennsylvania.*

I. LIABILITY OF BANK STOCKHOLDERS.

Albany, March 10, 1862.

THE New-York State Senate had a warm debate in Committee of the Whole upon the bill relative to the liability of stockholders in banks. It provides that in case the first assessment shall prove insufficient to pay off the debts of the bank, a second assessment shall be made.

Mr. PRUYN, of Albany, opposed the bill on the ground that it was retroactive. The legislature of 1849 did not understand the constitution in relation to this matter like members of the present Senate. He would state a case in point. Two of the banks that had failed in Albany would have to make an assessment on their stockholders. A stockholder owned \$10,000 of stock, and is assessed fifty per cent., which will, if all pay up, liquidate all the debts of the bank. But if some of them should manage to evade payment, this bill would permit them to escape, while those who paid their assessment would be called upon to pay for the delinquents. The framers of the constitution could not have contemplated this. The doctrine of the statute of 1849 was, that a man was liable for himself, but not for another.

Mr. GANSON, of Erie, denied that this bill was retroactive, and declared that it was based on the principle of the constitution, which imposed upon every shareholder or stockholder in banking corporations an individual liability equal to his amount of stock. The bill imposed no new liability, but simply provided a remedy for a liability created by organic law. He had not met with a stockholder in a solvent bank who did not admit that this bill was right; nor with a stockholder in an insolvent bank who was not equally pertinacious that it was wrong.

The proposition, he added, was very simple. If an assessment of fifty per cent. levied equally would be sufficient, no more would be asked. In no case would an assessment exceed the amount of stock held by a stockholder. When liabilities are imposed on stockholders in other corporations, the creditor is left to his remedy at an action at law, and has the privilege to select any stockholder that he may choose, sue and recover from him the full amount of the liability, without bringing in any of the others.

Judge WILLARD said, that if Mr. GANSON's construction of the law was correct, it would make one stockholder liable for the debts of another. This could not have been contemplated by the constitution.

Judge TONEY said, that this act did not contemplate any extension of liability. The legislature could not reduce the liability; and had it the power to say, that after one assessment the liability was discharged, whether the amount was equal to it or not? It could not have been the intent of the constitution to say that solvent stockholders were only to be charged proportionally. They are liable to the full amount of their stock. It was in the power of the stockholders to guard against the results of which have fallen so disastrously upon the business of some of these corporators. But no bank can be so utterly insolvent as to be compelled to call upon its stockholders to pay its debts, unless it has been most wickedly and dishonestly managed, or has met with some unforeseen and unavoidable calamity. Its securities and assets must first be sunk; almost every thing, before such an expedient could be necessary. Only where the officers and directors had been guilty of fraudulent transactions, did it become necessary to assess its stockholders; and it is the duty of stockholders to see that the bank has honest and capable officers and directors, because they are justly responsible for the acts of their agents.

Mr. PRUYN insisted, that neither the constitution nor the law of 1849 ever intended that the stockholders of banks should be regarded as general partners, to be liable for the malfeasance of their associates. All that was ever contemplated was for each stockholder to pay his equal share of the debts of the concern. It was never intended that they should be re assessed for what might be due from their associates.

II. CAN AN INCORPORATED INSTITUTION SUE FOR LIBEL ?

Before Hon. Judge CLEEKE. Supreme Court of New-York, Special Term. THE SHOE AND LEATHER BANK vs. JOHN THOMPSON.

The complaint in this case sets forth that the defendant, publisher of the *Bank Note and Commercial Reporter*, published certain items calculated to injure the credit of the banking company known as the Shoe and Leather Bank. The principal items complained of are the following :

"We would observe to those interested that we see no reason why the Shoe and Leather Bank may not at any time be closed by an injunction. After promising to quote the Merchants' Bank at Trenton, I was informed that legal proceedings against the Shoe and Leather Bank were already under advisement."

The defendant demurred to the complaint, contending that no precedent could be found to sustain such an action; there was no such case reported.

The court held, that although there was no reported case in which a corporation had commenced an action for a publication affecting its credit, still, so far as corporate bodies were protected, they are entitled to as ample relief as individuals are. Our system of jurisprudence does not render it necessary that a case precisely similar should be found in the books to authorize courts of justice to arrive at legal conclusions. It would be at variance with the spirit and nature of that system to hesitate for the want of a precise precedent, when we are able to have recourse to its general principles; and no principle is more generally recognized, and more capable of

practical application, than that there is no wrong without a remedy. This institution is recognized as being in business, and as being possessed of property, and in the transaction of that business the court was of opinion, it had as complete a right to legal protection as any individual against any wrong affecting its success. The demurrer is, therefore, overruled, with leave to the defendant to answer in twenty days. Counsel for plaintiff, **ROBERT W. ANDREWS**; for defendant, **Mr. HILL**.

III. BANK STOCKHOLDERS.

The case of the **RHODE ISLAND CENTRAL BANK** against **JOHN J. ANDERSON** was resumed in the United States Court, July, 1862. **Mr. SPENCER** made the opening argument for defendant, and **Mr. S. W. FULLER** followed. **Mr. LARNED** closed for the plaintiff, and the case went to the jury on the charge of Judge **DRUMMOND**, in which the following points were made:

1. If they believed from the evidence that the stockholders authorized the directors to increase the capital stock of the bank, and that the latter complied with the authority by increasing the capital and acting in the usual way under such circumstances, by issuing bills, discounting notes, &c., then the only legal manner of increasing the capital was by the payment of money into the bank.

2. If the defendant, and others combining with him, gave their promissory notes to the bank, intending thereby to add to the capital of the bank, and bills were issued and notes discounted upon the faith of the promissory notes as so much capital, and the rights of bill-holders and the public, the stockholders and others intervened, then it was not a question merely between the parties to the illegal transaction, but between them and others having vested rights in the assets of the bank, and the defendant could not be permitted to set up the illegality of the transaction; but the stock subscription has a binding obligation on the defendant for the amount subscribed.

3. That if the defendant, and others combining with him, officers of the bank, after the rights of the public had accrued, attempted by private agreements between themselves to destroy or impair these rights, such attempt was of no avail as against creditors and stockholders.

It appeared by the evidence, that these parties, of whom the defendant was one, had their notes discounted at the bank for large sums, amounting to several hundreds of thousands of dollars, based upon the increased capital, made up of their promissory notes, with which they attempted to pay their subscriptions to the capital stock, and this suit was brought against the defendant for his share of the capital thus created. It will be seen, that while the court held that the transaction was illegal, and a fraud upon the public, yet, under the conceded facts of the case, the defendant could not set up that fraud as a defence, but that he must abide by the contract which he had made with the public by his subscription to the capital stock. It is proper to remark, that scarcely any of the facts in the case were disputed, and that it became substantially a question of law under the facts as proved and not denied.

IV. CONFEDERATE NOTES IN NEW-ORLEANS.

Suit was brought before the Provost Court by the UNION BANK *vs.* MECHANICS AND TRADERS' BANK. They claim the amount loaned to the latter bank in current funds. The following are the particulars of the case. BARKER, counsel for plaintiff, and Col. FIELD for defendant.

In May last, the Mechanics and Traders' Bank borrowed from the Union Bank the sum of \$130,000, which was paid to the teller of that Bank in Confederate notes, on four several checks, as follows: One for \$20,000, dated 5th May; one for \$30,000, and another for \$40,000, both dated 12th May, and the last for \$40,000, dated 13th of May—the understanding being that said sum was to be returned in Confederate notes as soon as the Mechanics and Traders' Bank could get them.

A few days after the last check was paid, the teller went to the Union Bank, where he met Mr. PENN, the president thereof. It was proposed to return \$60,000 on account of the loan made. Mr. PENN told the agent of the Mechanics' Bank that he would receive the \$60,000 in Confederate notes; but at the same time he informed him that the balance, say \$70,000, was to be paid in bank notes. The following day the teller was surprised by being informed by Mr. ROBINSON, the president of the Mechanics' Bank, that Mr. PENN declined receiving any Confederate notes in payment.

On the 26th of May the teller went to the Union Bank and tendered in payment of said loan, say \$130,000, in Confederate notes, which amount Mr. PENN declined receiving; a portion of the notes offered in payment having been received from said Union Bank on the last check paid. After a full argument, Judge BELL reserved his decision.

V. THE NEW-ORLEANS BANK QUESTION.

The question upon which the enclosed opinion was given by Major-Gen. BUTLER, affects many citizens of the loyal States. The opinion is being acted upon by the General.

U. S. COMMISSIONER'S OFFICE, *New-Orleans, July 17, 1862.*

To Major-General BUTLER:

DEAR SIR,—The question presented by the Mechanics and Traders' Bank relative to accrued dividends on stock belonging to citizens of the loyal States, sequestered by the action of the Confederate government, and deposited on such sequestration in the Citizens' Bank of Louisiana, upon which you have done me the honor to request my advice, by your note of this date, I have considered.

If this deposit was, in its entirety, with the Citizens' Bank, or had been paid over by that bank to the United States, it would be clear, that as between the Mechanics and Traders' Bank, and the Citizens' Bank and the United States, it would be proper that the bank, if paying the dividend to the stockholders, should be refunded by the Citizens' Bank or the United States; and it would be equally clear, that on the contingency

of the inability of the bank to pay the stockholders, that they should be paid by the Citizens' Bank, or by the United States, as the one or the other might have the funds. At the moment the dividend was made, each stockholder became a creditor of the Mechanics and Traders' Bank for the amount declared on his particular stock, and if said amount was paid by the bank to a third party, with notice of the fact, he, the stockholder, would, at his option, have recourse to that party. If the money, in such a case, could be traced, it would be the stockholder's specifically. But as he is under no obligation to resort to any one but the original debtor, the Mechanics and Traders' Bank, the amount, whilst in their hands, was his property. With regard to it, they were but his agents, bound to hold it for his benefit, and without any authority to pay it to any one else. The payment, therefore, by the bank, under a totally illegal and unconstitutional order of a pretended government, whether made under duress, actual or apprehended, is without authority, and wholly void. Such payment, consequently, is no answer to the demand of the stockholders, either morally or legally. The bank, therefore, is as liable now to the stockholders, as they would be if the amount was actually in their vaults. They have no right to refer the stockholders either to the Citizens' Bank or to the government of the United States. The only claim they can have will arise after they shall have paid the stockholders. That being done, if the dividend should be in the Citizens' Bank, or should have been received in full by the United States, they would have a right to demand it of the one or the other, as the case may be; and should it be only with the one, or received by the other in part, then to demand it *pro rata*.

From the papers accompanying your note, it is evident that the Citizens' Bank is not liable, as proper legal authority has caused them to pay it over to you, as the duly constituted representative of the United States; and it is equally clear that, as between the latter and the Mechanics and Traders' Bank, the United States not having received the whole fund, there will only be a proportionate responsibility on the part of the United States. What that proportion will be, it is impossible, with the information in your possession, to ascertain; nor do I see how it can be satisfactorily done, except by a commission empowered to examine into the whole matter in detail.

My opinion, therefore, is, that the bank owes the dividends in question to the stockholders; that these should be paid at once, and that the rights of the bank, as between themselves and the United States, must be left to future settlement.

I have the honor to be your obedient servant,

(Signed,)

REVERDY JOHNSON,
U. S. Commissioner.

VI. THE LATE SEIZURES OF SPECIE.

At the request of the banking-house of SAMUEL SMITH & Co., New-Orleans, a commission, consisting of Gen. SHEPLEY, military commandant; W. N. MERCER, President of the Bank of Louisiana; THOMAS J. DURANT, a prominent lawyer and citizen, and Captain HAGGERTY, of the division staff, as recorder, had been ordered by Gen. BUTLER to examine

into the matter of his seizure of \$50,000 in specie, and other property, at SAMUEL SMITH & Co.'s, at the same time of the seizure at the Consulate of the Netherlands, and to decide whether there was sufficient evidence of SMITH & Co. having aided and comforted the enemy, to continue to hold the money and other property for adjudication by the department at Washington. The commission held four protracted sittings, examined the books of the firm, a vast amount of documentary testimony, and a number of witnesses, and finally made the following report :

REPORT.

The Commission has heard the evidence on both sides, consisting of admitted facts, affidavits, books of S. SMITH & Co., of a commercial character, and documents; has also listened to full arguments on each side of the cause, and having maturely deliberated on the whole case, has reached the following conclusions:

First.—The admitted facts that SMITH & Co. concealed fifty thousand dollars in gold coin at the time of the approach of the United States forces, and on being questioned as to the same, at first strenuously denied both its concealment and existence—facts that had not been in any way explained by SMITH & Co. in the trial—tend to raise a violent presumption that these \$50,000 may be the same which were sent by A. J. GUIROR, Confederate Treasurer, from the mint; and this presumption is by no means weakened by the singular obscurity in which SMITH & Co. have left the affair of the other sum of \$50,000 in gold, which apparently was made up by HEWITT, NORTON & Co.'s check on the Canal Bank, for \$36,700, and the remainder by payment from SMITH & Co.'s own funds. In addition to this, the testimony of STAUS, compared with that of COLVILLE BELL, brings the two transactions, if two there were, of the two kegs of specie upon the same day, or possibly on two consecutive days, and the whole of the testimony on SMITH & Co.'s side, so far, go to raise a presumption that the \$50,000 lot of gold seized by the United States, is the sum that GUIROR sent silver for from the mint; and if it stood uncontradicted, the Commission would feel bound to declare that there was good ground for holding it as being the same. But the Commission has before it, on the other hand, the positive testimony of EDWARD & BOOTH, whose affidavits have been allowed to go in without affording the Commission the benefit of a *visa voce* examination; and these witnesses swear positively that the kegs of gold promised to GUIROR, were actually taken away by GUIROR's agent from SMITH & Co.'s banking-house. This positive testimony the Commission feels bound to regard as outweighing the suspicious circumstances which tend to show identity, and, therefore, determines "there is no reasonable cause to believe that the specie and property seized by the United States, in the banking-house of SAMUEL SMITH & Co., is the property of the Confederate States, or of any department or office thereof."

Having come to this conclusion from the evidence upon the questions of the identity of the gold seized, and that destined for GUIROR in exchange for the silver he sent from the mint, the Commission has heard no evidence going to show that "the said specie and other property have been used in any way to aid the Confederate States, or any officers thereof, in concealing any property of the Confederate States.

Having thus disposed of the first and second points, the Commission now proceeds to the last, to inquire "whether said SMITH & Co. have in any way so acted in behalf of this rebellion, as ought to cause the further detention of said specie and other property for hearing before the department in Washington."

It was in evidence before the Commission, by the testimony of RATHBONE, President of the New-Orleans Canal and Banking Company, that SAMUEL SMITH had informed him, on or about the 21st of April, that inasmuch as the bank was drained of silver coin, and needed a large amount to pay off its bill-holders, \$50,000 in silver coin could be procured by him from GUIROR, the Treasurer of the Mint, for a like sum in gold, and that GUIROR had informed him he wished to change the silver for gold, in order that he could more conveniently carry it off. This conversation with RATHBONE, in the view taken by the Commission, fixes upon SMITH a knowledge of the design entertained by GUIROR, of withdrawing the money in the Mint from the reach of the government of the United States, and shows, further, that SMITH, being a di-

rector of the bank, by making with it the arrangement on behalf of GUIZOR, directly aided the latter in carrying off the funds of the Mint, and so assisted in thwarting the military operations of the United States.

Whether any or what penalty is now or will be, by law, attached to such conduct, the Commission does not know. They think that under no circumstances can it possibly exceed the amount which GUIZOR was assisted to carry away; and, therefore, that all specie or other property seized, beyond the \$50,000 in gold, should be released; and that with regard to such surplus, there is no cause for further detention.

With regard to the \$50,000 in gold, the Commission thinks there is ground for detention, until the proper department at Washington can be heard from.

Geo. F. SHEPLEY, *Military Commandant.*

W. N. MERGER,

THOS. J. DURANT,

P. HAGGERTY, *Capt. and A. D. O. Recorder.*

The undersigned having, by their judgment, done all that by the strict requirements of law they felt themselves bound to perform, would now beg leave most respectfully to submit, that, in their opinion, as citizens and men, in consideration of the penance Mr. S. SMITH has already undergone, it seems proper to them to suggest to General BUTLER, that, in the exercise of his discretion, he should, in laying this matter before the proper department at Washington, recommend as advisable a lenient course, looking towards a restoration of the money, in case such action should not be inconsistent with law, or such other form of recommendation as the General might think proper.

VII. LIABILITIES OF RAIL-ROAD COMPANIES.

CAHILL *vs.* THE LONDON AND NORTHWESTERN RAIL-ROAD COMPANY,
COCKBURN, C. J. *Before the Exchequer Court.*

When a common carrier of passengers is liable for the loss of merchandise carried by a passenger as personal luggage.

Appeal from the decision of the Common Pleas.

The case in the court below is reported 10 *G. B., N. S.* 154, (9 *W. R.* 553.) The special case, stating the fact in detail, is there set out.

The short point now argued in appeal from the court below was on the following facts: Plaintiff presented himself to the defendants' railway station for conveyance as a passenger, having with him a package in the form of a box, covered with a black leather case, and with the word "glass" written outside in white letters. The defendants undertook to convey plaintiff by the usual contract. The package was lost; and in an action for its loss defendants pleaded that it was not in fact personal luggage, but plaintiff contended that the nature of the package being obviously declared, defendants had undertaken to carry it safely.

BEASELY, for the appellant, contended that the facts showed that any reasonable person must have inferred the contents of the package to be merchandise, and not personal luggage, from the appearance of the box, and especially from the word "glass" being written outside; and that, having failed to make inquiries, and not having objected to take the goods, they were bound to carry them securely. He cited *THE GREAT NORTHERN RAILWAY COMPANY vs. SHEPHERD*, (8 *Ex.* 30, 38;) *WALKER vs. JACKSON*, (10 *M. & W.* 161.)

COCKBURN, C. J. I am of the opinion that the judgment of the court below should be affirmed. I am far from saying, that if a railway company chooses to allow passengers to take, under such circumstances as these, as personal luggage, that which they know to be merchandise, it lies in their mouths to assert that the goods are not personal luggage, and so be exempted from liability for their loss. But if, on the other hand, a passenger takes with him as luggage goods which are in fact merchandise, and no notice being given by him to the railway company of their being merchandise, then another question arises.

Here the question is, whether or no there was to be reasonably inferred a knowledge in the company that the goods were really merchandise. It is said by Lord WENSLYDALE, in 8 *Ex.* 38, in conformity with the view I now hold, that "if the plaintiff had carried these articles exposed, or had packed them in the shape of merchandise, so that the company might have known what they were, and they had chosen to treat them as personal luggage, and carry them without demanding any extra remuneration, they would have been responsible for their loss." And here, if the company must have known their nature, they would perhaps be liable; but not so, if no such knowledge could be reasonably inferred. The question thus arises, do the facts show that there was knowledge in the company's servants that the luggage was merchandise? and I think the facts do not show such knowledge. It is true, the package, though marked as "glass," and being of a curious form, was in fact taken as luggage; probably, however, the company's porter never thought about it at all, but shipped it as luggage as a matter of course; and I think the facts are not sufficient to make us suppose that the company's servants knew the nature of the goods.

The rest of the court concurred. Judgment affirmed.

VIII. COMMERCIAL JUSTICE.

The newly-elected judges of the Tribunal of Commerce of Paris were duly installed, and M. DENIERE, Jr., was re-elected president. On taking his seat the new president delivered a speech, in which he reviewed the proceedings of the Tribunal during the past year, and afterwards read the usual detailed report, divided into three heads—judgments, bankruptcies, and trading companies—of which the following is a brief summary: "The number of causes remaining to be heard on the 1st of July, 1861, was 940, and the new ones introduced up to the 30th of June this year were 74,190, making a total of 75,130. Of these causes 43,570 were independent, 21,302 were decided contradictorily, 3,882 were withdrawn, 5,604 were conciliated, and 772 still remain to be heard. The number of causes in 1861-2 exceeds those of the preceding year by 6,526. The Tribunal has heard 67 appeals from judgments given by the councils of Prud'hommes; of this number 35 judgments were confirmed, 8 quashed, 8 conciliated, and 5 remain over. The appeals to the Imperial Court from judgments of the Tribunal were 860, which, with 667 remaining over from preceding years, make a total of 1,527. Of this number the judgments were confirmed in 463 cases, quashed in 144, while 207 were

amicably settled without a hearing, and 814 remain undecided. The total number of bankruptcies declared in 1861-2 was 1,773, which, with the number remaining over from the preceding year, make a total of 2,944, of which 1,456 have been definitely settled by the payment of dividends ranging from 5 to 80 per cent. In 25 instances the debts were paid in full. The total amount paid into the hands of the officers of the Tribunal during the last year was 8,561,415 francs. On the 30th of June the number of bankruptcies remaining over was 1,468. The total number of partnership deeds deposited with the registrar was 1,284, and 993 dissolutions of partnership have been noted during the year. The capital of existing companies *en commandite* is 74,756,000 francs, showing a decrease of 42,244,000 francs since 1859-60, a fact which would seem to prove that joint-stock companies are regarded by the public with less favor than formerly. The report concludes by congratulating the officers of the court on the manner in which they have performed their functions.

IX. THE STAY LAW IN PENNSYLVANIA.

The following are the provisions of the Stay Law just passed by both houses of the Pennsylvania legislature :

“ Upon all judgments now remaining unsatisfied, or which may be obtained within six months from the passage of this act, or upon which sale of real estate has not been confirmed, there shall be a stay of execution for one year. Judgments now existing and from this date, are to be regarded as judgments obtained within six months after the date thereof. *Provided*, That the defendant is possessed of real estate within the respective county or counties in which such judgment shall have been obtained, or in any other county in which said judgments shall have been transferred, subject to be sold for payment of such judgment, worth, in the opinion of any court or judge having jurisdiction of such judgments, at a fair valuation, a sum sufficient to satisfy the same over and above all their incumbrances, and the amount exempted from levy and sale on execution; or said defendant shall give security for payment, the same to be approved by the court or judge before whom the same was obtained, or may be depending from date of judgment or from the passage of this act, which security shall consist of one or more persons who shall satisfy the court or judge, by such evidences as may be required, that they are *bona fide* owners of real or personal estate, worth, at a fair valuation, double the amount of such judgment. But nothing in this act shall be so construed as to stay any execution that may be issued after the expiration of sixty days from the passage of this act, for the purpose of collecting the interest due upon judgments, for a sum not less than five hundred dollars, heretofore obtained. But no such execution shall be issued for less than six months' arrearages, with interest. The law is not to apply to interest due widows, orphans and minors. This act shall not apply to judgments obtained for wages of labor, or debts contracted after the passage of this act, but shall apply to all corporations, whether defendants or holders of collaterals. The provisions of this act shall be construed to apply to all judgments in which a sale by judicial process has not been actually made.”

UNITED STATES BONDS AND NOTES.

THERE are held by the banks and savings banks of three States over two hundred and twenty millions of dollars in government bonds and notes. Of these the State of New-York holds nearly three-fourths, viz :

HELD BY NEW-YORK BANKS AND SAVINGS BANKS, JANUARY 19, 1863.

	<i>Banks.</i>	<i>Savings Banks.</i>	<i>Total.</i>
United States stocks,.....	\$ 31,631,780	.. \$ 10,392,102	.. \$ 42,023,882
Treasury 7.30 notes,	25,383,505	.. 3,460,162	.. 28,843,667
Certificates of indebtedness,...	14,941,679	.. 2,543,666	.. 17,485,345
Certificates bearing interest,...	37,047,370	.. 1,143,200	.. 38,190,570
do. payable in gold,...	6,774,612	.. .....	.. 6,774,612
Demand and legal tender notes,	20,189,098	.. 180,000	.. 20,369,098
Total New-York,	\$ 135,968,044	.. \$ 17,669,130	.. \$ 153,637,174

The banks and savings banks of Massachusetts held, on 30th September last, \$45,791,002, or about thirty per cent. of the above, viz :

	<i>Banks.</i>	<i>Savings Banks.</i>	<i>Total.</i>
United States stocks, 1861,.....	\$ 8,017,187	.. \$ 1,586,400	.. \$ 9,603,587
Treasury 7.30 notes,	11,597,438	.. 1,504,750	.. 13,102,188
Certificates of indebtedness,.....	7,268,970	.. 421,987	.. 7,690,957
Six per cent. 5.20 bonds,	4,031,550	.. 1,014,900	.. 5,046,450
Six per cent. Treasury notes,.....	877,320	.. .....	.. 877,320
Five per cent. bonds,	308,000	.. 596,000	.. 904,000
Deposits with Assistant Treasurer,	7,618,950	.. 615,000	.. 8,233,950
Miscellaneous, .....	.....	.. 332,550	.. 332,550
Massachusetts,	\$ 39,719,415	.. \$ 6,071,587	.. \$ 45,791,002

The banks of Pennsylvania, independently of the savings banks and trust companies of the State, hold \$22,341,000 of government securities, viz :

Banks of the City of Philadelphia,.....	\$ 14,143,160
Banks of the interior of the State,.....	8,198,000
	\$ 22,341,000

The three States thus hold over \$221,000,000, viz :

	<i>Banks.</i>	<i>Savings Banks.</i>	<i>Total.</i>
New-York,.....	\$ 135,968,044	.. \$ 17,669,130	.. \$ 153,637,174
Massachusetts,	39,719,415	.. 6,071,587	.. 45,791,002
Pennsylvania,	22,341,000	.. .....	.. 22,341,000
Total three States,.....	\$ 198,028,459	.. \$ 23,740,717	.. \$ 221,769,176

If to the above amount we add the amounts held by the insurance and trust companies of New-York, and by the trust and savings banks of Pennsylvania, the volume will probably swell to three hundred millions.

Compared with the banking capital of the three States, the results are as follow :

	<i>Banking Capital.</i>		<i>Government Securities.</i>
New-York,	\$ 108,668,000	....	\$ 153,637,000
Massachusetts,	67,544,000	....	45,791,000
Pennsylvania,	26,818,000	....	22,341,000
	\$ 202,030,000	....	\$ 221,769,000

NEW BANKS IN LONDON.

THE mania for new joint-stock banks in London has been but partially checked; and the various promoters are still daily sending out circulars to the merchants and capitalists whom they hope to entice to become directors. Another bank for Wales is projected; and several fresh ones for American business, for the Continent and the British colonies; and other parts of the globe are to be furnished with additional "facilities." Among the recent prospectuses are the following:

I. The Bank of Wales, capital £1,000,000; head office in London, with branches at Cardiff, Newport, Swansea, and six or more other places. The company propose to purchase several of the existing local banks and combine them under one management.

II. The Continental Bank Corporation, capital £1,000,000, Cannon-street, London. This bank proposes to undertake foreign financial agencies, buy and sell foreign stocks on commission, import and export gold and silver, &c., besides the ordinary business of banking.

III. The Union Bank of England and France, King William-street, London, and 6 Boulevard de Capucines, Paris. (In active operation.)

IV. It is announced in London that a new institution is about to be chartered, entitled "The Exchange Bank of London and New-York," mainly for dealing in exchanges between the two cities.

SCOTLAND.—The Commercial Bank of Scotland's profits for the year were stated at their meeting to have been £97,515. This allowed the ordinary dividend of 10 per cent., free of income tax, to be declared, and an addition of £17,515 to be made to the rest, which, it seems, now stands at £282,250. The National Bank of Scotland's net profits of the year were declared to have amounted to £101,613, thus allowing £11,613 to be added to the reserve, and so increasing the rest to £201,844. The dividend was continued at nine per cent. per annum, with deduction of income tax.

New Banks.—One fact that the subscribers to new foreign and colonial banks should keep in view is, that in addition to the drain of specie which these banks cause by the transmission of money for employment to their various seats of operation, they create an increased demand by the impulse they give to an extension of business, speculative or other-

wise, on the part of those to whom they grant facilities. Hence, there is no kind of investment that is calculated to have a more rapid effect on the discount market, or to check the hopes of those who are trusting to a continuance of inflation. That the extent to which these banks have already been manufactured will be felt strongly and continuously on the London Stock Exchange during the present year, can scarcely be doubted, and experienced merchants are already able to trace many of the evils that are beginning to arise and that will ultimately become plain to all. Of course, it is not to be expected that the foreign and colonial banks that were in existence before the commencement of the recent mania will quietly allow their new competitors to enter the field with larger capital, or with a power to profess an ability to do more than they, the old banks, can themselves accomplish. The consequence is that the old establishments, in cases where it is deemed necessary, are increasing their capital by the creation of new shares or the calling up of unpaid amounts, and that thus the diversion of our means to this branch of business is taking place at a double rate.

In like proportion will be the eagerness of each establishment, new and old, to fight for custom, and a prospect is created that *we shall eventually see a repetition of the state of affairs that prevailed previously to 1857*, when it was in the power of almost any reckless clerk, without a shilling of capital, to found "great exporting firms," and to be welcomed and supported by joint-stock establishments in proportion to the amount of paper they could keep afloat. As many of the new foreign and colonial banks are now formed in a kind of alliance with new home or provincial banks, the working of the two together *will be likely to give intensity to any future break up*. Persons practically conversant with the discount market assert, that the scale on which some of the London joint-stock banks are now figuring upon foreign and other bills, shows a recent increase that should attract attention; but it is, of course, not for the moment that any apprehension need prevail. It will take three or four years for the system, that is now at its commencement, to bring forth its natural fruit. *In 1867 another ruinous convulsion will be due, and there is every indication that the preliminaries are being entered upon.*—*London Times, January, 1863.*

New Joint-Stock Banks formed in London in the year 1862, and Subscribed Capital of each.

<i>Nominal Capital.</i>		<i>Nominal Capital</i>	
Alliance Bank of London and Liverpool,	£ 2,000,000	London and Brazilian Bank,	£ 1,000,000
Bank of Indostan, China and Japan,	1,000,000	London and Northern Bank,	1,000,000
Bank of Canada, Nova Scotia and New-Brunswick,	1,000,000	London, Birmingham and South Staffordshire Bank,	1,000,000
Bank of Queensland,	1,000,000	Northern Counties' Bank,	2,000,000
Bank of Buenos Ayres,	500,000	Standard Bank of South Africa,	1,000,000
Chartered Bank of British Columbia,	250,000	Scinde, Punjab and Delhi Bank, ..	1,000,000
English and Irish Bank,	2,000,000	Union Bank of Ireland,	1,000,000
Imperial Bank,	3,000,000	Union Bank of England and France, ..	1,000,000
London and Middlesex Bank,	1,000,000		
London and Colonial Bank,	500,000		
			£ 21,250,000

The final results of the subscription for the 10,000 shares forming the first capital of the British and American Exchange Banking Corporation have now been pretty nearly ascertained, and are even more remarkable than before stated. On account of the deposit of £1 per share, £91,721 has been paid in London, £64,139 in Liverpool, and £4,275 in Manchester, making a total of £160,135; this is exclusive of a considerable number of country drafts, which are expected to make about £10,000 more. Considering, therefore, that the number of shares applied for is seventeen times the total to be allotted, it is more than ever clear that the apportionment can only be fractional. We learn that the allotment of the shares in this bank, and also in the British and Foreign Marine Insurance Company, (Limited,) can hardly take place until about the middle of next week. It appears that the applications for the shares of the latter undertaking represented 110,000 at Liverpool and 41,000 in London, making a total of about 151,000 shares, while the number to be allotted is 25,000. (!!)—*London Money Market Review*, Jan., 1863.

CAUTION TO BANK STOCKHOLDERS.—Summonses have been served by the liquidators of the Western Bank of Scotland against Mr. WILLIAM BAIRD, of Elie, and Mr. JAMES BAIRD, of Cambusdoon. The total sums concluded for against the former amount, we believe, to £299,736, and against the latter for £863,618—in all above £1,000,000. The summonses were signeted on the 14th inst.—*Edinburgh Courier*.

LAWS OF THE UNITED STATES,

PASSED AT THE THIRD SESSION OF THE THIRTY-SEVENTH CONGRESS.

An Act to provide for the Printing of the Annual Report of the Banks of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the duty of the Secretary of the Treasury to cause the annual report upon the banks of the United States to be completed at as early a day before the first Monday in October in each year as is practicable.

SEC. 2. *And be it further enacted,* That when completed, or in the course of its progress towards completion, if that will give dispatch to the business, the work of printing, under the superintendence of said Secretary, shall be commenced, and the whole shall be printed and ready for delivery on or before the first day of December next ensuing the close of the year to which the report relates.

SEC. 3. *And be it further enacted,* That, until Congress shall otherwise direct, the Secretary of the Treasury shall cause to be printed five thousand copies of said report for the use of Congress and the Treasury Department.

Approved January 30, 1863.

BANKING LAWS OF PENNSYLVANIA.

ADOPTED JANUARY, 1863.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That the State Treasurer be and is hereby authorized to exchange with any bank or banks of this State, an amount of currency sufficient to pay the interest on the State debt falling due on the first days of February and August, A. D. 1863, for the same amount of coin; and he is hereby authorized to give to said bank or banks specie certificates of exchange not transferable, pledging the faith of the State to return the said coin, and to exchange for notes current at that time on or before the first Monday of March, A. D. 1864; said certificates of exchange to bear interest at two and a half per cent. per annum, and to be estimated and computed as so much coin in the assets of the banks aforesaid.

SEC. 2. That the provisions of the first and second sections of the act entitled "An act requiring the resumption of specie payments by the banks," approved April 16th, 1862, are hereby extended until the first Monday of March, A. D. 1864, to all banks exchanging coin for currency under the provisions of the first section of this act.

SEC. 3. That if the banks of the Commonwealth shall tender to the Treasurer more coin than shall be required to pay the interest aforesaid, he shall receive from each bank so tendering a *pro rata* share of the amount so required, in proportion to the capital stock of each; and in case of any deficiency in the amount so offered by the banks, he shall assess the amount required upon all the banks of the State, in proportion to their capital stock; and on failure of any bank or banks to furnish a *pro rata* share of said coin so required, for the space of thirty days after being notified, such bank or banks shall not be entitled to the benefit of the provisions of the preceding sections of this act.

SEC. 4. That the Attorney-General of this Commonwealth is hereby authorized and directed to proceed to wind up the affairs of any bank or banks who refuse or neglect to comply with the provisions of this act.

SEC. 5. That it shall not be lawful for any bank in this State to sell any gold or silver coin from its vaults while in a state of suspension; and any violation of the provisions of this section shall work a forfeiture of its charter; and any officer or officers of any bank consenting to any such sale of coin, shall be liable to prosecution for misdemeanor in office.

SEC. 6. That the banks of this Commonwealth are hereby required, during their suspension, to reduce their circulation to an amount not exceeding twice their capital stock actually paid in, or three times the amount of coin in their vaults; and all banks are hereby required to make return, under the oath of the cashier thereof, to the Auditor-General, every three months, commencing from and after the passage of this act, the amount of their circulation; and every bank whose circulation shall exceed twice its capital stock, or three times the amount of

coin in its vaults, shall be required to retire or call in the one-sixth of such excess every sixty days, until its circulation shall correspond with the provisions of this section; and should any bank fail to comply herewith, it shall be the duty of the Auditor-General to notify the Attorney-General thereof, who is hereby required to proceed under the fourth section of this act to forfeit the charter of such bank.

SEC. 7. The provisions of this act shall not apply to any bank or banks which have not or do not suspend specie payments prior to the said first day of March, A. D. 1864. "Nor shall it apply to the banks incorporated under the free banking law."

We copy from the annual report of the Auditor of the State of Pennsylvania, for 1862, the following remarks :

"There never was any justification for granting to a select or limited class of persons the privilege of supplying the people with a currency, except in the fact that to do so was to promote the public interest. On that theory the banks of this State have been incorporated. To minister to private profit, except as it was realized legitimately and subordinately to the public advantage and accommodation, was never in the contemplation of the legislature. Indeed, it would have been in derogation of common right, and inconsistent with the republican doctrine, which forms the foundation and corner-stone of our institutions, that all men shall stand equal before and by the law. To pervert the system of banking under special charters into a mere machine for accumulating large profits for the individual stockholders; to repel the suggestion that the general public have any right to inquire into their management, and to demand an implicit submission to the exactions and requirements of those institutions upon the legislature, is to convert them into close corporations, partaking of the odious and oppressive character of monopolies, which should never be tolerated by a free people. This disposition, however, gives evident indications of a tendency to spread and become recognised as proper by persons who enjoy the benefits and reap the gains of the special privileges conferred upon them by the legislature, when it grants a charter to a bank, without requiring it to provide a stable security for the redemption of its circulation.

"To put a check upon the feeling which begins to obtain among those who are interested in and have control over banks, and to provide for the safety of their note-holders, who are required to stand mute before this dominant disposition, and are left without any influence, actual or moral, over those who supply the circulating medium, which they must receive as the price of their products or the pay for their labor, it becomes a public duty of indispensable obligation for the State to take care that the people shall have a secured currency, and be protected against 'loss from insolvent banks.' Once admit the propriety of this principle, and reduce it to action, making it the *system* of the State, and all necessity, or even excuse, for the granting of special charters pass away. It becomes safe to let every man who has the means become a banker, because he cannot flood the country with irredeemable issues, and bilk the public. Every note that is put into circulation is represented by its equivalent, in evidences of State and national indebtedness, deposited with the responsi-

ble officer of the Commonwealth, who, on failure of the individual or corporation to pay the note, sells the securities, and takes up the notes of the defaulting party from the holder. The odium, and in every case in which the public good does not require it, the injustice which attaches to the bestowal of special privileges and advantages for promoting their own interests upon a few, and excluding from them the great mass of the community, are in this way removed, and equal rights and opportunities are afforded to all men to come in under and avail themselves of the provisions of a general law.

“Between the two systems there is an incompatibility which prevents both from prospering; and as the old offers more allurements than the new, and the great body of citizens are less able to combine for their own advantage than the few whose interest is more immediate, the operations of the general banking law have been far more limited than its authors no doubt expected. It remains for the legislature to determine the policy which shall obtain for the future; and it becomes a matter the more worthy of serious consideration now, when the published notices of applications for renewals of old charters are so numerous, and the disposition made of them may be decisive of the whole subject. It seems, whatever else may be sound policy in the matter, very futile to attempt to keep both systems afoot, and to make them work together when their principles are so widely different, and harmonious co-operation cannot be effected.”

BANKS AND SPECIE.—The Speaker laid before the Senate the following communication, March 5, 1863 :

Treasury Department, March 5, 1863.—To the Speaker and Members of the Senate: Gentlemen,—In obedience to your resolution of February 10, 1863, requiring me “to inform the Senate what amount of specie certificates were issued to the several banks of this Commonwealth, in accordance with the act of January 30th, 1863, authorizing me to exchange with the banks an amount of currency sufficient to pay the interest due in February in coin, and report the names of all the banks that offered to exchange, and those to whom the certificates were issued,” I have the honor to report, that the amount of gold deposited by the several banks for which certificates will issue, amounts to one million, eight thousand, three hundred and eighteen dollars and twelve cents.

This includes all the banks under special charters, except six, viz.:

Farmers and Drovers' Bank, Waynesburg; Southwark Bank, Philadelphia; Monongahela Bank, Brownsville; Bank of Beaver County; Bank of Fayette County; Bank of Pittsburg.

The first named has signified its acceptance of the act, but has not yet deposited the coin. The remaining five banks base their declination to comply with the act, on the ground of being specie-paying banks. I have no means of telling whether their claim is founded in fact or not, except that their payments of taxes to the Commonwealth have been made in the common currency of the country. For these banks to receive their interest in gold on the amount of public debt held by them, and pay their taxes in common currency, does not agree with my ideas of justice, or establish very clearly their claim of being specie-paying institutions.

HENRY D. MOORE, *State Treasurer.*

FOREIGN VIEWS OF AMERICAN FINANCES.

THE following extract from the *London Times*, of the 8th January, has a significant bearing upon the then proposed measures in Congress :

"But the most immediate effect of Mr. CHASE's financial scheme, if sanctioned, will be an important change in the American banking system. He suggests the establishment of banking associations, authorized to issue notes that are to be furnished by the United States, alike in form, and secured alike by United States bonds. Mr. CHASE strongly urges on the Committee of Ways and Means the 'importance of this measure to the negotiation of loans, the collection of internal revenue, and the security of the people against the evils of an enormous unredeemable paper circulation.' In a time of peace and prosperity the Federal government would not have attempted to re-establish any thing like a Bank of America. It could not safely have roused the opposition of the private and joint-stock banking interest, that profited so largely by the privilege of issuing their own notes. The old United States Bank was destroyed in the presidency of General JACKSON, because it had become a political power, and was charged with using its influence for party purposes. Every American institution is drawn into the vortex of politics, and the principle of a bank connected with the central government has always been denounced as insidious and dangerous. *But, by the want of a paper currency that would be taken in every State of the Union at its nominal value, the Americans have suffered severely. The different States were, as to their bank notes, so many foreign nations, each refusing the paper of the others, except at continually varying rates of discount. Frequently there was a greater loss on paper taken or sent from an Eastern to a Western State than on English bank notes converted into Austrian money in Vienna. Only adepts and regular money-changers could tell whether a note was current or not, the paper of broken or suspended banks remaining in circulation long after their value had departed. The Federal government avoided loss by refusing all paper, of every kind. Its import duties were taken only in gold, and inland revenue it had none. The first appearance of a department for collecting that kind of taxation is in the present bill proposed by Mr. CHASE. But the difficulties of the government have compelled it to issue a paper that will pass current in any part of the territory. Through the evils of war the people will at least gain that deliverance from the previous confusion of their currency which, to Europeans, appeared a barbarism. If the social storm sweeps away the 'wild cat' and 'bogus' banks of the Union, it will have left some small compensation for the wreck of better things. The best part of Mr. CHASE's plan is the suggestion that will probably excite the least attention.*"

EDITORIAL CORRESPONDENCE.

COLUMBUS, OHIO, Jan. 23, 1863.

To the Editors of the BANKERS' MAGAZINE:

SIR,—My attention has just been called to a brief article* in the January number of the *BANKER'S MAGAZINE*, which so entirely misrepresents the views and action of the "State Bank Board of Control," on the question of furnishing to the "State Commissioners the specie necessary for the next payment of the State interest," that a proper regard to truth requires its correction. On the authority of the Magazine, it is stated that the question was raised and seriously discussed, "whether the specie should be furnished at the rate of premium stipulated in the act authorizing their suspension." And you then comment on this alleged proceeding, "of course the hesitation was provoked by the fact that gold is worth about 29½ cents premium more than the stipulated rate, and it became a matter of some moment to know whether the *honorable observance* of the conditions to which they were a party was worth 29½ per cent. Ordinarily, as the world goes, that is a pretty high premium for honor, but how differently it would have appeared if the conditions had been reversed. Would there have been any concern about the inconvenience which 29½ per cent. would have occasioned the other party? As a consequence of the suspension allowed these banks, they have kept in circulation a greater number of their notes than ever before." Had this statement of facts and comments thereon appeared in any one of those modern specimens of financial literature, usually called "money article," of the sensation press, of which Wall-street, N. Y., is the originator, and Third-street, Cincinnati, the humble imitator, the writers of which make a "good thing" out of them, by exchanging the products of their brains for as much bread and beer as supports poor human nature, it would be unnecessary, and perhaps unfeeling, to interfere with their vocation, by exposing the qualities of the articles sold, and showing that they are made out of "whole cloth." But, when the facts stated are on the authority of the *BANKERS' MAGAZINE*, a permanent record of, as professed and usually received, and a responsible authority for the truth of facts stated, the comments or reflections thereon are natural and justifiable, as the uprisings of a manly and virtuous indignation at the small regard manifested for the obligation of a contract. And if it shall appear that no such question as that involving the observance of the conditions of a contract did or could arise between the parties, that is, the banks and the State, simply because no contract exists which is not revocable at the pleasure of either party, as shown by the terms of the act authorizing suspension, and that the question "seriously discussed" was altogether another matter, then you will perceive that your virtuous reflections as to the value of "honor" are entirely misplaced, and might have been reserved for a more fitting occasion.

* Copied from an Ohio paper.—Eds.

And now for the facts. The suspension act, as it is termed, contains this provision: "Any solvent banking institution of this State, availing itself of the provisions of this suspension act, shall, during its continuance in suspension under this act, if required by the Treasurer of State, furnish him with sight exchange, payable in New-York, in coin, for its own notes, in the proportion that the circulation of such bank bears to the circulation of all the solvent banks of this State," &c.

At the May meeting of the Board of Control, 1862, the branches of the State Bank agreed to waive their right to require each its own notes from the Treasurer of State, and to furnish their proportion of coin to pay the interest on the foreign debt of the State, for such current funds, promiscuously, as was received by the State in payment of taxes—a large proportion of which was the legal tender notes of the United States. This arrangement was carried out, in providing for the July interest, 1862. At the November meeting of the Board of Control, the meeting referred to in your article, the question was "seriously discussed," whether this right to require its own notes, by each bank, should be again waived, or adhered to. Was there any question involving the obligations of a contract, or the "honor" of any party involved in this? Assuredly not. The State officers did not dispute the right, but would regard its waiver as an act of liberality on the part of the banks, and convenience to themselves. But the banks "seriously discussed" it as involving the expediency of reducing their circulation, and decided to require their own notes, with a view of reducing their circulation; and this arrangement was carried out, the decision to furnish the coin on these, the stipulated conditions, being *unanimous*. As to the obligations of the contract, it may be observed, 1st. That if a contract at all, it is, by its terms and nature, revocable at the pleasure of either party. The act specifies that the obligation to furnish coin shall attach only "during its (any Ohio bank) continuance in suspension under this act." Of course, if a bank avails itself of the privileges of this act, it is bound to comply with its terms; if it prefers to forego these privileges, it is relieved from the conditions. This is a question of expediency, which it may discuss without implicating its "honor" in the slightest degree, just as a tenant may "discuss" the question of the expediency of surrendering a leasehold, and stopping his rent, when the terms of the contract secure him this privilege. He may not cease to pay and continue to occupy; that would be a violation of his contract; but he may surrender, and stop his rent; that is a question of expediency. So in this case. There is no "honor" involved in the question; and, therefore, all you say about the price of honor is an unnecessary wasting of moral strength.

It is asserted in the aforesaid article that, "as a consequence of the suspension allowed these banks, they have kept in circulation a greater number of their notes than ever before, notwithstanding the fact that regular business has been greatly circumscribed." The suspension act was passed January 16th, 1862. The circulation of the branches of the State Bank of Ohio was, on January 6th, 1862,.....\$7,858,114 00
on " 5th, 1863,..... 7,388,829 00

Reduction,.....\$ 469,285 00

A.

HISTORY OF THE BANK OF ENGLAND.

(Continued from page 706.)

GENERAL VIEWS AS TO THE BANK CHARTER OF 1844.

I WILL NOW enumerate* the conclusions which, in the course of this inquiry, I have sought to establish; or, in other words, the opinions which it has been my purpose to set forth.

1. That the obligation to satisfy all contracts or engagements, expressed in terms of money by the payment of specific quantities of gold and silver coin of certain fineness, is the cardinal principle of all sound monetary legislation.

2. That, as a matter of fact, the maintenance of such a metallic standard, and the enforcement by law of strict conformity to that standard of all paper and other forms of credit, has, for a long period, been the law and practice of this country; the only exception being the period from 1797 to 1819, when, for reasons of State policy, the obligation of cash payments was suspended.

3. That the act of 1819 fully and effectually restored the payments in cash suspended in 1797. "Complement," or additional security to the maintenance of the measure of 1819, is a source of danger to it.

4. That there is great unfairness in the charge brought against a large majority of those who, with myself, are opposed to the act of 1844, to the effect that we seek to restore a paper currency not limited by a metallic standard; for I can say for myself, and for those with whose opinions on the subject I am best acquainted, that we do not yield to the upholders of the act of 1844 in attachment to the principle consecrated and effectually maintained in operation by the law of 1819.

5. That the claim set up in behalf of the act of 1844, to the effect that the amount of bullion in the bank has, from the date of its enactment to the present time, been larger than, but for the act of 1844, it would have been, is utterly unfounded and inadmissible, inasmuch as there is the strongest presumptive proof that the act had not and could not have the effect alleged; the new source of supplies of gold from Russia serving to account for the largeness of the treasure of the bank from 1844 to 1847; and the still larger supplies from Australia serving to account for the greater amount of the treasure since 1847.

6. That there is the strongest reason to believe, that had it not been for the new and enlarged supply of gold from Russia, the act of 1844 would not have come into existence, and that, had it not been for the discoveries of gold in California and Australia, the act could not have been maintained in existence to the present time.

7. That bank notes are not money in any sense which does not also include other forms of paper credit, nor (as contended by Sir ROBERT

* TOOKER'S *History of Prices*, vol. v. pp. 633-639.

PEEL and his party) have bank notes any influence on the foreign exchange, or on prices greater than, or different from, other forms of credit.

8. That the assumption also by Sir ROBERT PEEL, that bank notes, strictly converted into coin at the will of the holder, have been and may be depreciated; or, in other words, the allegation that there may be, as it is said there has been, a disparity between gold and the paper which circulates with it at par, is a fallacy unsupported by experience and unintelligible in reasoning; or rather, with reference to the definition, is a contradiction in terms.

9. That there is no foundation in argument, or authority for the allegation, that the issue or creation of bank notes is exclusively and solely the peculiar function or province, or prerogative or privilege, of the sovereign or state.

10. That the assumption of a purely metallic currency as the type or model of a perfect circulation, proceeds wholly upon a mere fiction of the imagination, inasmuch as we can neither refer to the authentic records, nor to the actual existence, in this or other countries, of any such metallic model.

11. That, according to the hypothesis that can be most carefully framed, of what would be the action of a metallic currency, we have the fullest reason to conclude, that the actual variations in amount of our existing mixed circulation of coin and convertible paper, do not and cannot differ from what would be the variations in amount of a metallic currency. And hence, that the conditions of the supposed metallic model, as far as it can be intelligibly described, were fulfilled by the currency of this country previous to the measure of 1844, and have not been fulfilled to any greater extent, nor in any better mode, by the aid of that measure, since 1844.

12. That, consequently, the leading tenet of the doctrine of the new school, which assumes and asserts, that the circulation, as it existed prior to 1844, did not conform in its variations to what would have been the variations of a metallic currency, and was, therefore, vicious in principle and pernicious in practice, is not maintainable as a ground for the support of the principle of the act of 1844.

13. That equally unfounded is the proposition, which maintains that the union of the functions of issue and banking in the Bank of England is incompatible with a due regulation of the amount of the issues. On the contrary, the blending and combination of the two functions is not only compatible and congruous, but highly expedient, as a means of promoting the interests and convenience of the public; and is, moreover, better calculated to secure the maintenance of specie payments than the present system of separation.

14. That a great mistake was committed by the framers of the act of 1844, in the assumption that the banking department of the Bank of England admits of being conducted in the same way, and with only the same effects on the interests and convenience of the public, as any other non-issuing joint-stock bank.

15. That, by the plan of separation, a distinct reserve of gold is provided, for the security of the circulation, which is the part of the liabilities least exposed to fluctuation; while the other class of liabilities,

which are subject to a wider range of fluctuation, are left unprovided with any similar security.

16. That this separation of the functions of the two departments, which were erroneously held to be incompatible, has caused them to become actually antagonistic, inasmuch that, in a time of pressure such as 1847, an increased demand for bank notes acts directly in diminution of the banking reserve, instead of acting, as such an increased demand for bank notes would do under a state of union of the two departments, in positive relief of the pressure on the bank.

17. That the opinion which I expressed when writing on the subject in March, 1844—"that the total separation of the business of issue from that of banking is calculated to produce greater and more abrupt transitions in the rate of interest and in the state of credit than a system of union of departments"—has been amply borne out by experience.

18. That the eventful and varied experience of the last eleven years has proved that, under the plan of a separation of the departments, the changes in the rate of interest and in the state of credit have been far more abrupt, frequent and violent, than under the previous system.

19. That these frequent and abrupt changes have been aggravated by the erroneous and exaggerated view taken by the directors of the Bank of England of a duty which they appear to have supposed to fall upon them, of conducting the business of the banking department in a rigid obedience to what is called the principle and spirit of the act of 1844.

20. That the errors of management chargeable against the bank directors, as well before as since the measure of 1844, seem to be referable in no small degree to faults in the constitution and composition of the governing body of the bank.

21. That the practice of deciding on so important a measure as alterations of the rate of discount by a mere majority of a numerous board of directors, after a brief, and, perhaps, hurried discussion taking place at a weekly meeting of the court, is a practice highly objectionable; and that, in truth, it is not easy to suppose a machinery worse calculated to accomplish the end in view.

22. That it is to be regretted that, in 1844, Sir ROBERT PEEL did not apply his eminent administrative talents to improve the constitution of the governing body of the bank, instead of committing himself to dogmatic legislation on the general subject of the currency—a subject, the knowledge of which he clearly had not mastered.

23. That next, therefore, to the abrogation of the act of 1844, as it relates to the division of the departments of the Bank of England, and to restrictions on the circulation of bank notes, the most important question relating to the currency which can occupy the attention of Parliament, will be the application of a remedy to the obvious faults in the constitution and rules of management of the governing body of the Bank of England.

THE FREQUENT ALTERATIONS OF THE MINIMUM RATE OF DISCOUNT OF THE BANK OF ENGLAND DURING EIGHT YEARS, 1847-1855.

COMMENTS THEREON OF THE LORDS' REPORT.

THE variations in the bank rate of discount* since the crisis of 1847 have been nearly as frequent as they were in the period noticed in the Lords' report, (section 6.)

From 8 per cent., at the close of October, 1847, it was reduced to 6 per cent. on the 2d, and to 5 per cent. on the 23d December of that year.

It was thenceforward reduced by successive steps until the 22d April, 1852, when it reached the lowest rate, or 2 per cent. It continued at 2 per cent. till the 6th January, 1853. It was then raised to 2½ per cent., and further advanced thenceforward by steps or stages of ½ per cent. each till the 11th May, 1854, when it reached 5½ per cent. That rate was continued for a short time only, and was progressively reduced to 3½ per cent. on the 14th June of the present year (1855.)

The number of variations during the fall from 8 per cent. to 2 per cent. was ten; and during the subsequent fluctuations, to the present rates of 6 and 7 per cent., the number has been sixteen; making the total of the variations in the rate during the entire period from 25th October, 1847, to December, 1855, twenty-six, and the total number from the passing of the act of 1844 to this time no less than forty.

In these frequent alterations the directors have been acting, no doubt, in conformity with what they have considered to be the spirit of the act of 1844, and in obedience to the exhortations of the author of that measure. Whether this system of a wide range of fluctuation, and of frequent changes between the extremes, be more profitable to the bank than a more uniform rate, is a question upon which it would be presumptuous in any one not being a director to offer an opinion. But, that it is inconvenient and injurious, in a public point of view, on the grounds stated in the extract already given (page 83, *seq.*) from the Lords' report, I think there can be no reasonable doubt.

The transition from a high to a low, and especially from a low to a high rate of discount, is always attended with some degree of inconvenience, and with a disturbance, more or less, of existing arrangements. Such transitions are inevitable, as a consequence of the infinite variety of circumstances, commercial and political, (including under the former the effects of vicissitudes of the seasons,) which are calculated to influence the demand for the use of capital; and it is quite impossible for the bank, or any other institution, to exercise any permanent control over the rate paid for the use of it—a rate, of course, determined by the law of supply and demand. This is true; but it is nevertheless the precise fallacy of the plea usually adduced in justification of the conduct of the bank on every occasion on which the propriety of its announced altera-

* *Tooke's History of Prices*, vol. v. pp. 555-558.

tions is canvassed and questioned; for it is beyond question, that in the large majority of instances the movements of the bank in respect of its rate of interest are attended with very perceptible, although they can be only temporary, effects. Of this there can be no better proof than the anxiety manifested on the stock exchange and by the money dealers, on every occasion when a change is expected, to learn the determination come to at the breaking up of the weekly meeting of the court of directors on the Thursday. And the moral effect of the course adopted by the bank on such occasions is frequently much greater than might be expected from a consideration of the mere difference in the rate. But it is chiefly when the reduction, on the one hand, is much below, or the advance, on the other, much above their usual rate, that, in the one case, it inspires undue confidence, leading to overtrading and speculation, and to an unsound state of credit; and, in the other, that it gives rise to excessive alarm, tending to terminate in panic. For example, it has been abundantly shown, in a multitude of forms, that the act of 1844 was instrumental in aggravating or intensifying the tendency which from other causes existed to each of these extremes, in the interval between the date of its enactment and the latter months of 1847.

There cannot, I think, be a reasonable doubt but that the reduction of the bank rate of discount, on the passing of the act, from 4 per cent., which had been its previous minimum, to $2\frac{1}{2}$, and the continuance of a rate so low as 3 per cent. during a great part of 1845 and 1846, contributed to increase and extend the spirit of enterprise, and the railway mania and the overtrading, especially in the East India trade, which marked that period.

This view of the effects of the reduction of the bank rate is thus noticed by the Lords' committee:

"The effect of a low rate of interest could not fail to give a great additional stimulus to speculation of all kinds. It could not but have augmented the facility of forming joint-stock companies for rail-roads and other purposes. In the former case it has acted the more effectually, as the bank of late adopted a practice of investing its capital in railway securities. The sum of £2,481,000 was so invested; and these securities seem, by the bank, to have been substituted for the floating debt of the country. In 1844 the greatest investments of this kind took place.

"The proceeding is the more questionable when it is considered that the governors, in describing the causes of the commercial distress, have informed the committee that 'one cause of the distress is, that many of those parties have been dealing in railway shares; the capital which they ought to have kept in their business they have put out, in expectation of realizing at a profit; but railway shares have become nearly unsalable, and their capital has been locked up.' Although a distinction undoubtedly exists between the rail-road debentures purchased by the bank and the shares of railway companies, yet it is evident that the purchase of these securities by the Bank of England must have given a high sanction and an effective stimulus to those very undertakings which the committee find are afterwards referred to among the causes of the commercial distress."—*Lords' Report, 1848, p. 36.*

NOTICES OF NEW PUBLICATIONS.

L. *Edwards on the Stamp Act.* New-York: JOHN S. VOORHIES, 1862.

THIS work treats of the legal questions of the Stamp Act of July, 1862, and its subsequent emendations, from the complications, obscurities and diverse interpretations of our first general excise law. This work possesses a general interest and importance not common to law books. Especially among bankers is this the case. The Stamp Act applies so frequently to common financial transactions, that bankers *must* become acquainted with its provisions, or run great risks. To show to our readers how far "EDWARDS ON THE STAMP ACT" meets the requirements of bankers in assisting them in getting familiar with the legal phases of the Stamp Act, we quote a few passages:

A Stamp and its Origin.—Before the passage of the present stamp act, an instrument might be complete for all purposes; but now its whole efficacy is withheld until it is stamped. It may be good or bad, according to the intention of parties, or the transaction out of which it came, but it must pay a toll at the turnpike of excise.

Stamp duty is a branch of certain taxes granted toward the expense of government, and a stamp is a mark affixed to certain instruments, writings and things.

The use of this mark is to denote that the duty imposed upon the instrument, writing or thing has been paid, or that security has been given for the payment of it. (*Bac. Abr., Guillim and Dodd, Tit. Stamps, 413.*)

It has been observed that a stamp tax is one which, though in some instances it may be heavily felt, by greatly increasing the expense of all mercantile as well as legal proceedings, yet, if moderately imposed, is of service to the public in general, by authenticating instruments, and rendering it much more difficult than formerly to forge deeds of any standing. (1 *Black. Com.* 323-4.)

DE BASVILLE, in his *Memoires pour servir à l'Histoire de Languedoc*, affirms that stamped paper was introduced as early as the year 537, by the Emperor JUSTINIAN, but BECKMAN shows this opinion to be erroneous.

Stamp duties were first levied in Holland. Most of the accustomed methods of taxation having been resorted to, the republic, in order to provide additional funds for carrying on her contest with the Spanish monarchy, offered a considerable reward to any one who should devise the best new tax. Among many other taxes, that of the *vectigal chartæ*, or stamp duty, was suggested; and having been approved of, it was introduced by an ordinance issued in 1624, setting forth its necessity, and the benefits which it was supposed would result from its imposition. (BECKMAN'S *Hist. of Inventions*, 479.) It was gradually imitated by other governments.

Stamp duties were first imposed in England by the 5 *William and Mary*, ch. 21. (1694,) but for a temporary period only. These were granted towards the carrying on the then war with France.

How far the Commissioner of Internal Revenue has the power to remit a penalty, is yet to be determined.—In England the Commissioners have that power by statute. By the 44 *Geo. III.* c. 98, § 24, they are authorized to remit the whole or any part of the penalty, payable on stamping an instrument, at any time within twelve months after the making or execution, but beyond that period they have no discretion; the penalty must be paid.

The only express power which our Commissioner seems to have, is one through which he can decide when an instrument is *not* subject to a stamp.

As a general rule, even in England, its legislature has not thought proper to invest Commissioners with authority to decide questions relating to stamp duties; nor, by any act of theirs, to preclude inquiry as to the sufficiency of the stamp on any instrument. Hence, in England, the courts are not in the habit of referring to the stamp office on any question before them.

Unstamped instrument void at law, not helped in equity.—A court of equity will

not give relief upon an instrument void at law for want of a stamp. (TOULMIN vs. PRICE, 5 Vesey, 400.) Such a court will not put a party, coming in aid of the law, in a better situation. (*Ib.*)

Consents cannot help unstamped instruments.—A court will not sanction any agreement between parties that an objection for want of a stamp should be waived.

Where the stamp is to be placed.—The stamp must be upon the instrument itself.

New matter upon an old stamped instrument.—If parties enter into a written agreement, which is duly stamped, and then endorse terms on the back of it, varying the original agreement, such new terms will not be admissible without a new stamp; and as the endorsement of such terms puts an end to the original agreement, the plaintiff cannot recover, either upon the new or the original agreement. (REED vs. DEERE, 7 Barn. & C. 261.)

Additions and alterations in instruments which do not call for a new stamp.—The construction of deeds is the province of the court; and the materiality of an alteration in a deed is a question of construction. Whether erasures and alterations in a deed are material or not, is a question of law, to be decided by the court. (STEELE'S DEVISEE vs. SPENCER, 1 Peters, 560.)

An instrument may be altered or added to without the requirement of a new stamp, where it is done merely for the purpose of correcting a mistake, or where it has not discharged its functions, or where no new subject is introduced, and also where the matter of it is still *in fieri*, provided there be the consent of parties to such addition or alteration. But the same cannot be made, even from the fact of mistake, unless parties have consented.

Where a bill had been drawn payable to the defendant, but without the words "or order," and the defendant, on the day after the bill was drawn, endorsed it over to the plaintiff, and the plaintiff returned it to the defendant to get the omission rectified, and the drawer then inserted the words, the jury having found that the omission had been made by mistake, and that the words were originally intended to be inserted, the court held the alteration allowable, and that a new stamp was not necessary. (KERSHAW vs. COX, 3 Esp. N. P. C. 246.) But the insertion, *or order*, would generally vitiate a note. (STAFF vs. PEPOON, 1 N. & M. 103.)

As bills of exchange, promissory notes, checks, drafts and money orders are to carry stamps, it will be well to bear in mind the legal definition of them.

A *bill of exchange* is an open letter of request from one man to another, desiring him to pay a sum named therein to a third person on his account. (3 Black. Com. 466.) A bill of exchange, in its own nature, amounts to nothing more than an authority, on the one hand, to pay to the order of the person to whom it is made payable; and, on the other, to an undertaking on the part of the acceptor that he will pay it. (Per HOTHAM, Baron, in GRISON vs. MINET, 1 H. Bl. 586.)

The essential qualities of a bill are, that it is payable at all events, and not on a contingency, nor out of a particular fund; and that it be for the payment of money only, and not for the performance of some other, as in the alternative. (*Chitty on Bills*, 55.) It may reasonably be presumed that a bill of exchange will require a stamp, notwithstanding it may emanate from the United States, as also where it is a party to the same, for, where the United States so becomes a party to such an instrument—which it may—it will be subject to all the responsibilities of commercial relation. There is no difference between the United States and a private person in this respect, except that the former cannot be sued. (DUGAN vs. THE UNITED STATES, 3 Wheat. 172; UNITED STATES vs. BARKER, 12 Ib. 559; UNITED STATES vs. BANK OF U. S., 2 Howard, 711; UNITED STATES vs. BANK OF THE METROPOLIS, 15 Peters, 392.)

A promissory note is a written promise for the payment of money, and while in the hands of the payee has this resemblance to a bill of exchange, that it is for the payment of money absolutely and at all events; and when transferred it is exactly similar to a bill of exchange. (*Bayley on Bills*, 1-3.)

Where a promissory note just touches the point of "not exceeding" (*such a sum*), it will bear the amount of stamp duty connected therewith, notwithstanding it may run with interest, for no stamp is required for interest. (PERUSSING v. IRIG, 4 B. & Aid. 204.)

NEW PAMPHLETS ON THE CURRENCY.

- I. *A National Currency. What is Needed? Suggestions by a practical Banker.* 8vo. pp. 68. W. S. & A. MARTIN, Philadelphia, 1863.

This pamphlet has been attributed to the pen of a Pennsylvania banker. It is well written, and its positions are well sustained by *pro-forma* tables. The author favors the Treasury system, on national grounds, and concludes—

“The government owes a debt which it *must* pay, and being unable to pay, it must borrow; and the cost of borrowing, the people must pay, be it what it may. The money must be raised at home or abroad. It is better on all accounts—for the sake of economy, the employment of our own capital; but above all, for the sake of our national honor and independence—it is better that it be raised at home. There is, and will be capital enough, under any probable circumstances, to furnish every dollar required by the government. It is only necessary to secure it for the use of government. * * * This policy once adopted and understood, business will adapt itself thereto without hesitation; speculation will be arrested; extravagance will cease; the importation of costly and unnecessary goods will be discontinued; the demands of the government and the country will stimulate home productions; manufactures will be fostered by necessity; a home market will be maintained for agricultural products; the receipts of gold will supply the demand for legitimate uses; industry will thrive, and immigration will be promoted by the certainty of cheap lands and steady employment; popular confidence will be restored in the stability of the government; and with success to our arms, under the blessing of Heaven, the financial prosperity of the country will be maintained even during the war, and after its close, will be unparalleled in any portion of our past history.”

- II. *Tenth Annual Report of the Board of Managers of the Association of Banks for the Suppression of Counterfeiting.* Boston, 1863. pp. 32.

[There is neither date nor signature to this report, but we presume it to be the official report made in February, 1863, for the previous year.]

- III. *Annual Report of the Bank Commissioners, (of the State of Massachusetts,) September 30, 1862.* Boston, 1863. pp. 188.

- IV. *Abstract of the Returns from the Banks and from the Institutions for Savings in Massachusetts, 1862. Condensed from the attested Reports by OLIVER WARNER, Secretary of the Commonwealth.* Boston, 1863. 8vo. pp. 128.

- V. *Annual Report of the Superintendent of the Banking Department of the State of New-York, January, 1863.* Albany. 8vo. pp. 164.

- VI. *Six Letters on the Necessity and Practicability of a National Currency, and the Principles and Measures Essential to it.* By ELEAZAR LORD, of Piermont, N. Y. New-York, 1862. 12mo. pp. 58.

- VII. *Review of our Finances and of the Report of Hon. S. P. CHASE, Secretary of the Treasury.* By Hon. ROBERT J. WALKER, formerly Secretary of the Treasury. 1863. 8vo. pp. 16.

- VIII. *Our National Finances. What Shall Be Done?* Boston, November, 1862. 8vo. pp. 12.

- IX. *The Proposed United States Banking System—A Letter to the Hon. WILLIAM PITT FESSENDEN, Senator of the United States: from JAMES GALLATIN, of New-York—An Examination of the Proposed United States Banking System, and of further Issues of Legal Tender Notes.* New-York. 8vo. pp. 12.

THE LOAN ACT OF 1863.

An Act to provide ways and means for the support of the Government.
Approved March 3, 1863.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be and he is hereby authorized to borrow, from time to time, on the credit of the United States, a sum not exceeding three hundred millions of dollars for the current fiscal year, and six hundred millions for the next fiscal year, and to issue therefor coupon or registered bonds, payable at the pleasure of the government after such periods as may be fixed by the Secretary, not less than ten nor more than forty years from date, in coin, and of such denominations, not less than fifty dollars, as he may deem expedient, bearing interest at a rate not exceeding six per centum per annum, payable on bonds not exceeding one hundred dollars, annually, and on all other bonds semi-annually, in coin; and he may in his discretion dispose of such bonds at any time, upon such terms as he may deem most advisable, for lawful money of the United States, or for any of the certificates of indebtedness or deposit that may at any time be unpaid, or for any of the Treasury notes heretofore issued or which may be issued under the provisions of this act. And all the bonds and Treasury notes or United States notes issued under the provisions of this act shall be exempt from taxation by or under State or municipal authority: *Provided,* That there shall be outstanding of bonds, Treasury notes, and United States notes, at any time, issued under the provisions of this act, no greater amount altogether than the sum of nine hundred millions of dollars.

SEC. 2. *And be it further enacted,* That the Secretary of the Treasury be and he is hereby authorized to issue, on the credit of the United States, four hundred millions of dollars in Treasury notes, payable at the pleasure of the United States, or at such time or times not exceeding three years from date as may be found most beneficial to the public interest, and bearing interest at a rate not exceeding six per centum per annum, payable at periods expressed on the face of said Treasury notes; and the interest on the said Treasury notes and on certificates of indebtedness and deposit hereafter issued shall be paid in lawful money. The Treasury notes thus issued shall be of such denomination as the Secretary may direct, not less than ten dollars, and may be disposed of on the best terms that can be obtained, or may be paid to any creditor of the United States willing to receive the same at par. And said Treasury notes may be made a legal tender to the same extent as United States notes, for their face value, excluding interest; or they may be made ex-

changeable under regulations prescribed by the Secretary of the Treasury, by the holder thereof at the Treasury in the city of Washington, or at the office of any Assistant Treasurer or depository designated for that purpose, for United States notes equal in amount to the Treasury notes offered for exchange, together with the interest accrued and due thereon at the date of interest payment next preceding such exchange. And in lieu of any amount of said Treasury notes thus exchanged, or redeemed, or paid at maturity, the Secretary may issue an equal amount of other Treasury notes; and the Treasury notes so exchanged, redeemed, or paid, shall be cancelled and destroyed as the Secretary may direct. In order to secure certain and prompt exchanges of United States notes for Treasury notes, when required as above provided, the Secretary shall have power to issue United States notes to the amount of one hundred and fifty millions of dollars, which may be used if necessary for such exchanges; but no part of the United States notes authorized by this section shall be issued for or applied to any other purposes than said exchanges; and whenever any amount shall have been so issued and applied, the same shall be replaced as soon as practicable from the sales of Treasury notes for United States notes.

SEC. 3. *And be it further enacted*, That the Secretary of the Treasury be and he is hereby authorized, if required by the exigencies of the public service, for the payment of the army and navy, and other creditors of the government, to issue on the credit of the United States the sum of one hundred and fifty millions of dollars of United States notes, including the amount of such notes heretofore authorized by the joint resolution approved January seventeen, eighteen hundred and sixty-three, in such form as he may deem expedient, not bearing interest, payable to bearer, and of such denominations, not less than one dollar, as he may prescribe, which notes so issued shall be lawful money and a legal tender in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt; and any of the said notes, when returned to the Treasury, may be re-issued from time to time as the exigencies of the public service may require. And in lieu of any of said notes, or any other United States notes, returned to the Treasury, and cancelled or destroyed, there may be issued equal amounts of the United States notes, such as are authorized by this act. And so much of the act to authorize the issue of the United States notes, and for other purposes, approved February twenty-five, eighteen hundred and sixty-two, and of the act to authorize an additional issue of United States notes, and for other purposes, approved July eleven, eighteen hundred and sixty-two, as restricts the negotiation of bonds to market value, is hereby repealed. And the holders of United States notes, issued under and by virtue of said acts, shall present the same for the purpose of exchanging the same for bonds, as therein provided, on or before the first day of July, eighteen hundred and sixty-three, and thereafter the right so to exchange the same shall cease and determine.

SEC. 4. *And be it further enacted*, That in lieu of postage and revenue stamps for fractional currency, and of fractional notes, commonly called

postage currency, issued or to be issued, the Secretary of the Treasury may issue fractional notes of like amounts in such form as he may deem expedient, and may provide for the engraving, preparation, and issue thereof, in the Treasury Department building. And all such notes issued shall be exchangeable by the Assistant Treasurers and designated depositaries for United States notes in sums not less than three dollars, and shall be receivable for postage and revenue stamps, and also in payment of any dues to the United States less than five dollars, except duties on imports, and shall be redeemed on presentation at the Treasury of the United States in such sums and under such regulations as the Secretary of the Treasury shall prescribe: *Provided*, That the whole amount of fractional currency issued, including postage and revenue stamps issued as currency, shall not exceed fifty millions of dollars.

SEC. 5. *And be it further enacted*, That the Secretary of the Treasury is hereby authorized to receive deposits of gold coin and bullion with the Treasurer or any Assistant Treasurer of the United States, in sums not less than twenty dollars, and to issue certificates therefor in denominations of not less than twenty dollars each, corresponding with the denominations of the United States notes. The coin and bullion deposited for or representing the certificates of deposit shall be retained in the Treasury for the payment of the same on demand. And certificates representing coin in the Treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed twenty per centum beyond the amount of coin and bullion in the Treasury; and the certificates for coin or bullion in the Treasury shall be received at par in payment for duties on imports.

SEC. 6. *And be it further enacted*, That the coupon or registered bonds, Treasury notes, and United States notes, authorized by this act, shall be in such form as the Secretary of the Treasury may direct, and shall have printed upon them such statements, showing the amount of accrued or accruing interest, the character of the notes, and the penalties or punishment for altering or counterfeiting them, as the Secretary of the Treasury may prescribe, and shall bear the written or engraved signatures of the Treasurer of the United States and the Register of the Treasury, and also, as evidence of lawful issue, the imprint of the copy of the seal of the Treasury Department, which imprint shall be made, under the direction of the Secretary, after the said notes or bonds shall be received from the engravers and before they are issued; or the said notes and bonds shall be signed by the Treasurer of the United States, or for the Treasurer by such persons as may be specially appointed by the Secretary of the Treasury for that purpose, and shall be countersigned by the Register of the Treasury, or for the Register by such persons as the Secretary of the Treasury may specially appoint for that purpose. And all the provisions of the act, entitled "An act to authorize the issue of Treasury notes," approved the twenty-third day of December, eighteen hundred and fifty-seven, so far as they can be applied to this act, and not inconsistent therewith, are hereby revived and re-enacted.

SEC. 7. *And be it further enacted,* That all banks, associations, corporations or individuals, issuing notes or bills for circulation as currency, shall be subject to and pay a duty of one per centum each half year from and after April first, eighteen hundred and sixty-three, upon the average amount of circulation of notes or bills as currency issued beyond the amount hereinafter named; that is to say, banks, associations, corporations or individuals having a capital of not over one hundred thousand dollars, ninety per centum thereof; over one hundred thousand and not over two hundred thousand dollars, eighty per centum thereof; over two hundred thousand and not over three hundred thousand dollars, seventy per centum thereof; over three hundred thousand and not over five hundred thousand dollars, sixty per centum thereof; over five hundred thousand and not over one million of dollars, fifty per centum thereof; over one million and not over one million and a half of dollars, forty per centum thereof; over one million and a half and not over two millions of dollars, thirty per centum thereof; over two millions of dollars, twenty-five per centum thereof. In the case of banks with branches, the duty herein provided for shall be imposed upon the circulation of the notes or bills of such branches severally, and not upon the aggregate circulation of all; and the amount of capital of each branch shall be considered to be the amount allotted to or used by such branch; and all such banks, associations, corporations and individuals shall also be subject to and pay a duty of one-half of one per centum each half year from and after April first, eighteen hundred and sixty-three, upon the average amount of notes or bills not otherwise herein taxed and outstanding as currency during the six months next preceding the return hereinafter provided for; and the rates of tax or duty imposed on the circulation of associations which may be organized under the act "to provide a national currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof," approved February twenty-fifth, eighteen hundred and sixty-three, shall be the same as that hereby imposed on the circulation and deposits of all banks, associations, corporations or individuals, but shall be assessed and collected as required by said act. All banks, associations or corporations and individuals issuing or re-issuing notes or bills for circulation as currency after April first, eighteen hundred and sixty-three, in sums representing any fractional part of a dollar, shall be subject to and pay a duty of five per centum each half year thereafter upon the amount of such fractional notes or bills so issued; and all banks, associations, corporations and individuals receiving deposits of money subject to payment on checks or drafts, except savings institutions, shall be subject to a duty of one-eighth of one per centum each half year from and after April first, eighteen hundred and sixty-three, upon the average amount of such deposits beyond the average amount of their circulating notes or bills lawfully issued and outstanding as currency. And a list or return shall be made and rendered within thirty days after the first day of October, eighteen hundred and sixty-three, and each six months thereafter, to the Commissioner of Internal Revenue, which shall contain a true and faithful account of the amount of duties accrued, or which should accrue, on the full amount of the fractional note circulation, and on the average amount of all other cir-

culation, and of all such deposits for the six months next preceding. And there shall be annexed to every such list or return a declaration, under oath or affirmation, to be made in form and manner as shall be prescribed by the Commissioner of Internal Revenue, of the president, or some other proper officer of said bank, association, corporation or individual, respectively, that the same contains a true and faithful account of the duties which have accrued, or which should accrue, and not accounted for; and for any default in the delivery of such list or return, with such declaration annexed, the bank, association, corporation or individual making such default, shall forfeit, as a penalty, the sum of five hundred dollars. And such bank, association, corporation or individual shall, upon rendering the list or return as aforesaid, pay to the Commissioner of Internal Revenue the amount of the duties due on such list or return, and in default thereof shall forfeit, as a penalty, the sum of five hundred dollars; and in case of neglect or refusal to make such list or return as aforesaid, or to pay the duties as aforesaid, for the space of thirty days after the time when said list should have been made or rendered, or when said duties shall have become due and payable, the assessment and collection shall be made according to the general provisions prescribed in an act, entitled "An act to provide internal revenue to support the government and to pay interest on the public debt," approved July one, eighteen hundred and sixty-two.

SEC. 8. *And be it further enacted*, That, in order to prevent and punish counterfeiting and fraudulent alterations of the bonds, notes and fractional currency, authorized to be issued by this act, all the provisions of the sixth and seventh sections of the act, entitled "An act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February twenty-fifth, eighteen hundred and sixty-two, shall, so far as applicable, apply to the bonds, notes and fractional currency hereby authorized to be issued, in like manner as if the said sixth and seventh sections were hereby adopted as additional sections of this act. And the provisions and penalties of said sixth and seventh sections shall extend and apply to all persons who shall imitate, counterfeit, make or sell any paper such as that used, or provided to be used, for the fractional notes prepared, or to be prepared, in the Treasury Department building, and to all officials of the Treasury Department engaged in engraving and preparing the bonds, notes and fractional currency hereby authorized to be issued, and to all official and unofficial persons in any manner employed under the provisions of this act. And the sum of six hundred thousand dollars is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to enable the Secretary of the Treasury to carry this act into effect.

Approved March 3, 1863.

BANK RETURNS OF MASSACHUSETTS.

LIABILITIES AND RESOURCES OF THE BANKS OF MASSACHUSETTS,
OCTOBER, 1862.

LIABILITIES.	\$6 incor- porated Banks in Boston.	6 organized under the Gen. Law.	Aggregate of 43 Banks in Boston.	141 Banks out of Boston.*	Aggregate of 193 Banks.
Capital stock,.....	\$ 24,561,700 ..	\$ 2,708,000 ..	\$ 26,221,700 ..	\$ 20,812,500 ..	\$ 67,544,200
Circulation, \$5 and upwards,	5,266,671 ..	892,515 ..	6,178,906 ..	16,569,297 ..	22,178,119
Bills less than five dollars, ..	1,458,269 ..	239,201 ..	1,728,470 ..	4,412,846 ..	6,190,517
Net profits on hand,.....	2,854,065 ..	143,778 ..	2,997,844 ..	2,798,830 ..	5,796,574
Due to other banks,.....	16,423,013 ..	463,047 ..	16,886,060 ..	517,739 ..	17,412,549
Deposits,.....	23,154,201 ..	2,296,279 ..	25,450,470 ..	23,264,969 ..	48,715,439
Deposits bearing interest, ..	1,111,511 ..	127,409 ..	1,238,921 ..	272,088 ..	1,611,509
Total liabilities,.....	\$ 69,518,521 ..	\$ 7,992,561 ..	\$ 77,511,082 ..	\$ 67,228,541 ..	\$ 165,042,365
RESOURCES OF THE BANKS.					
	<i>Boston.</i>	<i>Gen. Law.</i>	<i>Total Boston.</i>	<i>Country.</i>	<i>Whole State.</i>
Gold, silver, &c.,.....	\$ 7,222,704 ..	\$ 547,122 ..	\$ 7,779,827 ..	\$ 1,724,623 ..	\$ 9,504,450
Real estate,.....	897,414 ..	.....	897,414 ..	799,140 ..	1,696,554
Bills of New-England Banks,	7,794,252 ..	776,896 ..	8,571,149 ..	738,735 ..	9,309,884
Due from other banks,.....	5,647,815 ..	281,286 ..	5,929,101 ..	1,174,121 ..	7,103,222
Balances in other bank or banks, to be applied to redemption of bills, and payable on demand, †.....	.....	.....	.....	2,205,940 ..	2,205,940
Amount of all debts due, in- cluding notes, bills of ex- change, and all stocks and funded debts of every de- scription, excepting the bal- ances due fm. other banks,	63,155,064 ..	6,296,265 ..	74,451,329 ..	58,460,291 ..	127,911,620
Total amt. of the resources of the banks,.....	\$ 69,518,521 ..	\$ 7,992,561 ..	\$ 77,511,082 ..	\$ 67,228,541 ..	\$ 165,042,365
Amount of dividends, April, 1862,.....	\$ 1,094,500 ..	\$ 112,000 ..	\$ 1,206,500 ..	\$ 927,275 ..	\$ 2,133,775
Amount of dividends, Oct., 1862,.....	1,164,500 ..	106,000 ..	1,270,500 ..	984,754 ..	2,255,254
Reserved profits at the time of dividends,.....	2,008,471 ..	140,061 ..	2,148,532 ..	2,069,618 ..	4,218,150
Debts secured by pledge of their stock,.....	353,275 ..	182,956 ..	536,231 ..	261,776 ..	798,007
Debts considered doubtful, ..	728,026 ..	29,346 ..	757,372 ..	1,085,064 ..	1,792,576
Liabilities of directors,.....	4,080,126 ..	184,238 ..	4,264,364 ..	5,622,417 ..	9,886,781
Stocks deposited with the Auditor, ‡.....	.....	2,001,250 ..	2,001,250 ..	168,500 ..	2,179,750

* Including banks in *South* Boston, required to be classed with banks out of Boston—and Har-
vard Bank, in Cambridge, organized under general law.

† This question refers only to banks out of Boston.

‡ This question refers only to banks organized under the general law.

STATEMENT OF MASSACHUSETTS BANK DIVIDENDS, 1862.

Average dividend of 39 banks in Boston—not including those in South Boston—paid in April on \$36,320,000 capital, was 3.32 per cent.

Average dividend of 37 banks in Boston—not including those in South Boston—paid in October on \$35,520,000 capital, was 3.51 per cent.

Average dividend of 129 banks out of Boston—including those in South Boston—paid in April on \$27,052,500 capital, was 3.43 per cent.

Average dividend of 133 banks out of Boston—including those in South Boston—paid in October on \$27,892,500 capital, was 3.35 per cent.

Average dividend of 168 banks in the Commonwealth, paid in April on \$63,372,500 capital, was 3.37 per cent.

Average dividend of 170 banks in the Commonwealth, paid in October on \$63,412,500 capital, was 3.48 per cent.

By authority of acts of the legislature of 1862, the capital stock of the Bank of Brighton was reduced from \$250,000 to \$200,000; the Central Bank, in Worcester, from \$350,000 to \$250,000; and the Village, in Danvers, from \$200,000 to \$150,000.

The Bank of Mutual Redemption, the National Bank and the Traders' Bank of Boston; the Essex, of Haverhill; the Lee, and People's, of Roxbury; the Wrentham, Fairhaven; and Pocasset and Wamsutta, of Fall River, representing a capital of \$3,211,700, made no dividends in 1862. The Merchants', of Newburyport; Mercantile, of Salem; Central, of Worcester; Wareham, and Housatonic, of Stockbridge, representing a capital of \$960,000, made none in April; the Eliot, and Mount Vernon, of Boston, and the Marblehead, none in October.

The Fall River Union and the Pocasset Banks, of Fall River, in the State of Rhode Island, by decree of the Supreme Court of the United States, ceding said municipality to Massachusetts, became corporations of Massachusetts on the first day of March, 1862.

STATEMENT OF MASSACHUSETTS BANK DIVIDENDS, 1861.

Average dividend of 41 banks in Boston—not including those in South Boston—paid in April on \$37,931,700 capital, was 3.51 per cent.

Average dividend of 41 banks in Boston—not including those in South Boston—paid in October on \$37,731,700 capital, was 3.24 per cent.

Average dividend of 133 banks out of Boston—including those in South Boston—paid in April on \$27,412,500 capital, was 3.31 per cent.

Average dividend of 131 banks out of Boston—including those in South Boston—paid in October on \$27,287,500 capital, was 3.42 per cent.

Average dividend of 174 banks in the Commonwealth, paid in April on \$65,344,200 capital, was 3.38 per cent.

Average dividend of 172 banks in the Commonwealth, paid in October on \$65,019,200 capital, was 3.32 per cent.

AMENDMENTS OF THE INTERNAL REVENUE ACT.

SALES OF GOLD.

SEC. 4. *And be it further enacted*, That all contracts for the purchase or sale of gold or silver coin, or bullion, and all contracts for the loan of money or currency secured by pledge or deposit, or other disposition of gold or silver coin of the United States, if to be performed after a period exceeding three days, shall be in writing or printed, and signed by the parties or their agents or attorneys, and shall have one or more adhesive stamps, as provided in the act to which this is an amendment, equal in amount to one-half of one per centum, and interest at the rate of six per centum per annum on the amount so loaned, pledged or deposited; and if any such loan, pledge or deposit, made for a period not exceeding three days, shall be renewed or in any way extended for any time whatever, said loan, pledge or deposit shall be subject to the duty imposed on loans exceeding three days; and no loan of currency or money on the security of gold or silver coin of the United States, as aforesaid, or of any certificate or other evidence of deposit, payable in gold or silver coin, shall be made, exceeding in amount the par value of the coin pledged or deposited as security; and any such loan so made, or attempted to be made, shall be utterly void; *Provided*, That if gold or silver coin be loaned at its par value, it shall be subject only to the duty imposed on other loans; *Provided, however*, That nothing herein contained shall apply to any transaction by or with the government of the United States.

SEC. 5. *And be it further enacted*, That all contracts, loans or sales of gold and silver coin and bullion, not made in accordance with this act, shall be wholly and absolutely void; and in addition to the penalties provided in the act to which this is an amendment, any party to said contract may, at any time within one year from the date of the contract, bring suit before any court of competent jurisdiction to recover back, for his own use and benefit, the money paid on any contract not made in accordance with this act.

NEGOTIABLE PAPER.

SEC. 6. *And be it further enacted*, That section one hundred and ten be, and hereby is, amended as follows: "Any memorandum, check, receipt or other written or printed evidence of an amount of money to be paid on demand, or at a time designated, shall be considered as a promissory note within the meaning of that section, and shall be stamped accordingly; and that Schedule B., following said section, be, and is hereby amended, so that any inland bill of exchange, draft or order for the payment of any sum of money exceeding twenty dollars, otherwise than at sight or on demand, and any promissory note, shall (in lieu of the duties

prescribed in Schedule B.) have a stamp or stamps affixed thereon denoting a duty, upon every sum of two hundred dollars or any fractional part thereof, if payable on demand or at any time not exceeding thirty-three days, including the grace, from the date or sight, of one cent, (01.)

If payable at any time not less than thirty-three days as aforesaid, and not exceeding sixty-three days, including the grace, from date or sight, of two cents, (02.)

If payable at any time not less than sixty-three days, as aforesaid, and not exceeding ninety-three days, including the grace, from date or sight, of three cents, (03.)

If payable at any time not less than ninety-three days, as aforesaid, and not exceeding four months from date or sight and grace, of four cents, (04.)

If payable at any time not less than four months, as aforesaid, and not exceeding six months from date or sight, or grace, of six cents, (06.)

If payable at any time exceeding six months from date or sight and grace, of ten cents, (10.)

And that Schedule B., following section one hundred and ten, be, and is hereby further amended, so that the stamp duty on certificates of any other description than those specified in said schedule, in lieu of ten cents, as therein prescribed, shall be five cents, (05.)

Copies of the volumes containing—

I. The Loan Act of March, 1863, authorizing the issue of \$900,000,000.

II. Amendments of the Internal Revenue Act, March 3, 1863.

III. The Act to provide a National Currency, &c.

May be had on application to the publisher of the *Bankers' Magazine*. The three important laws are contained in one volume octavo, price \$1.

MARYLAND.—A case somewhat novel in its character has just been tried in Harrisburg, Pa., and was concluded on Monday. The Adams Express Company brought an action against the Hagerstown Bank for the recovery of upwards of \$3,000 erroneously paid to them. It appears that the Express Company had received a package of money at Baltimore to be shipped to the Hagerstown Bank, containing upwards of \$9,000, and whilst the parcel was in the office in Harrisburg upwards of \$3,000 were abstracted, and paper placed in the parcel in place of the money so abstracted; the package was then re-sealed and forwarded to Hagerstown, where it was duly delivered, and upon opening it, it was discovered that a large amount had been abstracted. The company was notified of the occurrence, and paid the missing sum at once over to the bank. After this, search was instituted for the person who had abstracted the money, and in the course of a week it was discovered that a person employed in the office, who was subject to aberration of mind, (crazy,) had taken the money and destroyed it, by burning the same in Wm. xx's swamp, about one mile above the city. It was clearly established that the notes destroyed were of the Hagerstown Bank, and the Express Company therefore alleged that the bank had sustained very little loss by the destruction of their own notes, and hence they ought to refund the amount paid to them. A large mass of evidence was produced. The jury returned a verdict in favor of the plaintiff for \$3,315, this being the full amount taken from the package and destroyed.

NEW RATES FOR PROMISSORY NOTES.

The practical operation of the new amendments as to commercial paper is seen in the following synopsis:

AMOUNT OF NOTE OR DRAFT.	AMOUNT OF REQUIRED STAMP.						
	<i>On demand, or not over 30 days.</i>	<i>Over 30 days, and not over 60 days.</i>	<i>Over 60 days, and not over 90 days.</i>	<i>Over 90 days, and not over 4 months and grace.</i>	<i>Over 4 mos., and not over 6 months and grace.</i>	<i>Over 6 months and grace.</i>	
<i>Over and not over</i>							
\$ 20	\$ 200..	01 ..	02 ..	03 ..	04 ..	06 ..	10
200	400..	02 ..	04 ..	06 ..	08 ..	12 ..	20
400	600..	03 ..	06 ..	09 ..	12 ..	18 ..	30
600	800..	04 ..	08 ..	12 ..	16 ..	24 ..	40
800	1,000..	05 ..	10 ..	15 ..	20 ..	30 ..	50
1,000	1,200..	06 ..	12 ..	18 ..	24 ..	36 ..	60
1,200	1,400..	07 ..	14 ..	21 ..	28 ..	42 ..	70
1,400	1,600..	08 ..	16 ..	24 ..	32 ..	48 ..	80
1,600	1,800..	09 ..	18 ..	27 ..	36 ..	54 ..	90
1,800	2,000..	10 ..	20 ..	30 ..	40 ..	60 ..	1 00
2,000	2,200..	11 ..	22 ..	33 ..	44 ..	66 ..	1 10
2,200	2,400..	12 ..	24 ..	36 ..	48 ..	72 ..	1 20
2,400	2,600..	13 ..	26 ..	39 ..	52 ..	78 ..	1 30
2,600	2,800..	14 ..	28 ..	42 ..	56 ..	84 ..	1 40
2,800	3,000..	15 ..	30 ..	45 ..	60 ..	90 ..	1 50
3,000	3,200..	16 ..	32 ..	48 ..	64 ..	96 ..	1 60
3,200	3,400..	17 ..	34 ..	51 ..	68 ..	1 02 ..	1 70
3,400	3,600..	18 ..	36 ..	54 ..	72 ..	1 06 ..	1 80
3,600	3,800..	19 ..	38 ..	57 ..	76 ..	1 14 ..	1 90
3,800	4,000..	20 ..	40 ..	60 ..	80 ..	1 20 ..	2 00
4,000	4,200..	21 ..	42 ..	63 ..	84 ..	1 26 ..	2 10
4,200	4,400..	22 ..	44 ..	66 ..	88 ..	1 32 ..	2 20
4,400	4,600..	23 ..	46 ..	69 ..	92 ..	1 38 ..	2 30
4,600	4,800..	24 ..	48 ..	72 ..	96 ..	1 44 ..	2 40
4,800	5,000..	25 ..	50 ..	75 ..	1 00 ..	1 50 ..	2 50
<i>On \$ 10,000.....</i>		50 ..	1 00 ..	1 50 ..	2 00 ..	3 00 ..	5 00
15,000.....		75 ..	1 50 ..	2 25 ..	3 00 ..	4 50 ..	7 50
20,000.....		1 00 ..	2 00 ..	3 00 ..	4 00 ..	6 00 ..	10 00
25,000.....		1 25 ..	2 50 ..	3 75 ..	5 00 ..	7 50 ..	12 50
30,000.....		1 50 ..	3 00 ..	4 50 ..	6 00 ..	9 00 ..	15 00
35,000.....		1 75 ..	3 50 ..	5 25 ..	7 00 ..	10 50 ..	17 50
40,000.....		2 00 ..	4 00 ..	6 00 ..	8 00 ..	12 00 ..	20 00
45,000.....		2 25 ..	4 50 ..	6 75 ..	9 00 ..	13 50 ..	22 50
50,000.....		2 50 ..	5 00 ..	7 50 ..	10 00 ..	15 00 ..	25 00
60,000.....		3 00 ..	6 00 ..	9 00 ..	12 00 ..	18 00 ..	30 00
70,000.....		3 50 ..	7 00 ..	10 50 ..	14 00 ..	21 00 ..	35 00
80,000.....		4 00 ..	8 00 ..	12 00 ..	16 00 ..	24 00 ..	40 00
90,000.....		4 50 ..	9 00 ..	13 50 ..	18 00 ..	27 00 ..	45 00
100,000.....		5 00 ..	10 00 ..	15 00 ..	20 00 ..	30 00 ..	50 00

THE BANK ACT OF FEBRUARY, 1863.

This highly important bill passed both houses, and has become a law. It was introduced in the Senate some weeks ago by Mr. SHERMAN, of Ohio, and provides for a Bureau in the Treasury Department under the charge of a Controller of the Currency, nominated by the Secretary of the Treasury and appointed by the President and Senate; salary, \$5,000; bonds, \$100,000; to hold office for five years; to have deputy, clerks, &c., none of whom shall be interested in any banking under the act.

SECTIONS 2—4. The Controller is to provide seals, forms, &c.

5—6. Associations for banking may be formed by any number of persons, not less than five, who shall make certificates specifying the name of their association, its location, amount of capital, which shall not be less than \$50,000, (and in cities of over 10,000 population, not less than \$100,000;) names, residence and number of shares of stockholders, and time of beginning business; this certificate to be legally acknowledged.

7. Thirty per cent. of capital stock to be paid in at commencing, and the remaining capital at 10 per cent. every two months or less.

8. If any one fails to pay, his stock to be sold at auction, after three weeks' advertising. If not bid in, so as to cover assessments and costs, it is forfeited to the association.

9—10. When the Controller is satisfied that these conditions are complied with, he shall give the association a certificate authorizing them to commence business, which fact shall be advertised for sixty days.

11. All these associations are authorized to do business in the usual form, sue and be sued, and to perform all the ordinary functions of banking.

12. Their shares are transferable, personal property carrying their liabilities with them.

13. Capital may be increased from time to time as may be deemed expedient.

14. They may hold real estate necessary for their business; such as may be mortgaged as security for loans; such as may be conveyed for debts; and such as they may purchase under their mortgages, but no other.

15—16. Preliminary to commencing they deliver to the United States Treasurer interest-bearing bonds of the government to the specified amount, and receive currency-circulating notes in blank, registered and countersigned, equal to 90 per cent. of the current value of the bonds deposited, but not exceeding the par value, and at no time shall such notes exceed the capital stock paid in.

17. The entire amount shall not exceed \$300,000,000—\$150,000,000 to associations in States and territories, according to representative population; the other \$150,000,000 to be distributed with regard to existing bank capital, business and resources of each State.

18. The notes are to be \$5, \$10, \$20, \$50, \$100, \$500 and \$1,000, and express on their face that they are secured, and bear the signatures and seal of the Treasury Department; also the signatures of the president and cashier of the association.

19. The Secretary is to devise the form and embellishment, and have custody of the dies and manufacture. In lieu of all taxes on circulation under this act, or bonds deposited, each association shall pay semi-annually one-half of one per cent. upon the notes received, returns to be made on the 1st July and 1st January, and in default, two per cent. of the capital, to be recovered for the Treasury.

20. When duly issued, these notes shall be received at par in payment of taxes, excises, public lands and all other dues to the United States, (except duties on imports,) also for all salaries and other debts owing by the United States, except interest on the public debt; and no association shall issue any other circulating notes.

21—24. Provision is made for the careful record of transactions with banking associations, access to their books, &c.; full quarterly reports are to be made to the Controller, much the same as our usual bank reports, and abstracts thereof are to be published in one newspaper in Washington, and one in New-York, and a separate report in the place where the bank is, at the bank's expense. In Boston, New-York, Philadelphia, Baltimore, Cincinnati and New-Orleans, monthly publications are to be made.

25. If any bank fail to redeem its notes, the holder may protest them before a notary, whereupon the bank may be suspended by the Controller under forms prescribed, their securities forfeited to the United States, and enough cancelled to redeem the notes refused.

26—30. In case of suspension the securities to be sold at auction in New-York, after thirty days' notice. The Controller may, to promote the public interest, sell such stock at private sale, but for not less than the current market value. Provision is made for appointing receiver and other legal forms, in cases of default.

31. When bonds pledged for security shall be in New-York for four weeks at a rate less than value when pledged, and the depreciation is not made good by the bank, the payment of interest on such bonds shall be suspended and retained to make good the deficiency. Should the bonds rise again, the accruing interest shall be paid to the banks.

32. The Controller shall receive worn out and mutilated notes and return new ones to an equal amount, the old ones to be destroyed.

33. The issuing of any other notes than those furnished under this act is a misdemeanor, punishable by fine to double the amount issued, and fifteen years imprisonment.

35. The stockholders in associations shall not be liable as principal debtors or sureties to an amount greater than three-fifths of the capital stock paid in.

36. The shares shall be \$100 each; no stockholder can sell or transfer while he is liable for any debt of the association, nor receive any dividend, interest or profit while such liability continues.

37—38. The same security, both in kind and amount, shall be required of shareholders as of other persons. No bank shall purchase or hold its own stock or the stock of any other company, unless in case of forfeiture or to prevent loss upon debts.

39—40. Every such bank shall be managed by five to nine directors, each to be a citizen, and resident in the State one year, and own at least one per cent. of the capital stock up to \$200,000; $\frac{1}{4}$ per cent. if over that.

41. Every bank shall always have on hand in lawful money at least 25 per cent. of its outstanding notes and deposits.

43. They shall not hypothecate notes to procure money to be paid in on their own capital stock or used in other banking operations.

44. No bank shall permit loans to stockholders for more than six months; if losses at any time exceed profits on hand, no dividend shall be made, and no dividend shall ever be made greater than the net profits on hand, deducting losses and bad debts.

45. Semi-annual dividends may be declared as the directors judge expedient.

46. The banks may take, in advance, discount on notes, bills of exchange, &c., at the current established rates by the laws of the several States; taking higher interest forfeits the debt. There are elaborate regulations regarding the business of exchange. Severe penalties are provided for misconduct on the part of the banks, their officers, &c. The Secretary may use these banks as depositories of public moneys, except for customs. Legal proceedings under the act are to be directed by the Solicitor of the Treasury. Provision is made against mutilation and counterfeiting of notes. And lastly, the Controller of the Currency is to make a full report annually to Congress of the condition of each of these banks and associations.

By the seventh section of the "act to provide ways and means" for 1863—4, it is enacted that all banks shall pay one per cent. semi-annually upon the average amount of their circulation issued beyond the following:

Not over \$100,000 capital.....	90 per cent.
Over \$100,000, and not over \$200,000 capital.....	80 "
Over 200,000, and not over 300,000 ".....	70 "
Over 300,000, and not over 500,000 ".....	60 "
Over 500,000, and not over 1,000,000 ".....	50 "
Over 1,000,000, and not over 1,500,000 ".....	40 "
Over 1,500,000, and not over 2,000,000 ".....	30 "
Over 2,000,000,.....	25 "

*Recapitulation of Votes in the House of Representatives, February 20th,
1863, on the Currency Bill.*

STATES.	Total.	Yea.	Nays.	Absent.
Maine,.....	6	5	1	..
New-Hampshire,.....	3	1	1	1
Vermont,.....	3	..	2	1
Massachusetts,.....	11	6	3	2
Rhode Island,.....	2	..	1	1
Connecticut,.....	4	..	3	1
New-York,.....	33	13	8	12
New-Jersey,.....	5	..	5	..
Pennsylvania,.....	25	13	7	5
Delaware,.....	1	1	..	..
Maryland,.....	6	2	2	2
Virginia,.....	4	2	1	1
Louisiana,.....	1	1	..	..
California,.....	3	3	..	..
Illinois,.....	9	3	2	4
Indiana,.....	11	5	4	2
Iowa,.....	3	..	1	1
Kansas,.....	1	1	..	..
Kentucky,.....	10	1	7	2
Michigan,.....	4	4	..	..
Minnesota,.....	2	2	..	..
Missouri,.....	7	1	4	2
Ohio,.....	21	9	11	1
Oregon,.....	1	..	1	..
Tennessee,.....	2	2	..	..
Wisconsin,.....	2	2	..	..
Total House of Representatives,..	179	77	64	38
“ Senate,.....	48	23	21	4

NOTE.—For the vote in the Senate on this bill, see the March number of this work, p. 733.

TO BANKS AND PRIVATE BANKERS.

Now ready, in one volume, octavo, the late acts of Congress in reference to banking and the currency. *Price, one dollar.*

I. An act to provide ways and means for the support of the government, 1863—1864.

This act authorizes the issue of nine hundred millions of dollars in bonds, certificates, notes, &c.

II. An act to provide a national currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof. Approved February 25, 1863.

(With marginal notes, and a copious alphabetical index to subjects in the act.)

III. An act, approved March 3, 1863, amending the internal revenue act of July, 1862.

These three important acts are published in one volume, octavo, at the office of the *BANKERS' MAGAZINE*, and will be transmitted to order to any subscriber to this magazine to any part of the United States. *Price, one dollar.*

THE PRICE OF GOLD.

GOLD reached its maximum market value on the last day of February. A decline then followed, and on the 4th, 5th and 6th of March it fell from 171½ to 150. It has since again advanced to 163, ranging from that down to 154½, and on the 25th, to 39 @ 40.

The passage of the bank and loan acts by Congress, at the close of the session, produced this decline from a merely speculative value. The adoption of a sound financial policy, coupled with a combined or general movement on the part of capitalists to absorb largely the new bonds of the government, will do much towards the restoration of the public credit, and the stoppage of the speculation lately so strong in the purchase and sale of gold.

In our numbers from August to March, we published the daily fluctuations in the value of gold. The extreme range of premium on gold, since March last, has been as follows:

April, 1862,	1½ @ 2½	October, 1862,	22 @ 37½
May, "	2½ @ 4½	November, "	28½ @ 32½
June, "	3½ @ 9½	December, "	28½ @ 34
July, "	8½ @ 20½	January, 1863,	35½ @ 60
August, "	12½ @ 16½	February, "	52½ @ 72
Sept., "	16½ @ 24	March "	35 @ 71

The sales since 1st February have been as follows at the New-York Stock Board:

Feb. 2, .. 156½ @ 157½	Feb. 19, .. 161½ @ 164	Mar. 9, .. 155½ @ 157½
3, .. 154½ @ 155	20, .. 163½ @ 163½	10, .. 160 @ 163
4, .. 157 @ 157½	21, .. 162½ @ 162½	11, .. 157½ @ 158½
5, .. 156½ @ 157½	23, .. 163½ @ 164½	12, .. 158½ @ 160½
6, .. 157½ @ 157½	24, .. 167½ @ 171½	13, .. 159½ @ 162
7, .. 156½ @ 157½	25, .. 171½ @ 172½	14, .. 157½ @ 158½
9, .. 155½ @ 155½	26, .. 169½ @ 171½	16, .. 154½ @ 155
10, .. 152½ @ 153½	27, .. 169½ @ 171	17, .. 154½ @ 155½
11, .. 152½ @ 156	28, .. 171½ @ 172	18, .. 153½ @ 155
12, .. 154½ @ 154½	Mar. 2, .. 171 @ 171½	19, .. 154½ @ 155½
13, .. 155½ @ 155½	3, .. 171½ @ 171½	20, .. 154½ @ 155
14, .. 155½ @ 155½	4, .. 165 @ 168	21, .. 153½ @ 154½
16, .. 155½ @ 157½	5, .. 157 @ 158	23, .. 151 @ 153½
17, .. 158½ @ 159	6, .. 150 @ 154	24, .. 145½ @ 149
18, .. 161½ @ 166½	7, .. 154½ @ 155½	25, .. 141½ @ 143

FOREIGN EXCHANGE.—Bills on London have declined fully 10 per cent. since the close of our last month's report, keeping pace with the extraordinary fluctuations in the current value of gold. We annex the closing quotations for bills on London, &c. Sixty days' bills on Antwerp are quoted, 3.37½ @ 3.30; Frankfort, 68½ @ 65; Prussian thalers, 112 @ 115; Swiss, 3.30 @ 3.27½:

	Dec. 24.	Jan. 24.	Feb. 21.	March 20.
London, bankers' bills,	145½ @ 146	160½ @ 162	179½ @ 180½	170½ @ 171½
" mercantile bills,	144 @ 145	159 @ 160	177 @ 179	167½ @ 170
" with bills of lading,	148½ @ 144½	158 @ 160	175 @ 177	161 @ 166
Paris, bankers' bills,	8.90 @ 8.88½	8.47 @ 8.45	8.20 @ 8.12½	8.37½ @ 8.27½
Amsterdam, per guilder,	55½ @ 55½	60 @ 61	67 @ 68½	68½ @ 65
Bremen, per rix dollar,	105 @ 105½	115 @ 117	123 @ 130	121½ @ 124
Hamburg, per marc banco,	48½ @ 49½	58½ @ 54½	59 @ 60½	56½ @ 57½
Frankfort, per florin,	55½ @ 55½	63 @ 63	68 @ 68½	68½ @ 66

LOWEST AND HIGHEST SALES FOR CASH, AT NEW-YORK, 1860-1863.

NEW-YORK STOCK BOARD.	YEAR 1860.		YEAR 1861.		SEPT., 1862.		OCT., 1862.		NOV., 1862.		DEC., 1862.		YEAR 1863.		JAN., 1863.		FEB., 1863.		
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	
United States six per cent, 1863,...	95	109½	80	100	96½	100	108	108½	101½	108	108	109	85	107½	98	99	96½	108	
United States six per cent, 1861,...	..	..	85½	95½	99	103½	108	104½	106	104½	109½	104½	87½	107½	91½	99	92½	103½
U. S. five per cent, 1874, coupon,...	85	104½	75	97	88	91½	91	94	91½	98	91½	98	75	94½	..	..	86½	97½
Indiana State five per cent,.....	88	98	75	98	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Virginia six per cent. bonds,.....	78	95	86	81	55½	59	58½	65½	60	65	60	68	49	65½	68	73½	68	75	
Tennessee six per cent. bonds,.....	64	98	84½	77	48½	51	51	58½	58	53	59½	58½	48	61	68	64	61	68	
Georgia six per cent. bonds,.....	109	108	88	94	..	..	..	..	80	..	80	..	66½	80	80	..	..	..
North Carolina six per cent bonds,...	76	100	44	82½	64½	65½	68	71	69	70½	68	70	60	74	69½	75	74	78	
California seven per cent bonds,...	88	95	71½	88	99½	109	110	115½	118	114	111½	119	76½	119	115	183	180	187	
Missouri six per cent. bonds,.....	61	84½	85	73½	45½	50½	49½	56	50½	53½	51½	53½	40	58	59½	68½	68	66½	
Cumberland Coal Co., preferred,...	8	17½	4	9½	8½	15½	9½	17	11	18½	19	14½	5	17	14½	28	19	20½	
Pacific Mail Steamship Company,...	70	107½	50	100	109½	121½	117½	188	117½	188	117½	194½	101	106½	101½	104½	79½	107	
New-York Central Rail-Road,.....	70	92½	68	89½	98	104	103½	107½	101	106½	101½	104½	79½	107½	107	194½	116½	190	
Erie Rail-Road shares,.....	8½	43	17	40½	88½	49½	49	65½	59	64½	60	65½	81½	63½	65	85½	70	80½	
Hudson River Rail-Road,.....	36	66	31½	49½	50	69½	61	79	73	79	73½	79	79½	80½	79½	88½	98	91½	
Harlem Rail-Road shares,.....	8	24	8½	16½	15	23	30½	35½	18	28	31	26½	11½	26½	25	49	39	37½	
Harlem Rail-Road, preferred,.....	27	55	30½	43	39	49½	46½	58½	44½	53½	50	57½	35½	57½	57	87	63½	78	
Reading Rail-Road shares,.....	80	49½	99½	45	56½	70	69	79	78½	79½	74½	77½	35	79	77½	96	89½	95½	
Michigan Central Rail-Road,.....	84½	79½	89½	61½	66½	81½	81½	93½	85½	91½	83½	93	47	98	91½	98½	95	98½	
Michigan S. & N. Indiana R.R.,...	5	25	10½	20½	81	39½	37½	47	37½	45½	36½	41½	19	41	45½	65½	55	68½	
Michigan S. & N. Indiana, guar.,...	12½	50½	22½	41½	61½	74	73½	85	80½	85½	88	85	89½	85½	96½	106½	103	108½	
Panama Rail-Road shares,.....	106	149½	97½	131	189½	180	144	188½	169	170	110	110	170	170	171	187	181	199	
Illinois Central Rail-Road shares,...	51½	89½	55½	83½	61½	77	76½	94½	74	81½	76½	81	58½	84½	81½	97½	89½	95	
Galena and Chicago Rail-Road,...	55	83½	55	74½	70½	81½	79½	88	80	86	80	88	80	88	88	94½	89½	95	
Cleveland and Toledo Rail-Road,...	18½	49½	30½	59½	39½	69½	67½	73	65½	70½	66	77½	89½	77½	77½	97	86½	96½	
Chicago & Rock Island Rail-Road,...	49½	84½	69	68½	73½	77½	85½	77½	83½	88	83½	89½	50	85½	88½	94½	87½	95	
Illinois Central Construction bonds,...	81	100½	84½	109½	100	107	109½	107	104½	107½	107	112	88½	112	119½	135	124	138	
Pennsylvania Coal Company,.....	78½	87	78	81	99	105	106	110	109½	116	119½	119	79½	119	120	189	136	189½	
Delaware and Hudson Canal Co.,...	80	101½	79	98	100	110	108	110	111½	118	118	119	84½	119	118½	139	128	138½	
Premium on gold,.....	10½	94	29	87½	98½	88½	98½	83½	9½	87½	88½	89½	59½	59½	79½
Chicago, Burlington and Quincy,...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Demand Notes,.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, 7.60 per cent.,...	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

THE STOCK MARKET FOR FEBRUARY.

PRICES in February reached generally much higher figures than at previous dates. Government loans, especially, improved in view of the action of Congress upon the currency and bonds to be issued by the Treasury. The six per cent. bonds of 1881 reached 102½, an advance of 8½ on the lowest price of the month. State loans were also in better demand for investment, with large transactions for cash. California seven per cents reached 137; Missouri sixes, 66½.

The dividend paying rail-road shares were also sought at a large advance. All securities promising steady dividends of six per cent. or more, claim attention. Rail-road shares are largely among this class of securities.

Comparative Statement of the Condition of the Bank of England at the close of February, 1853, and of 1860—1863, with the price of Consols, Wheat and Continental Exchanges, February 28.

BANK OF ENGLAND.	1853.	1860.	1861.	1863.	1863.
	£	£	£	£	£
Circulation,	23,345,000	21,346,000	20,104,000	20,786,000	19,715,000
Public deposits,	7,062,000	7,612,000	5,820,000	5,763,000	7,901,000
Other deposits,	12,897,000	13,787,000	12,109,000	14,989,000	13,867,000
Government securities,	13,488,000	10,171,000	8,770,000	11,910,000	11,048,000
Other securities,	14,996,000	21,164,000	20,569,000	17,717,000	13,569,000
Reserve of notes and coin,	10,900,000	9,000,000	7,165,000	10,351,000	10,147,000
Coin and bullion,	13,190,000	15,171,000	12,908,000	15,749,000	14,614,000
Bank rate of discount,	8 p. c.	4 p. c.	8 p. c.	2½ p. c.	4 p. c.
Prices of Consols,	99½	94½	91½	93½	99½
Average price of wheat,	45s. 2d.	44s. 6d.	54s. 0d.	50s. 6d.	46s. 6d.
Exchange on Paris, (short),	25.7½	25.5	25.87½	29.19½	25.17½
“ on Amsterdam, do.,	11.17½	11.13½	11.18	11.16	11.15½
“ on Hamburg, (8 mo.)	13.7½	13.5	13.9½	13.7½	13.7½

In the corresponding week of 1853 the position of the Ottoman Porte, and the probability of aggressive measures by Austria and Russia, were causing additional uneasiness. The Turkish operations against Montenegro were being actively carried on by OMAR PASHA. The money markets in London and Paris were quiet.

In 1860 the Emperor had opened the Legislative Session in Paris; and, in his speech, had intimated his opposition to the Tuscan annexation. He had also asserted that it might become necessary for France to claim Savoy. An unfavorable impression had been created by this speech, and the stock markets were, in consequence, heavy. The course of the war between Spain and Morocco was being attentively watched. The acceptance of Mr. GLADSTONE'S budget had followed the discussions it had provoked.

In 1861 news had reached London of the resolution of the American House of Representatives that “neither Congress nor the people or government of the non-slaveholding States have any constitutional right to legislate upon or to interfere with slavery in any slaveholding State of the Union.” Mr. LINCOLN'S election to the Presidency had been declared. The seceding States were preparing for defence. The Emperor of Austria had signed a new constitution for the empire. The Sardinian troops were preparing to reduce the citadel of Messina, which still held out for the king of Naples. The increased rate of discount had already occasioned an addition to the bullion as well as to the reserve held by the Bank of England. The Austrian ambassador had applied for an injunction to stop the printing of 100,000,000 florins Hungarian notes, which had been ordered in this country by M. KOSSUTH.

BANK ITEMS.

NEW-YORK.—By the seventh section of the "Act to provide ways and means for 1863-4," it is enacted that all banks shall pay one-half of one per cent. semi-annually, upon the average amount of their circulation, according to the following ratios, and one per cent. semi-annually upon the excess:

Not over \$100,000 capital.....	90 per cent.
Over \$100,000 and not over \$200,000 capital.....	80 " "
" 200,000 " " 300,000	70 " "
" 300,000 " " 500,000	60 " "
" 500,000 " " 1,000,000	50 " "
" 1,000,000 " " 1,500,000	40 " "
" 1,500,000 " " 2,000,000	30 " "
" 2,000,000.....	25 " "

According to this section of the act of March, 1863, the circulation of the existing banks of the State of New-York may be increased from its present sum (\$39,182,819) to \$54,929,157, without liability to a tax beyond one per cent. per annum. The official report for December 27th, 1862, of the 308 banks of the State of New-York, showed an aggregate capital of \$108,668,297. This capital entitles them, under the act of Congress of March, 1863, to a circulation, (according to a prescribed scale,) of \$54,929,157, subject to a tax of one per cent. per annum.

Capital and Circulation of the Banks of the State of New-York, with the Circulation to which they are entitled at one per cent. tax. December 27th, 1862.

<i>Banks in excess of Circulation.</i>	<i>Capital.</i>	<i>Actual Circulation.</i>	<i>Circulation to which they are entitled under Act of 1863.</i>	<i>Excess of Circulation.</i>
67 Under \$100,000.....	\$ 3,885,789	.. \$ 4,418,188	.. \$ 3,402,305	.. \$ 2,995,798
47 From \$100,000 to \$200,000.....	6,915,850	.. 6,741,031	.. 5,402,699	.. 1,338,332
6 " 200,000 to 300,000.....	1,605,000	.. 1,427,087	.. 1,123,500	.. 303,587
10 " 300,000 to 500,000.....	4,211,100	.. 3,667,084	.. 2,598,660	.. 1,140,424
1 " 500,000 to 1,000,000.....	600,000	.. 325,741	.. 300,000	.. 25,741
1 " 1,000,000 to 1,500,000.....	1,500,000	.. 681,250	.. 600,000	.. 81,250
182 Total.....	\$ 15,567,739	.. \$ 19,210,816	.. \$ 13,455,045	.. \$ 5,755,771
<i>Banks not in excess of Circulation.</i>	<i>Capital.</i>	<i>Actual Circulation.</i>	<i>Additional Circulation to which they are entitled.</i>	<i>Circulation to which they are entitled.</i>
25 Under \$100,000.....	\$ 2,178,575	.. \$ 1,477,221	.. \$ 468,297	.. \$ 1,945,718
72 From 100,000 to \$200,000.....	11,478,530	.. 6,656,078	.. 2,522,787	.. 9,178,815
27 " 200,000 to 300,000.....	7,841,425	.. 2,960,996	.. 2,173,002	.. 5,188,093
19 " 300,000 to 500,000.....	8,410,200	.. 2,188,900	.. 2,912,920	.. 5,246,180
16 " 500,000 to 1,000,000.....	14,100,000	.. 3,196,896	.. 3,558,104	.. 7,639,000
4 " 1,000,000 to 1,500,000.....	5,785,000	.. 598,023	.. 1,700,977	.. 2,394,000
6 " 1,500,000 to 2,000,000.....	11,800,000	.. 1,520,075	.. 2,019,925	.. 8,540,000
7 Over 2,000,000.....	29,061,845	.. 1,424,914	.. 5,880,547	.. 7,265,461
176 Total, 176 banks.....	\$ 90,100,565	.. \$ 19,972,506	.. \$ 21,501,909	.. \$ 41,474,112
182 " 182 banks.....	18,567,732	.. 19,210,816	.. 5,765,271	.. 13,455,045
308 Grand total.....	\$ 108,668,297	.. \$ 39,183,312	.. \$ 27,267,180	.. \$ 54,929,157
Additional circulation authorized.....		15,746,838		
Total, under the act.....		\$ 54,929,157		

One hundred and thirty-two of the banks had an excess beyond such limit, of \$5,755,271. The remaining one hundred and seventy-six banks had not reached their limit by the sum of \$21,501,609, although their capital was five fold that of the former.

Total circulation authorized, at one per cent.,.....	\$ 54,929,157
Excess in 132 banks,.....	5,755,271
	<hr/>
	\$ 60,684,428
Amount not issued by 176 banks,.....	21,501,609
	<hr/>
Present circulation,.....	\$ 39,182,819

The tabular statement herewith will show the several classes of banks in New-York, whose circulation exceeds their capital and also exceeds the limits prescribed by the act of Congress; also, the several classes of banks that have not reached such limit, with their combined capital. One feature of this statement, which will attract attention, is the fact, that the excess of circulation is mainly with those banks of small capitals.

These may be called the "over-traders," who, whenever a crisis is threatened, are the first to demand assistance from their stronger and more prudent neighbors.

The circulation of thirty-six individual banks was, in December last, \$2,068,415 on a capital of \$1,290,770. In one case the circulation is \$76,000 on a capital of \$10,000. Another, \$109,000 on a capital of \$50,000. Another, \$82,000 on a capital of \$20,000. These issues, under the wise law of the State of New-York, are satisfactorily secured.

NEW-YORK.—**ROBERT H. LOWRY, Esq.**, Cashier of the Bank of the Republic since 1864, was, in February last, elected President of the bank in place of **JOHN J. CRANE, Esq.**, who declined a re-election. **MR. HENRY W. FORD**, for some years Paying Teller, succeeds Mr. Lowry as Cashier, and **MR. D. L. ST. JOHN** has been promoted from the Second Teller's desk to that of First Teller.

Fishkill.—The "Wicapee Bank" is the proposed title of a new bank now in course of organization at Fishkill Landing, N. Y., the capital to be \$50,000, under the late act of Congress.

Troy.—In February, the Commercial Bank of Troy, which is closing its business, declared a dividend of seventy per cent. of its capital in gold—the remaining thirty per cent. to be paid out of further assets. In September last the surplus profits were \$149,201, on a capital of \$300,000.

Cutting Bank Bills.—The custom of cutting bills of the various banks for the purpose of making change, has been practiced so extensively that the banks have found it necessary to put a stop to the practice. Accordingly the Suffolk Bank has issued a circular requesting their correspondents not to send cut bills for redemption—such bills to be sent to the banks which issue them.

MASSACHUSETTS.—In the Massachusetts legislature a petition has been presented of **C. M. OWEN** and others, bank officers in the Housatonic, Mahaiwa, Lee and Pittsfield banks, for the repeal of the bank tax; officers of Westfield and Hampden banks in aid of the same.

Bank of Mutual Redemption.—**EDWARD A. PRESBRY, Esq.**, formerly of Taunton, who has held for many years a responsible position in the Boston office of the Old Colony and Fall River Rail-Road Company, has been unanimously elected Cashier of the Bank of Mutual Redemption, vice **HENRY P. SHED**, resigned.

Bank Commissioner.—**GOV. ANDREW**, with the advice of the Council, has appointed **ELIAZER C. SHERMAN**, of Plymouth, to be of the Board of Bank Commissioners, vice **WILLIAM D. FORBES**, of Fall River, resigned.

Savings Banks.—A meeting of savings banks was held at the banking rooms of the School Street Savings Bank, Thursday, Feb. 12th, and in view of the great

difficulty of investing funds at the usual rate of interest, and the large tax imposed upon savings institutions, and considering the true policy of such institutions to keep strong, it was voted unanimously that it is expedient at the present time to reduce the rate of ordinary dividends paid to depositors.

Boston.—A meeting of the stockholders of the Bank of the Metropolis, Boston, was held on the 23d March, to consider the expediency of closing up the affairs of the bank, and of surrendering and annulling its charter.

MASSACHUSETTS.—We are informed that one of the Bank Commissioners of this State, at a recent hearing before the Committee on Banks and Banking, presented the following statement of the amount of the tax imposed by the national "ways and means act" upon city and country banks respectively, taking the last returns as the basis:

BOSTON BANKS.			
Capital.....		\$ 88,231,700	....
Circulation.....		8,019,767	....
Tax, 1 per cent. on this.....		.....	\$ 80,197
Deposits less circulation.....		27,225,776	....
Tax, $\frac{1}{2}$ per cent. on this.....		.....	68,064
Total tax on Boston Banks.....			\$ 148,161
Being about 89-100 of one per cent. on capital.			

COUNTRY BANKS.			
Capital.....		\$ 29,312,500	....
Circulation below 1 per cent. limit.....		18,657,451	....
Tax, 1 per cent. on this.....		.....	\$ 186,574
Circulation above 1 per cent. limit.....		2,864,323	....
Tax 2 per cent. on this.....		.....	57,286
Excess of deposits over circulation.....		1,203,638	....
Tax, $\frac{1}{2}$ per cent. on this.....		.....	3,009
Total tax on country banks.....			\$ 246,869
Being about 85-100 of one per cent. on capital.			

Savings.—Over six hundred money packages were received in Boston, 5th inst., by the Adams Express Co., by their line from New-Orleans. These packages were principally from soldiers, and averaged fifty dollars each in amount. This company are doing an enormous army business, and doing it promptly and satisfactorily.

CONNECTICUT.—The New Britain (Conn.) Bank has voted to increase its capital stock to \$200,000.

RHODE ISLAND.—We have before us a Newport bank note issued in the year 1806, which is to-day worth one hundred per cent. premium or more, as a relic. The title is, "The President, Directors and Company of the Bank of Rhode Island promise to pay J. COE, or bearer, on demand, one dollar. Newport, July the 8th, 1806. A. SHAW, Cash'r; JACOB GARDNER, Pres'd't." Although fifty-seven years old, the note has stood well the test of time, and the color of the ink is well preserved.

Old Notes.—During the financial debate in Congress, in February, Mr. SHEFFIELD, of Rhode Island, while denouncing the undue expansion of currency, stated that he held in his hand a promissory note of the State of Massachusetts Bay, issued in 1780, which had never been redeemed. Upon Mr. ELIOT making an inquiry about this, which was not audible to the reporter, Mr. SHEFFIELD said—"The note is signed by the gentleman's own grandfather, and by another of his kinsmen," probably alluding to RICHARD CRANCH and THOMAS DAWES. "I will redeem it, sir," exclaimed Mr. ELIOT, in the honesty of his heart. "Ah!" responded Mr. SHEFFIELD, "it would take more money to redeem it than the gentleman has got; for it carries interest, payable semi-annually in coin; and I am afraid when he came to count it up he would find the amount too large for him. It was payable in Spanish milled dollars. I also hold in my hand a note issued by the State of Virginia. But the notes of Massachusetts and Virginia were not the only notes that were issued.

They can be found of my own State, and of almost all the colonies. They were never redeemed. A gentleman asks me the reason. It was because they issued more notes than they could redeem. It was because the currency was expanded beyond the capacity of the people to redeem."

Providence.—At a meeting of the Directors of the Traders' Bank, Providence, ZACHARIAH R. TUCKER was elected President of the Bank, to fill a vacancy caused by the death of EARL CARPENTER.

PENNSYLVANIA.—The following banks have made application to the legislature for a re-charter, and bills to that effect, which have been presented, are now in the hands of the Hon. Mr. WIMLEY, chairman of the bank committee: Exchange Bank of Pittsburg, West Branch Bank, Farmers and Mechanics' Bank of Easton, Bank of Northern Liberties, Philadelphia; Allentown Bank, Wyoming Bank at Wilkesbarre, Lancaster County Bank, Bank of Danville, Bank of Chambersburg, Honesdale Bank, York Bank, Harrisburg Bank, Bank of Montgomery County, Lebanon Bank. Two new banks seek incorporation, viz., Scranton Bank, Bellefonte Bank, Centre County.

The State senate committee on banks reported bills to re-charter the following banks, for the period of five years from the expiration of their charters, viz.: Bank of Danville, Bank of Delaware County, Lancaster County Bank, Farmers' Bank of Easton, Commercial Bank of Pennsylvania.

The Banks and the State Interest.—The amount collected by the State Treasurer, for the payment of interest on the State debt, due February 1st, as required by a recent act of the legislature, has been \$964,070. All the banks in the City of Philadelphia have rendered their proportion, and complied with the provisions of the act of Assembly, except the Southwark Bank, which has been called on several times. The following banks have refused, on the ground that they are specie-paying: Pittsburg Bank, Bank of Fayette County, Monongahela Bank, (Brownsville,) Bank of Beaver County. The amount of assessment has been four per cent. on the amount of capital stock of the banks.

Small Notes.—It will be remembered that we, some few weeks ago, used our best efforts to prevent the issue of a fractional paper circulation in this State, or to allow of its coming into the State from other places. We were pointed to New-York as favoring a more accommodating spirit, by not only tolerating but authorizing such issues. Now Philadelphia is tolerably well supplied with small currency authorized by the government, while at New-York and other eastern points they are suffering great inconvenience and much loss, by an immense circulation of all sorts of trash, which, being less valuable than the postage currency, has served to keep it out of general circulation. So intolerable has the nuisance become, everybody is denying them, causing quite a panic among the poorer classes—those least able to bear the loss—is the result. Nobody but the brokers will deal in them now. Nothing but the easy good-nature of the community would have tolerated these trashy substitutes for money so long. Their career would probably have lasted a little longer, but for the numerous fraudulent issues which were in circulation, and which, being much superior in appearance to the originals, were well adapted to become current. The corporation issues of Newark and Jersey City, by far the best looking of the trashy tribe, and more popular than others, on account of the nearness of those cities to New-York, are included in the general decree of banishment. The people will take nothing but government postage currency for small change. There appears to be no lack of it now.—*Phil. Ledger.*

Circulation.—The official reports of the country banks of Pennsylvania, at the close of February, (reported in "*The Dial*," at Philadelphia,) show the following results, compared with the close of November last:

	<i>Circulation.</i>	<i>Deposits.</i>	<i>Loans.</i>	<i>Specie.</i>
Nov., 1862,.....	\$ 22,580,568	.. \$ 11,495,153	.. \$ 23,646,618	.. \$ 4,025,788
Feb., 1863,.....	23,283,835	.. 13,377,971	.. 23,059,062	.. 3,679,040

NEW-JERSEY.—There have been at least six or seven new banks started within the last few months in New-Jersey, which are managed by parties operating in

New-York city. Another is now announced—"The National Bank of Paterson"—commenced operations in Paterson. It is reported to have a capital of \$100,000, and its circulation is said to be entirely secured by United States stocks. The parties establishing the bank are from New-York, and the bills will be redeemed by the Marine Bank. JOHN B. SARSON is President, and WILLIAM C. LANDOW is Cashier.

The State Treasurer of New-Jersey has given notice that bids for bonds of that State, to the amount of \$200,000, will be received in Trenton until 19th inst.

MICHIGAN.—The banks at present in the State of Michigan are all established under the free banking law, viz.:

	Capital.	Circulation.	Cashier.
Peninsular Bank, Detroit,.....	\$ 88,050	.. \$ 28,600	.. M. F. DOW.
State Bank, "	50,000	.. 20,600	.. EMORY WHEDELL.
Michigan Insurance Bank, Detroit,	200,010	.. 44,900	.. HENRY K. SARGENT.
Farmers and Mechanics' Bank, Detroit, ..	73,580	.. 28,000	.. L. M. MASON, V. P.
Bank of Michigan, Marshall,	50,000	.. .....	.. .....

MICHIGAN.—A new bank has been established at Marshall, Mich., under the name of the "Bank of Michigan," JOSEPH SIBLEY, President, and W. POWELL, Cashier, about which the *Detroit Commercial Advertiser* says:

"This is the third bank organized under the free banking law. All these banks are compelled to deposit stocks of Michigan, New-England, Ohio, Pennsylvania and Indiana, with a margin of ten per cent. from market prices, which makes the currency secure beyond a doubt. We learn that the capital of this bank is owned principally by a lady in New-York. If she is responsible, depositors are of course safe; if not, as H. J. PEARSON and J. SIBLEY own five hundred dollars of stock between them, they would be liable only for one thousand dollars in case of failure."

Bay City.—A banking institution is about to be started at Bay City, Mich., by C. W. GIBSON & Co. Mr. GIBSON, lately a provision dealer at East Saginaw, is to be managing director.

ILLINOIS.—Just now the most noticeable feature of the market is the scarcity of exchange. It is reported very close by nearly all the banks, and to make it, Eastern currency is going home by the cart load. For months past the Eastern banks have complained that they could not get enough of their own bills to supply their customers. Many of them profess an anxiety to retire their circulation. If the stringency in the exchange market continues here, the West will furnish them with all the opportunity they want to redeem their currency, for the next month at least. There is a vast amount of it in circulation, and to remember the names of the various banks is a hopeless task. Send it home, we say, now that a good opportunity offers, and let it give place to the "green-backs."

All the banks, with a single exception, hold exchange very firm at $\frac{1}{2}$, and buying at par @ $\frac{1}{4}$. In some cases even full selling rates have been paid. The rate given is for customers only. Outsiders are charged $\frac{1}{2}$ @ $\frac{1}{4}$. One large house, heretofore referred to, still supplies all its customers at $\frac{1}{2}$, paying very little, if any thing, above par.—*Chicago Tribune*, March 7.

WISCONSIN.—The last monthly statement of the Wisconsin banks, by Comptroller RAMSAY, shows the circulation to have increased, within a month, \$8,600; United States stocks increased \$62,000; other stocks decreased \$48,000.

IOWA.—The consolidated statement of the State Bank of Iowa, rendered Feb. 2, 1863, states the circulation of the 14 branches at \$1,322,274 80. The total amounts of loans and discounts during the previous month was \$1,679,383 53. The consolidated branches exhibit a safety fund of \$229,865 35, with \$535,600 47 specie on hand. Total amount due depositors is \$1,607,493 97.

TENNESSEE.—The following are the brokers' quotations for currency in Tennessee. These quotations are for United States Treasury Notes, Ohio, Indiana and Kentucky paper—all bankable funds:

Bank of Tennessee,.....	3 dis.	Commercial Bank,.....	50 dis.
Union Bank,.....	3 "	Southern Bank,.....	40 "
Planters' Bank,.....	3 "	Bank of Nashville,.....	10 "
Merchants' Bank,.....	5 "	Bank of Shelbyville,.....	3 "
Bank of the Union,.....	5 "	Ocoee Bank,.....	40 "
Traders' Bank,.....	5 "	Bank of Dandridge,.....	50 "
Bank of Commerce,.....	50 "	Bank of West Tennessee,.....	15 "
City Bank,.....	5 "	Bank of Middle Tennessee,.....	5 "
Farmers' Bank,.....	25 "	Northern Bank,.....	15 "
Bank of Paris,.....	15 "		
Bank of Chattanooga,.....	15 "	Georgia and South Carolina,.....	35 "
Bank of Memphis,.....	15 "	North Carolina and Virginia,.....	55 "
Buck's Bank,.....	5 "	Alabama,.....	35 "
River Bank,.....	22 "	Louisiana,.....	30 "

DOUBTFUL—WILD CAT.

North Western Bank of Georgia,.....	60 dis.	Fulton Bank,.....	60 dis.
Bank of the Empire State, Georgia,.....	75 "	Bank of Whitfield,.....	—
Bank of Athens, Georgia,.....	60 "	Timber Cutters' Bank,.....	60 "

The following Tennessee banks are broken, or have been wound up; and their notes, if any are out, are utterly worthless:

Agricultural Bank, at Brownsville.	Bank of East Tennessee, at Knoxville.
Central Bank of Tennessee, at Nashville.	Bank of Trenton, at Trenton.
Farmers' and Mech. Bank, at Memphis.	Bank of Jefferson, at Dandridge.
Mechanics' Bank, at Memphis.	Bank of Claiborne, at Tazewell.
Memphis Saving Institution, at Memphis.	Bank of Tazewell, at Tazewell.
Exchange Bank, at Murfreesboro.	Lawrenceburg Bank, at Lawrenceburg.
Miners and Manufacturers' Bank, at Knoxville.	Citizens' Bank, at Memphis.
	Bank of America, at Clarksville.

Wisconsin.—The monthly statement of Bank Comptroller Ramsay, of January 1st, shows an increase in the bank circulation of the State, during the month of December, of \$64,807. The total circulation now outstanding is:

Of solvent banks,.....	\$2,429,475
Of winding up banks,.....	98,718

Total,.....\$2,528,193

The securities held by the Comptroller for this circulation, on the 1st of January, were as follows:

Wisconsin 6s,.....	\$1,886,500 00	Louisiana 6s,.....	9,000 00
United States 6s,.....	255,000 00	Kentucky 6s,.....	5,000 00
United States 7.30s,.....	297,250 00	Tennessee 6s,.....	17,000 00
Illinois 6s,.....	181,350 00	Missouri 6s,.....	76,000 00
Michigan 6s,.....	94,500 00	North Carolina 6s,.....	5,000 00
Michigan 7s,.....	1,000 00	Mil. & Wat. R. R. 8s,.....	50,000 00
Ohio 6s,.....	47,600 00		
California 7s,.....	28,500 00		\$2,585,700 00
Minnesota 8s,.....	66,000 00	Specie, (in Treasury notes,.)	62,874 68
Iowa 7s,.....	18,000 00	Specie, (in coin,.).....	35,261 50
Indiana 5s,.....	28,000 00		
Indiana 2½s,.....	15,000 00	Total,.....	\$2,683,826 18
Virginia 6s,.....	5,000 00		

The following were the changes of the month in the securities:

DECREASED.		INCREASED.	
Wisconsin 6s,.....	\$1,000 00	United States 7 8-10s,.....	\$63,500 00
Michigan 6s,.....	9,000 00	United States 6s,.....	21,500 00
Total,.....	\$10,000 00	Total,.....	\$85,000 00

LOUISIANA.—A. NEWTON MERCER, Esq., was, on the 2d February last, elected President of the Bank of Louisiana, as successor to ROBERT M. DAVIS.

New-Orleans.—The New-Orleans *Era* price current of 7th March gives the following quotations:

New-York sight banks and bankers,.....	2 @ 3 per cent. dis.	
do.' do. to out-door,.....	4 @ 6	"
Sterling,.....		165 @ 170
Francs,.....		3 40 @ 3 45
American gold,.....	51 @ 52 per cent. prem.	
American silver,.....	43 @ 46	"
Mexican dollars,.....	52 @ 57	"
Five franc pieces,.....		30
Twenty-five franc pieces,	\$5 25 @	\$5 50
Sovereigns,.....	\$7 00 @	\$7 50
Spanish doubloons,.....	\$23 00 @	\$24 00
Patriot do.	\$23 00 @	\$23 50
Mexican do.	\$23 00 @	\$23 50
Northern banks,		10 per cent. dis.
Southern—Mobile,		25 "
Western—Missouri,.....		50 "
Tennessee (old,).....		10 "
Tennessee (new,).....	30 @ 35	"
Kentucky,.....		10 "

As some doubt has been thrown on the precise operation of the tax on promissory notes, we publish the following notice on the subject from the Bureau of Internal Revenue:

"It would seem to be a reasonable construction of section 6 of the act of March 3, amendatory of the excise law, that promissory notes not exceeding *thirty-three days*, including the grace days, should bear a *ONE CENT* stamp; exceeding *thirty-three days* and not exceeding *sixty-three days*, including the grace days, *TWO CENTS*; exceeding *sixty-three days* and not exceeding *ninety-three days*, *THREE CENTS*. Consequently a note at *sixty-three days*, including the grace days, would possess a legal value by having a two cent stamp affixed thereto. The same rule will apply to notes having a longer time to run."

PRIVATE BANKERS.

NEW-YORK.—Mr. CHARLES L. CAMMANN has been admitted a partner in the firm of CAMMANN & Co., bankers, Wall-street.

MARYLAND.—Mr. JAMES H. STONE has commenced the banking business at Baltimore, Md.

ILLINOIS.—Mr. F. L. CAGWIN has commenced business as a banker and broker at Joliet.

Chicago.—Mr. J. A. ELLIS, late of the firm of MARSHALL & ILSLEY, Milwaukee, and of the State Bank, Madison, has purchased the stock of the Traders' Bank, and will transfer its business to the new banking-house of J. A. ELLIS & Co.

MESSRS. BROTHERTON & NETTELTON, bankers, Chicago, gave notice, on 24th February, of their intention to retire from business.

OHIO.—F. DUNLEVY and GEO. C. GLASS have commenced the banking business at Cincinnati, under the firm of GEO. C. GLASS & Co.

MESSRS. W. T. PERKINS & Co. are added to the list of bankers in Cincinnati.

MISSOURI.—WM. H. TRIGG & Co., bankers, Boonville, dissolved.

Notes on the Money Market.

NEW-YORK, MARCH 20, 1863.

Exchange on London, at sixty days' sight, 162 @ 163.

THE month of March has been attended with extraordinary fluctuations in the market values of gold. A fall of over fifteen per cent. occurred between the 3d and the 6th; a partial recovery has since followed, and the price has reached 157 @ 160. This decline resulted from the announcement of the passage, by Congress, of three important financial measures, which have in view a permanent restoration of the public credit, and the establishment of a national uniform currency. These three measures are as follows:

I. The Loan Act.—An act to provide ways and means for the support of the Government. Approved March 3, 1863. (Known as the nine hundred million bill.)

II. The Internal Revenue Act.—The supplementary act of March, 1863, to provide internal revenue to support the government and pay the interest on the public debt. (Approved March, 1863.) This act modifies essentially the tax on negotiable paper, bonds, transactions in gold, &c.

III. The Bank Act of 1863.—An act to provide a national currency, secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof. (Approved Feb. 25, 1863.)

It is reported that a wealthy firm of Amsterdam has made an offer to the government of one hundred millions of dollars, for bonds, payable in twenty years. As soon as the currency bureau of the Treasury Department shall be in working order, the government will no doubt have offers of large sums, in behalf of banking associations, under the law of February 25th, 1863.

The official report of the Secretary of the Treasury on the finances for the fiscal year ending 30th June, 1862, having been made public, we are enabled to furnish a resumé of the foreign commerce of the United States for the year, compared with previous years. From this it appears that the gross exports of the year were \$229,790,280, against an average of \$212,183,374, for five years past. The imports of foreign goods were \$305,819,823 for the year, with an average of \$305,002,439, for five years. Of this export trade of over 229 millions, the domestic produce amounted to \$181,875,988.

The specie and bullion exported in the past year was \$26,886,956, which is materially below the average of the preceding four years. Assuming the population to be increasing as from 1850 to 1860, the average consumption of foreign goods in 1862 was only \$5 67 per head, whereas, in 1857, it was \$11 81. The following summary will show the net imports for each year 1858—1863:

STATEMENT EXHIBITING THE TOTAL VALUE OF IMPORTS, AND IMPORTS CONSUMED IN THE U. S., EXCLUSIVE OF SPECIE, DURING EACH FISCAL YEAR, FROM 1858 TO 1862, INCLUSIVE; ALSO THE VALUE OF FOREIGN AND DOMESTIC EXPORTS, EXCLUSIVE OF SPECIE; THE AGGREGATE EXPORTS INCLUDING SPECIE.

Years.	Total Imports including Specie.	Imports entered for consumption exclusive of Specie.	Domestic Produce exported inclusive of Specie.	Foreign Merchandises exported exclusive of Specie.	Total Exports including Specie.
1858,....	\$ 229,613,150	\$ 242,678,413	\$ 251,351,038	\$ 20,660,241	\$ 394,644,431
1859,....	338,768,180	317,868,456	278,392,060	14,509,971	356,759,469
1860,....	362,163,941	336,280,173	316,242,423	17,333,684	400,192,396
1861,....	335,650,158	274,656,325	204,999,616	14,654,317	249,344,913
1862,....	305,819,823	178,877,485	181,875,988	11,027,286	229,790,280
T ^l 5 yrs.	\$ 1,595,015,197	\$ 1,349,890,901	\$ 1,222,761,140	\$ 78,185,899	\$ 1,560,661,873

One satisfactory feature of our foreign trade is the increased demand abroad for our breadstuffs and provisions. The gross export for the last year was \$119,393,785, while the average for ten years has been \$63,814,379, and the lowest amount within this period was \$32,985,322. This is one of the most satisfactory results of the last financial year

STATEMENT EXHIBITING THE GROSS VALUE OF EXPORTS AND IMPORTS FROM JULY 1, 1853, TO JUNE 30, 1862.

Year.	EXPORTS.			Total Imports.
	Domestic Products.	Foreign Merchandise.	Total.	
1853,.....	\$ 298,758,379 ..	\$ 80,836,142 ..	\$ 379,594,521 ..	\$ 282,618,150
1854,.....	335,894,885 ..	90,895,077 ..	426,789,962 ..	338,765,120
1855,.....	378,159,374 ..	26,938,023 ..	405,097,397 ..	362,168,941
1856,.....	228,699,496 ..	90,645,427 ..	319,344,923 ..	335,650,153
1857,.....	219,930,639 ..	16,969,641 ..	236,900,280 ..	205,519,523
Total,.....	\$ 1,444,462,068 ..	\$ 116,329,309 ..	\$ 1,560,791,377 ..	\$ 1,525,012,197
Annual average,.....	288,892,418 ..	23,245,863 ..	312,138,281 ..	306,002,430

STATEMENT EXHIBITING THE AGGREGATE VALUE OF BREADSTUFFS AND PROVISIONS EXPORTED FROM THE UNITED STATES, ANNUALLY, FROM 1853 TO 1862.

Year ending 30th June.	Amount.	Year ending 30th June.	Amount.
1853,.....	\$ 89,985,823	1859,.....	83,305,991
1854,.....	65,941,828	1860,.....	45,271,860
1855,.....	38,895,348	1861,.....	94,896,725
1856,.....	77,187,801	1862,.....	119,338,735
1857,.....	74,667,859		
1858,.....	50,688,285	Total,.....	\$ 635,143,722
Average,.....			63,514,379

We refer to the following table for an analysis of the foreign merchandise consumed annually for ten years, with an estimate of population for each year :

STATEMENT EXHIBITING THE VALUE OF FOREIGN MERCHANDISE IMPORTED, RE-EXPORTED AND CONSUMED ANNUALLY, FROM 1853 TO 1862, INCLUSIVE; AND ALSO THE ESTIMATED POPULATION AND RATE OF CONSUMPTION PER CAPITA.

Year.	VALUE OF FOREIGN MERCHANDISE.			Population.	Consumption, per capita.
	Imported.	Re-exported.	Consumed and on hand.		
1853,.....	\$ 267,978,647 ..	\$ 17,558,460 ..	\$ 250,420,187 ..	\$ 25,242,338 ..	\$ 9 88
1854,.....	304,562,881 ..	24,860,194 ..	279,712,187 ..	26,102,650 ..	10 71
1855,.....	261,468,590 ..	23,448,298 ..	238,020,237 ..	26,565,738 ..	8 67
1856,.....	314,639,942 ..	16,378,578 ..	298,261,364 ..	27,692,810 ..	10 77
1857,.....	360,890,141 ..	23,975,617 ..	334,814,524 ..	28,523,079 ..	11 61
1858,.....	282,618,150 ..	30,836,143 ..	251,787,006 ..	29,878,771 ..	8 67
1859,.....	338,768,180 ..	20,895,077 ..	317,678,008 ..	30,260,184 ..	10 50
1860,.....	369,168,941 ..	26,938,023 ..	335,230,919 ..	31,429,991 ..	10 66
1861,.....	335,650,153 ..	20,645,425 ..	315,004,728 ..	32,378,338 ..	9 73
1862,.....	205,819,823 ..	16,869,641 ..	188,950,182 ..	33,344,569 ..	5 67
Total,.....	\$ 3,084,554,823 ..	\$ 227,440,449 ..	\$ 2,807,114,379 ..	.....	.....
Annual average,	308,455,482 ..	23,744,044 ..	280,711,437 ..	.....	.....

The current resources of the Treasury are equal to about six millions of dollars per week, independently of certificates of indebtedness issued on quartermasters' requisitions, to wit: From internal taxes, increasing every month, \$1,800,000; from customs, in gold, \$1,200,000; conversion of United States notes into 1881 loan, \$3,000,000; together, \$6,000,000. The receipts from internal taxes, it is estimated, will soon reach \$2,350,000 per week, and the conversion of U. S. notes of circulation into the six per cents of 1882, \$4,000,000. In addition to the foregoing receipts into the Treasury, the temporary deposits in currency, on five per cent. interest, (the interest being payable in currency,) are quite large. At New-York they have exceeded \$1,000,000 in one day. But this privilege is limited to \$100,000,000 altogether; and the amount not yet filled up is probably less than one-fourth this sum. The following official notice has been issued by the United States Assistant Treasurer :

NEW-YORK, March 20, 1863.

Under authority from the Secretary of the Treasury, I hereby give notice that, hereafter, interest at the rate of five (5) per cent. will be allowed on deposits, under the act of Congress, approved Feb. 25, 1862, for not less than thirty (30) days, subject to be withdrawn after ten (10) days' notice, given at any time after the expiration of the thirty (30) days. Deposits heretofore made at four (4) per cent. may be withdrawn at any time, without notice, for the purpose of being re-deposited at five (5) per cent.

JOHN J. CISCO,
Assistant Treasurer of U. S.

Large amounts of first class business paper have recently been discounted for importing houses, who have been buying exchange freely at the recent fall. We find that the rates for short dated paper range from 5 @ 5½ per cent., and for four to six months, 6 @ 6½ per cent. A reduction in the price of gold will bring out considerable paper for sale. It is, however, obvious, that as long as gold-bearing government securities are in the market, loyal and thrifty investors need not allow their money to be idle and unproductive.

The banks of this city reported early in March specie funds on hand of \$89,700,000, a large portion of which was upon special deposit only. We hear that a large amount of gold loans have been called in by the banks, to be replaced with other securities. This movement is due to the law of March, 1863, which subjects all demand loans on gold existing at the passage of the act to the same taxation as loans of subsequent date. It is currently stated that in many instances parties who have thus had to take up their gold have bought exchange, and borrowed thereupon more money than they could have borrowed with the gold with which they made the purchase. It is urged that this evasion of the law will have the effect of shipping larger amounts of specie to Europe, thereby securing to these ingenious speculators a premium on their tortuous and versatile, but not very honest and commendable, policy. Nothing will obviate these fluctuations and uncertainties, but a rigid tariff and more rigid economy, with the essential aid of a reduction of the volume of paper money. Should the government come upon the market with its long loans, capitalists will readily seize upon this mode of investment. We hope this source or means of raising money will be exhausted before any further issues of United States notes are made. It is certainly better for the government to ask and obtain an extension of twenty years or more on its fresh indebtedness, than to dilute the paper issues any further.

The most important announcement of the month to the banking interest was the opinion of the Supreme Court of the United States in the cases of the People of the State of New-York, ex. rel. the Bank of the Commonwealth and the Bank of Commerce of New-York, plaintiffs in error, vs. the Commissioners of Taxes and Assessments for the city and county of New-York. In error to the Supreme Court of the State of New-York. Mr. Justice NELSON delivered the opinion of the court, reversing the judgment of the said Supreme Court, with costs, and remanding the cause for further proceedings to be had therein, in conformity to the opinion of this court. This decision, just made in the Supreme Court of the United States, affirms in its broadest sense the decision of that court, made in 1839, while Chief Justice MARSHALL was on the bench, that money loaned to the general government, and the securities taken and held for the same, are exempt from all taxation by the State authorities. This litigation has been carried on by the Bank of the Commonwealth, under the advice of their counsel, since 1859, and in opposition to the views of the other leading banks, until the decision of the Court of Appeals, in 1861, when they saw a prospect of success in the United States Supreme Court; they then entered into the contest, and strove to be first to obtain the benefit of a favorable result. The Bank of Commerce has succeeded also in getting a case decided which involved their assessment for 1862, and the exemption claimed under the act of Congress of that year. This first case, however, resettles the fundamental constitutional question. In that case, Mr. BRADFORD and Mr. PARIS appeared at Washington for the bank, and Mr. DEVLIN and Mr. JAMES T. BRADY for the city. Mr. LOAN appeared for the Bank of Commerce in their case. This opinion of the court will be contained in the next number of this work.

Of the customs duties paid at New-York in one week this month, to wit, \$941,000, the sum of \$309,000 was in gold coin, in place of United States Custom-house notes, which are now so scarce as to bear a fractional premium in gold. The means will thus soon be afforded to the Sub-Treasurer in this city to repay the advances in gold made by the banks for the January and February interest, and the principal—\$2,838,000—of the loan of 1862, which fell due and was paid off on the 31st of December. These advances altogether, including private deposits in gold, are understood to be under \$7,000,000. The Sub-Treasurer has received \$1,000,000, transferred in gold from the San Francisco office.

The last twelve-months' certificates of Treasury indebtedness, bearing interest in gold, were issued on Tuesday, March 24. The last issue was No. 57,081. The total amount issued at that

date and outstanding was \$140,588,341. The result of this change in interest, from gold to currency, is the decline of certificates of indebtedness from 99 $\frac{1}{2}$ and par, to 97 $\frac{1}{2}$ and 98. The same remark will apply to certificates of temporary deposit at 4 @ 5 per cent. in the Treasury. Such deposits in currency may be continued under the acts of 1863, but conditioned that the interest is to be paid in currency. Deposits in gold coin, for safe keeping or the convenience of the depositor, can be made under the new loan act, and gold-bearing certificates or notes, redeemable on demand, of the denominations of \$30 up to \$1,000, issued therefor. This principle will no doubt be pretty extensively resorted to, after the certificates or notes are duly prepared.

Government and State Stocks.—Government stocks are higher in price and with a growing demand. The ability of the people to buy and hold government stocks for investment is only limited by their loyalty, and this is unlimited. State stocks are generally higher, except those of the Border States.

We annex the highest cash prices offered, for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Jan. 10th.	20th.	Feb. 2d.	10th.	20th.	28th.	Mar. 10th.	20th.
U. S. 6's, 1861, coupons,....	98	95	92	94	97 $\frac{1}{2}$	101 $\frac{1}{2}$	101 $\frac{1}{2}$	104
U. S. 5 per cents, 1874,....	92	88 $\frac{1}{2}$	86 $\frac{1}{2}$	87	91 $\frac{1}{2}$	96 $\frac{1}{2}$	95 $\frac{1}{2}$	97
Ohio 6 per cents, 1886,....	118	116	120	118 $\frac{1}{2}$	118 $\frac{1}{2}$	120	117	116
Kentucky 6 per cents,....	100	99	101	100 $\frac{1}{2}$	100	102	108	104
Indiana 6 per cents,....	95 $\frac{1}{2}$	95	99	99 $\frac{1}{2}$	101	100	101	100
Pennsylvania 5 per cents,....	96	98	104	103 $\frac{1}{2}$	108 $\frac{1}{2}$	104 $\frac{1}{2}$	109 $\frac{1}{2}$	108 $\frac{1}{2}$
Virginia 6 per cents,....	68	65 $\frac{1}{2}$	75	72	78	68	68	65
Georgia 6 per cents,....	80	80	80	80	80	..	..	..
California 7 per cents, 1877, 121	129	128	131	131	131 $\frac{1}{2}$	128 $\frac{1}{2}$	125	124
North Carolina 6 per cents, 78	74	80	80	80	74	78	80	76
Missouri 6 per cents,....	63 $\frac{1}{2}$	65 $\frac{1}{2}$	64	65 $\frac{1}{2}$	64 $\frac{1}{2}$	65	62 $\frac{1}{2}$	61 $\frac{1}{2}$
Louisiana 6 per cents,....	68	66	70	71	71	70	70	75
Tennessee 6 per cents,....	60	62	63	61 $\frac{1}{2}$	62 $\frac{1}{2}$	68	61 $\frac{1}{2}$	61

* Interest off.

Rail-Road Shares.—The fluctuations in gold affect rail-road shares, but not always in the same direction. Prices show much steadiness, and sales have been large, closing with a dull market.

We annex the current cash quotations for leading shares in this market within the past two months. Those with a star [*] paid no dividend last year.

	Jan. 20th.	Feb. 2d.	10th.	20th.	28th.	Mar. 10th.	20th.
N. Y. Central R. E. shares,.....	119 $\frac{1}{2}$	119 $\frac{1}{2}$	117 $\frac{1}{2}$	119	118 $\frac{1}{2}$	119 $\frac{1}{2}$	116 $\frac{1}{2}$
*N. Y. and Erie R. E. shares,.....	78 $\frac{1}{2}$	74 $\frac{1}{2}$	72 $\frac{1}{2}$	77 $\frac{1}{2}$	78 $\frac{1}{2}$	79 $\frac{1}{2}$	79 $\frac{1}{2}$
*Harlem R. E. shares,.....	41 $\frac{1}{2}$	38 $\frac{1}{2}$	39 $\frac{1}{2}$	39 $\frac{1}{2}$	36 $\frac{1}{2}$	38 $\frac{1}{2}$	38 $\frac{1}{2}$
*Reading R. E. shares,.....	91 $\frac{1}{2}$	90	90 $\frac{1}{2}$	91	92	91	90 $\frac{1}{2}$
*Hudson River R. E. shares,.....	96	98	98 $\frac{1}{2}$	97	97 $\frac{1}{2}$	97 $\frac{1}{2}$	100 $\frac{1}{2}$
Michigan Central R. E. shares,....	97 $\frac{1}{2}$	96 $\frac{1}{2}$	97	97	98	100	104
*Michigan Southern R. E. shares,...	61 $\frac{1}{2}$	57 $\frac{1}{2}$	57 $\frac{1}{2}$	61 $\frac{1}{2}$	61	61	60 $\frac{1}{2}$
Panama R. E. shares,.....	150	185	159	159	192	190	191
Baltimore and Ohio R. E. shares,...	86	89 $\frac{1}{2}$	87 $\frac{1}{2}$	87 $\frac{1}{2}$	90	88	89
*Illinois Central R. E. shares,....	95	92	90 $\frac{1}{2}$	87	92 $\frac{1}{2}$	92 $\frac{1}{2}$	92 $\frac{1}{2}$
*Cleveland and Toledo R. E.,.....	94 $\frac{1}{2}$	88 $\frac{1}{2}$	87 $\frac{1}{2}$	95	94 $\frac{1}{2}$	94 $\frac{1}{2}$	96
Chicago and Rock Island R. E.,...	94 $\frac{1}{2}$	89 $\frac{1}{2}$	91	94 $\frac{1}{2}$	98 $\frac{1}{2}$	98	94
Galena & Chicago R. E. shares,...	95	91	92 $\frac{1}{2}$	98 $\frac{1}{2}$	98	98	98 $\frac{1}{2}$
Chicago, Burlington & Quincy,...	106	108 $\frac{1}{2}$	108 $\frac{1}{2}$	108 $\frac{1}{2}$	107	109	109 $\frac{1}{2}$
Pacific Mail Steamship shares,....	165	168	170	162	168	180 $\frac{1}{2}$	186 $\frac{1}{2}$

The new law of Congress as to gold purchases interferes in no way in the purchase and sale for export or in exchange for currency, where the holder of the latter prefers to pay the premium for gold to the extent of his holding. All cash and three-day contracts of this nature are as free as before. Nor is this law in any just sense oppressive upon speculation, however mischievous this has been working for the public credit. The government seeks to derive a stamp-tax of one-half per cent. and six per cent. interest upon all time contracts, and money loans upon gold, and this tax will be collected, as it ought to be, upon this species of speculation to the uttermost farthing. The penalties are such as to forbid all attempts to evade the statute by speculators.

Mr. CONNOLLY introduced into the Senate of New-York, on the 13th inst., a bill to prohibit banks and other institutions from loaning money upon gold coin. It provides as follows:

SECTION 1. Any and all banks, insurance companies, trust companies, savings institutions and other moneyed corporations shall be and they hereby are severally prohibited from making or continuing any loan or loans, in money or otherwise, upon gold coin or bullion, or any paper represented to be them, or either of them, or upon any foreign bill or bills of exchange whatsoever, under the penalty of a forfeiture of their charter or articles of association, as the case may be. And any such loan or loans, so made or continued to be made, shall be absolutely void, and no action for the recovery thereof shall lie in or be entertained by any court of justice of this State.

A bill has been introduced into the legislature of New-York to incorporate a company by the name of the Union Trust Company of New-York, with \$1,000,000 capital, and powers similar to those of the other trust companies of this city. The number of trustees is limited to thirty. The following is the list, so far as we have heard, embracing, as will be seen, several respectable and wealthy gentlemen in the State: GEORGE W. CUTLER, FREEMAN CLARKE, CONSTANT COOK, JOHN ARNOT, WILLIAM F. ALDRICH, LEONARD W. JEROME, WILLIAM A. FITZHUGH, STEPHEN E. ROX, ADDISON G. JEROME, SAMUEL G. WHEELER, Jr., ANDREW V. STOUT, GEORGE W. GRAY, WILLIAM E. BUNKER, JACOB GOULD, LLOYD ASPINWALL, SAMUEL L. M. BARLOW, WILLIAM E. TRAYNES, JAMES S. WADSWORTH, JAMES BENEKARD, BENJAMIN H. HUTTON, EDWARD B. WESLEY, RUFUS H. KING, THOMAS W. OLCOTT, FREDERICK C. GRESHARD, FRANCIS C. SKIDDY.

The Supreme Court of the United States has given another important decision, which involves several millions of dollars, adverse to the great Almaden Co. The result reached by the court, in brief, is as follows: 1. The claim for two leagues of land, under the despatch of the Mexican Minister of Relations, is invalid, and gives no title. 2. The court has jurisdiction of the claim set up by CASTILERO for a mining title under the Mexican law, and, therefore, it is the duty of the court to examine that title and decide upon it. 3. The mining title is not sustained by the claimants, the proof of its genuineness being insufficient, and the documents being void in law on their face.

The loans, specie, circulation, net deposits and exchanges of the current year, at New-York, have been as follows, at the dates mentioned:

1863.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
Jan. 3, ...	\$ 173,810,000	\$ 85,954,000	\$ 9,784,000	\$ 159,168,000	\$ 186,861,000
" 10, ...	175,816,000	84,770,000	9,551,000	162,578,000	249,798,000
" 17, ...	170,600,000	87,531,000	9,341,000	164,666,000	314,471,000
" 25, ...	179,288,000	83,599,000	9,068,000	168,269,000	298,861,000
" 31, ...	179,838,000	88,894,000	8,906,000	169,951,000	298,076,000
Feb. 7, ...	179,892,000	88,948,000	8,780,000	166,842,000	302,352,000
" 14, ...	178,108,000	88,486,000	8,756,000	167,730,000	285,189,000
" 21, ...	178,885,880	87,931,810	8,753,586	170,108,758	291,243,980
" 28, ...	178,958,842	89,512,256	8,739,969	178,912,695	340,514,444
Mar. 7, ...	181,098,822	89,705,089	8,668,175	175,689,212	344,484,442
" 14, ...	177,875,949	86,110,085	8,657,016	172,944,084	307,870,818
" 21, ...	178,829,479	88,955,122	8,609,728	167,004,466	277,881,851

The above items under the head of deposits includes balances due to banks and bankers out of the city.

The movement of the Boston banks, on a capital of \$38,281,700, is indicated by the following summary for the current year:

	Loans.	Specie.	Due to Banks.	Deposits.	Circulation.
Jan. 3, ...	\$ 77,889,000	\$ 7,672,000	\$ 16,970,000	\$ 88,872,000	\$ 8,190,000
" 10, ...	77,437,000	7,751,000	17,006,000	88,068,000	8,378,000
" 17, ...	76,694,000	7,710,000	16,547,000	88,362,000	8,199,000
" 24, ...	76,854,000	7,710,000	16,811,000	88,847,000	8,068,000
Feb. 7, ...	73,490,000	7,707,000	16,982,000	85,178,000	8,074,000
" 14, ...	73,481,000	7,794,000	17,070,000	84,908,000	8,000,000
" 21, ...	78,782,746	7,628,819	17,881,854	84,955,475	8,002,888
" 28, ...	79,127,468	7,568,197	17,528,483	85,545,548	8,019,767
Mar. 7, ...	79,974,199	7,582,027	17,840,869	85,215,871	8,294,886
" 14, ...	79,686,184	7,609,388	18,447,286	82,955,149	7,780,062
" 21, ...	79,428,286	7,595,068	18,174,786	82,572,926	7,626,638

The items of deposits in the Boston statements do not include balances due to other banks and bankers. These are under a separate head, making together about fifty millions of gross deposits.

The business of the Philadelphia banks, for the same period, on a capital of \$11,700,000, was as follows:

	<i>Loans.</i>	<i>Specie.</i>	<i>Due to Banks.</i>	<i>Deposits.</i>	<i>Circulation.</i>
Jan. 8,....	\$ 27,879,000 ..	\$ 4,510,000 ..	\$ 6,948,000 ..	\$ 28,429,000 ..	\$ 4,284,000
" 10,....	27,584,000 ..	4,544,000 ..	6,890,000 ..	28,018,000 ..	4,258,000
" 17,....	27,416,000 ..	4,549,000 ..	7,050,000 ..	27,877,000 ..	4,263,000
" 24,....	27,479,000 ..	4,573,000 ..	6,755,000 ..	28,773,000 ..	4,284,000
" 31,....	27,268,000 ..	4,562,000 ..	6,698,000 ..	28,981,000 ..	4,121,000
Feb. 7,....	27,284,000 ..	4,819,000 ..	6,952,000 ..	28,863,000 ..	4,089,000
" 14,....	27,710,000 ..	4,273,000 ..	7,459,000 ..	28,759,000 ..	3,998,000
" 21,....	27,790,400 ..	4,276,761 ..	7,413,250 ..	28,342,596 ..	3,773,751
" 28,....	27,901,630 ..	4,267,636 ..	6,775,008 ..	28,178,513 ..	3,684,687
Mar. 7,....	28,008,871 ..	4,249,085 ..	6,549,428 ..	28,678,259 ..	3,688,579
" 14,....	28,204,028 ..	4,247,817 ..	6,788,218 ..	28,549,267 ..	3,284,289

A steady decrease in the circulation of the three cities is observable.

The Bank of England, on the 19th February, reduced the rate of discount from five per cent. (at which it had been fixed on 26th January) to four per cent.

The current quotations for commercial paper at various dates are subjoined for the London market at the close of February:

30 to 60 days,.....	3½ per cent.	.....	6 months' bank bills,.....	4½ per cent.
3 months,.....	3½ "	.....	" trade bills,.....	4½ @ 5 "
4 "	4 "	.....	

In the London Stock Exchange money was rather dearer at the close of February—from 3 to 3½ per cent. on government securities.

Annexed are the rates of interest allowed on deposits:

Joint stock banks,.....	3 per cent.
Discount houses, at call,.....	3 "
" with seven days' notice,.....	3½ "

At the London and Westminster, 3 per cent. only on sums below £500. Money is held for rather higher terms in Paris, and the activity of the silver market has occasioned a rise in Hamburg. Subjoined are the fixed and current rates in the chief continental cities:

	<i>Bank Rate.</i>	<i>Open Market.</i>		<i>Bank Rate.</i>	<i>Open Market.</i>
	<i>Per Cent.</i>	<i>Per Cent.</i>		<i>Per Cent.</i>	<i>Per Cent.</i>
Paris,.....	5 ..	4½ @ 4½	Turin,.....	6 ..	6
Vienna,.....	5 ..	5½	Brussels,.....	3 ..	3
Berlin,.....	4 ..	3½	Hamburg,.....	8 ..	3½
Frankfort,.....	3 ..	3½	St. Petersburg,.....	5½ ..	..
Amsterdam,.....	3½ ..	3½			

DEATHS.

At LOUISVILLE, KY., WILLIAM H. DAVIDSON, Esq., formerly Cashier of the Commercial Bank of Kentucky, at Louisville.

At PHILADELPHIA, on Sunday, March 15th, 1863, aged forty-eight years, JOSEPH S. RILEY, Jr., Cashier of the City Bank of that city.

At SARATOGA SPRINGS, N. Y., Thursday, March 12th, of pleurisy, after an illness of twenty-four hours, ISAAC FOWLER, Esq., Cashier of the Commercial Bank of that village.

At CINCINNATI, March 21st, of typhoid fever, GEORGE CARLISLE, Esq., President of the Lafayette Bank, and Vice-President of the Cincinnati, Hamilton and Dayton Rail-Road Company.

THE
BANKERS' MAGAZINE,
AND
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VOL. XII. NEW SERIES. MAY, 1863.

No. 11.

THE NEW CURRENCY OF THE UNITED STATES.

Remarks prepared by Hon. AMASA WALKER, of Massachusetts, of the House of Representatives of the United States, on the Bill "to provide a National Currency secured by a pledge of United States Stocks, and to provide for the circulation and redemption thereof."

February 24th, 1863.

MR. SPEAKER:

The title of the bill before us suggests several inquiries.

Have we not a national currency in successful operation in the government notes, or "green-backs," as they are called, now in circulation?

Are not these notes everywhere accepted, and universally regarded as safe and reliable?

Cannot this currency be extended just as far as the people desire, and Congress deems best?

Does not the government gain the entire interest on all this circulation, already amounting to 350 millions, and destined soon to reach, at least, 550 millions, making a net saving of interest to the nation equivalent to thirty-three millions of dollars per annum?

Does not this saving lessen the burdens of the people to an equal amount? And is not that a very important consideration to them, under the severe pressure of taxation they must necessarily be called on to endure in a crisis like the present?

Are not the people safe from any danger that this government currency will be arbitrarily withdrawn from them when they most need it, as bank currency, if specie payments are ever restored, is certain to be.

Has not the government the right and power to forbid all other emissions of "bills of credit," except its own, if it pleases?

Does not the government at the present time require all the assistance it can derive from the most extended use of its legitimate credit, and is not the circulation of its own notes the cheapest and most available form in which that credit can be employed?

If all these questions must be answered in the affirmative, as no candid man can deny, then another inquiry forces itself upon us, namely: Why should another and rival currency be provided by Congress?

In any ordinary condition of our national affairs there would be no hesitation in answering this question in the negative.

But the country is now placed in a most perilous and abnormal position. A great rebellion is in progress, threatening the very existence of the government, and compelling it to resort to extraordinary measures.

The *habeas corpus* is suspended, the laws of value abrogated, and paper currency is made lawful tender.

All this is owing to the extreme exigency in which the government is placed, by which it is forced to adopt measures it would gladly avoid.

In such a condition of things it is possible that the government may find the enactment of the bill under consideration an inexorable necessity. It becomes us, therefore, to inquire whether such is not the case, and carefully examine the important measures we are asked to adopt.

This we owe to ourselves and the country, and a measure so important should not be allowed to pass without the strictest scrutiny.

We are about to establish a stupendous system of banking institutions, extending over the whole country, unlimited in number, with capital in the aggregate of 300 millions, and with a term of existence of twenty years.

The bill creates a Bureau of Currency, on a scale commensurate with the vast system it is designed to inaugurate.

It also establishes the office of Comptroller of the Currency, to whom is committed the management and control of the proposed system, and who is placed "under the direction of the Secretary of the Treasury."

The first thing that arrests our attention is the great facility with which banks of circulation may be established under this system.

A capital of \$50,000 subscribed, only thirty per cent. of which is paid in, sets one of these banking institutions in operation.

Under such a law we cannot doubt that banks will be rapidly multiplied, especially in those parts of the country where there is the most room for them, in the absence of other banks, and where the rate of interest is high. A large amount of capital will in this way be transferred from the Eastern cities to the Western States, and as these new institutions are invested with all the powers and privileges usually accorded to banks, they will issue their circulation, discount notes and draw bills of exchange, whenever their interests and the convenience of the public require; and thus, wherever located, will soon become identified with all the business operations of those around them.

They are also authorized to charge the current rate of premium on all bills discounted or drawn by them. This is a most important provision, because under it these banks may, as all our banks now do, charge just what they please, and the necessities of their customers compel them to pay. There is and can be no fixed rate; it is always a matter of bargain, and in no small proportion of cases is absolutely arbitrary. Hence the provision which allows these associations to deal in exchange, virtually authorizes them to get the highest rate for their money they can obtain. It is by this means that usury laws, always absurd, are mostly rendered nugatory on business paper.

We cannot consistently object to this, since our existing banks have the same privilege, yet in sound policy no such power should be given to banks authorized to manufacture currency. The Bank of England has no such power. The British government has always been too wise to allow its great national bank to deal in exchange.

Another feature in the bill before us, and one which, I think, without any precedent in the history of credit currency, is that the government of the nation binds itself to redeem all notes issued in conformity with the legal requirements, if the promissors of those notes fail to redeem them.

The government is not simply a trustee, holding security for these notes, as is the case in New-York and some other States, where stocks are deposited with the State authorities to secure the circulation of certain banks, but it absolutely guarantees the final payment of all these notes in full.

But further than this, it binds itself to receive these notes for all taxes and other dues to the government, except duties on imports; and it also contracts that the said notes "shall be received for all salaries, and other debts and demands owing by the United States to individuals, corporations and associations, within the United States." So far these notes are legal tender, like the government notes, ("the green-backs,") but no further. The government and salary men *must* take them, others *may*.

This feature of the new currency will give to it a very complex character. Ordinary mixed currency has generally been found sufficiently intricate and difficult to understand, but the new currency must be still more so. It is promise based on promise, paper piled on paper, Ossa on Pelion, and yet it is not essentially different in this particular from the currency of our State banks, as now issued on government notes as a basis.

One result of this guarantee of the government is, that the credit of the notes of one of these new banking institutions will be just as good as another; they depend not on the character of the promissor or bank that issues them, but upon the endorser, who binds himself to redeem them if the promissor does not. Hence all will be alike current, whether issued in Minnesota or Maine.

And this circumstance, too, it may be observed, will go very far towards multiplying these new institutions in the most distant parts of the country.

And as there can, ordinarily, be little motive to return these notes to the banks that issue them, since they can at present only be redeemed

in paper of essentially the same character, it does not clearly appear why they may not continue to circulate as long as the material of which they are made will permit them to last, and in their movements approach as near to perpetual motion as any thing yet discovered. The 19th section of this bill contains a provision by which these security banks are taxed one per cent. semi-annually on their circulation.* Regarded as an *ordinary tax*, it might be thought exorbitant. Indeed, it would be so, but that is not the light in which it is to be considered. It is not a tax but a license, or permission to do a certain thing, which the government has a right to forbid or restrain. It is based on the same principle as that upon which a license for the sale of intoxicating liquors, or permission to keep a gambling-house, stands. It presupposes that the business licensed is either bad in itself, or pernicious in its excess, and, therefore, government may interfere by sumptuary legislation.

It is a great privilege for an institution to be invested with the right to create a currency of no appreciable cost, but equal in exchangeable power or value to the ordinary money of the country, which can be only produced by labor.

To obtain one hundred gold dollars will cost the labor of, perhaps, one hundred days, while to create one hundred dollars in currency would not be equal to the labor of an hour.

Therefore, when the government grants to any institution the privilege of doing this, and forbids all others to do the same, it may rightfully demand that, at least, a part of the profits of this privilege shall inure to the benefit of the whole people; nothing can be more just than such a tax or license; besides, it will act as a restraint, to some extent, against the too rapid multiplication of these banks.

We now come to the last important provision of the bill, which I shall notice. It is that by which it is proposed that "every such association shall, at all times, have on hand, in lawful money of the United States, an amount equal to at least twenty-five per centum of the aggregate amount of its outstanding notes of circulation and deposits."

This provision, I take it, is founded on the principle, that since a bank promises to pay a certain amount of money, on demand, it ought to keep some money on hand with which to make that promise good.

Bank notes are adopted by the community as money, not because of what they are in themselves, mere pieces of paper, but for what they promise. But the promise is not good unless the promissor have the ability, as well as the disposition, to perform it.

If the bank note promises to pay dollars on demand, dollars should be forthcoming when demanded, otherwise the faith of the promissor is violated, and the promisee injured.

It is not sufficient that the defaulting banker plead that he will pay hereafter; that he has plenty of means, and only wants indulgence as to time. That is no excuse for him. His notes were issued as money; they have been accepted as such, and if he fails to convert them into money on demand, he has failed in his obligations entirely, though he afterwards

* Subsequently amended so as to be one-half per cent. semi-annually.

redeems them in some form or other. It is not redeemability, but convertibility, which invests pieces of paper with the attributes of money.

It is not *redemption*, but *conversion*, which, in this instance, is the *one thing needful*.

If, then, to refuse the payment of a bank note when demanded is a violation of faith, what shall we say of a system establishing banks, and authorizing them to issue notes, which everybody knows, or ought to know, cannot by any possibility be paid on demand, or, in other words, are inconvertible?

When this is done, when such banks are established, the guilt is in no small degree transferred from the immediate promissor to the power that authorized him to issue a defective currency, but the injury to the country is in no wise diminished thereby.

Obvious as all this may now seem to be, it is only within the last few years that the true nature of a mixed currency has been discovered.

The Bank of England, the parent of all credit currency banking, was established in 1694, and first suspended in 1696. Subsequently, in 1797, it again suspended, and continued so for over twenty-three years.

This suspension was the first illustration of the character and effects of an inconvertible currency, exhibited on a large scale and for a long time. It deranged the trade and industry of England, disturbed prices, and caused the premium on gold to rise at one time as high as 40 per cent.

This had the effect to turn the attention of bankers and business men to the *nature* of such a currency. But especially was this the case, when, in 1819, the bank resumed specie payments, and the country returned, during the next few years, as every country must, to a specie standard. It was then that the full force of the terrible results of the suspension was manifested in the general bankruptcy of the business community and the failure of more than one hundred banking institutions.

The great revulsion which took place in this country in 1837, and continued in its consequences to derange the business and commerce of the nation till 1842, afforded another illustration of the same character; but the lesson which might then have been learned was almost lost, by the fact that the currency question was completely intermingled with the party politics of the day.

Such, however, was the effect of these two great monetary convulsions on the public mind in Great Britain, that Parliament, by the act of 1844, known as "PHEL'S Act," recognized, for the first time, the principle that a paper currency should rest on a specie basis established by law.

The act referred to provided in substance, that for all issues over the aggregate of government securities held by the bank, it should hold bullion in its vaults to an equal amount. This limited the bank circulation and preserved some proportion between its notes and bullion.

Louisiana, after the great disasters of 1837, enacted that its banking institutions should hold specie to the amount of 33 per cent. on their deposits and circulation.

Under this law the banks of that State have proved, not only the most safe and profitable, but the most uniform, reliable and beneficent moneyed institutions of the United States.

In 1858, the banks of Massachusetts were required by law to hold 15 per cent. of specie, or its estimated equivalent, upon all their liabilities for circulation and deposits. One or two other States have legislated in the same direction, so that the principle may be said to have been practically admitted, and to some small extent carried into operation.

The bill before us proposes to establish the proportion of 25 per cent. between the specie reserve and the aggregate amount of circulation and deposits; but I have to object that this minimum of specie or lawful money is too small to secure the desired object, that is, the **CONVERTIBILITY** of the bank notes.

In the nature of the case, under such a currency as we propose, there will arise periodically a demand for specie, (for when the war is over we must of necessity return to specie payments,) and as soon as that occurs, the banks must take in their circulation as fast as possible. The larger their circulation in proportion to their specie, the greater and more violent must be their contraction. This will be as true of the banks we now create as of those already existing.

The only possible way to prevent these destructive variations in the currency is to fortify it with a large reserve of specie. Twenty-five per cent., as proposed, I am perfectly sure is not sufficient to do this, and, therefore, should be quite glad to be able to secure a larger proportion; yet I am satisfied that the amount provided for in the bill is as much as Congress will authorize, and, therefore, however reluctantly, I assent to it.

But there is one provision in this section which I cannot accept, without declaring my strong disapprobation of it. It is that proviso which admits bank balances to be reckoned as specie or lawful money, and included in the twenty-five per centum required to be held by the banks.

This proviso virtually renders the whole section nearly a mockery. If it be retained, we may about as well strike out all provision in regard to a reserve of specie or lawful money; for these balances, as every gentleman knows, who understands the matter, may be, and often are, wholly fictitious, created between banks for the very purpose of evading the specie requirement.

But however these balances may be created, however legitimately they may arise from the natural operations of trade, they are in no respect specie in their nature and effects.

In the fall of 1857, when the accidental explosion of the Ohio Life and Trust Company had shaken the whole monetary system of the United States to its foundation, it was found that the banks of the city of New-York were indebted to banks all over the nation to the amount of many millions for these same "balances."

Banks in every section of the land had remitted their funds to the great commercial centre, and deposited them in the New-York banks. On these they relied to meet their own engagements. As soon as the pressure came on, in September of that year, these distant banks began, of necessity, to draw on the city banks, where they supposed they had funds.

But what was the fact? These funds had, to a great extent, been loaned to the merchants of New-York, and when they were called for, the banks were compelled to stop all discounts. Then what happened? The merchants had no means wherewith to repay the banks; the great-

est distress and embarrassment followed, and after a short but painful struggle, the banks of the great emporium succumbed. Of course all banks connected with them were obliged to suspend, and the currency of the nation went down with a crash.

Now, what was true in this case will to a certainty prove true in the future. This gigantic system of credits, under the name of bank balances and bank deposits, is the greatest cause of weakness and danger in our present system; and will be equally disastrous under the system we now propose, if we permit bank balances to form a part of the modicum of 25 per cent. of specie, or lawful money required to be held by the banks.

The enormous aggregate of these balances under our present system is seen in the fact, that on the 1st of January, 1861, as per the financial report of that year, they amounted to the sum of \$80,000,000.

These balances, so prodigious in amount, form the most explosive element in our currency; they are the train that fires the magazine, and the idea of regarding them as specie, or its equivalent, is not only absurd but preposterous.

But beyond all this, there is great danger that the banks, in many cases, will pay no attention whatever to this most important provision.

This I fear, because I know that the banks of Massachusetts are almost entirely regardless of the law which requires them to keep fifteen per cent. in specie.

By the report of the Bank Commissioners of that State, for 1861, it appears that 37 out of 42 banks in the city of Boston, during that year, violated the law requiring them to keep fifteen per cent. of specie, and these violations in the aggregate amounted to 373, according to their own weekly returns. By 141 banks in the State, and out of the city of Boston, it appears that but little if any attention was paid to the law; as their average specie, according to their monthly statement, was only seven cents six mills on the dollar. Now, if such is the regard paid to the law requiring a specie reserve of only 15 per cent. in the old and staid Commonwealth of Massachusetts, whose banks are (in my opinion at least) the safest and best managed in the country, (always except those of New-Orleans prior to the rebellion,) what may we not fear in regard to the vast number of banks scattered all over the national domain which may be established under this law? If with 25 per cent. the currency is clearly inconvertible and dangerously explosive, what will it be with only five or ten?

But there is still another reason why we should insist upon a larger reserve of specie, in a currency we are about to establish for twenty years to come.

It arises from the danger that war may suddenly arise, and if the currency have little strength, that is, a small specie basis, it must break down, and the country be instantly involved in all the evils of an exclusive paper circulation. We have seen this so painfully illustrated in our own experience, since the breaking out of the present rebellion, that we need not look further for the most conclusive evidence of the mischiefs arising from such a currency.

The banks of the United States had, January 1, 1860, by official returns:

Circulation,.....	\$ 207,000,000
Deposits,.....	253,000,000
	<hr/>
Total immediate liabilities,....	\$ 460,000,000
They had on hand of specie but.....	\$ 83,000,000

It was with such a currency that before twelve months had elapsed we were obliged to enter upon the most frightful struggle in which a nation was ever engaged; and those who are so ready to blame the Secretary of the Treasury, or the Congress of the United States, for the present deplorable and ignominious condition of our monetary and financial affairs, would do well to recollect that *the government was compelled to commence the war with a bank currency diluted to the extent of eighty-two cents on the dollar!*

Had we not, by our pernicious system of credit currency, expelled within the last ten years more than \$400,000,000 of our California gold from the country, we would have had a perfectly sound monetary system to-day.

Another reason why we should object to bank balances as a part of the reserve is, that if we insist that the reserve shall be wholly in coin, or lawful money, it will make a large demand for our legal tender notes.

Suppose, for example, the deposits and circulation of these banks amount to 400 millions, as they will, at a low estimate, if the system is successful, then 100 millions of legal tender notes must be kept constantly on hand by these banks. All this amount will not only, to a great extent, be virtually demonetized, so far as the expansion of the currency is concerned, but on this whole amount the government will gain the interest—a saving of six millions per annum.

But I may be told that the proposed currency must be a convertible one, since, if the banks do not redeem their notes on demand, the Secretary of the Treasury is authorized to sell the stocks deposited as security at once, and pay the protested notes.

Those who make this objection forget, that when there is a great call for specie, as in 1837 and 1857, these banks having out four dollars in paper for one of coin on hand, cannot possibly convert them into specie, and they will, as our present banks do in such circumstances, all suspend specie payments together. In that case the Secretary of the Treasury cannot throw all the bonds into market to raise the specie, as that would be impracticable, as well as attended with a ruinous loss, and consequently these banks will be permitted to suspend until their convenience allows them to resume, just as our present banks do.

From all these considerations I feel compelled to enter my protest against the first proviso in the forty-first section of this bill, because it does not accomplish the purpose which it professes to secure. It permits three-fifths of the lawful money or specie reserve to be held in these balances, leaving only ten per cent. of actual reserve. But I shall not move an amendment, because these banks must stand in as favorable position

in regard to profits as the State banks, but few of which are obliged by law to keep any reserves at all.

I have now, Mr. Chairman, taken a general view of the currency which this bill proposes to establish, and shown, as briefly as I could, its imperfections, and how far short it is of what a sensible people ought to desire. I have asserted that if established, it will, like our present currency, be an inconvertible one; that it will fluctuate continually, and after the return to specie payments will expand when least needed, and contract when most wanted, and reproduce all those terrible convulsions to which we have for thirty years past been subjected. I have shown, I hope, for that was my intention, that it will be, at the best, a feeble and imperfect currency, and yet, sir, the system it proposes to establish is far better than the one it is designed to supersede.

I prefer it to that—

1. Because the ultimate payment of all notes issued will be permanently secured. Such is not the case with our present system, under which only a part of the bank issues are secured by a deposit of stocks, and some of these very imperfectly. It will prevent all danger of losses to bill-holders from insolvent banks.

2. I prefer the new system, because it will be uniformly current every where; and, as far as possible, under any credit currency, will equalize exchanges between different sections of the country. This, I need not say, is a matter of great importance.

3. I prefer the new system, because it will secure to the people, by the tax of two per cent. per annum imposed on these banks, a share of the large profits which a credit currency gives. The banks can well afford to pay it; the government, in its present condition, needs all the revenue it can obtain, and the people all the relief from taxation that can be granted them.*

4. Again—I prefer this system because it will greatly reduce the danger of counterfeits and spurious emissions. There are said to be at this time some seven thousand kinds of bank notes; under the new system there will be but one, and those prepared with the greatest care, and made as safe as the highest skill and ingenuity can devise, and all will be engraved and executed within the walls of the Treasury, under the direction of government officers.

5. Because, if successfully carried out, it will bring the currency of the country directly and uniformly under the control of national legislation, where it ought ever to be, and prove, as I trust, the first step towards that great reform by which the element of credit shall be entirely eliminated from the banking currency of the country.

6. Because, in the opinion of the Secretary of the Treasury, these institutions will aid him greatly in conducting the financial operations of the government during the present crisis.

7. Lastly, it will identify the interests of our moneyed institutions with the credit of the national government, and thus give strength and stability to both.

And now, sir, there is yet an additional reason for establishing this

* This was subsequently reduced to one per cent. per annum.

system of banking on government securities, arising from the condition of the agricultural States of the West, where the annual production is great, and the amount of circulating capital relatively small.

At present, Illinois and the States north and west of her have but few banks. Now, as a matter of absolute certainty, these States will proceed to establish banking institutions under their own laws. They may not do this at present. Illinois, for example, has been so scathed and plundered by credit money banking, that she may be slow in creating another such system, but she will do it, because the clamor for banks, and the mistaken views of the masses in regard to paper currency, will compel its legislature to create new banking institutions. So of all the States of the West.

But pass this bill and we put an end to the formation of these new State banks; because such are the facilities which this law gives, and such the character of the currency it establishes, that it will have the preference over any that can be created by State legislation.

As soon as this bill becomes a law, millions of capital will be diverted from the cities of the East to the prairies of the West, where it can obtain a better rate of interest than at home, and where it will be employed more actively for business purposes. This will be the inevitable result, and I regard it as a cogent argument in favor of the measure before us. Both the West and East will be greatly benefited by it.

Could I have my own wishes, I should, as I have before insisted,* instead of creating a rival system, lay a tax of three per cent., semi-annually, on all present bank circulation, drive it entirely out of existence, and fill its place with the legal tender notes of the government; so that, on the return of peace, and specie payments by the government and the banks, there would be no credit currency issues, except those made by the National Treasury, which, by suitable limitation, might always be kept at par with gold. I would thus establish one kind of currency instead of three, and that the cheapest and best we could possibly have.

This arrangement, together with the legal provision that the banks might issue specie certificates in the form of notes for specie actually in their possession, would furnish them and the public with all the currency they could possibly need, and one that would never be exposed to any fluctuation except that which naturally arises from the operation of the laws of trade, and which can never be violent or really injurious to any community or State.

This course, I firmly believe, would be by far the best for the country and for the banks themselves; and however the latter may be opposed to it at the present moment, I venture to predict that the time will come when they will deeply regret that such a policy was not adopted by the government; but sir, we can hope for no such alternative now.

Credit currency banking is a power as irresistible at the North, as slaveholding is at the South; and however much it may embarrass the action of government, and interfere with the free use of its credit, the votes already taken in this house show that we must compromise with this power, and make the best terms we can.

* Speech in the House of Representatives on the National Finances, Jan. 18, 1863.

The present project, in my view, is sustained and justified by this statement of the case, and by the additional consideration that, in the opinion of the Secretary of the Treasury, as expressed in his annual report, this measure is quite indispensable in the present condition of our national finances.

NOTE.—The foregoing remarks, though prepared for the purpose, were not delivered in the House of Representatives on the passage of the National Currency Bill, as the previous question was unexpectedly called and debate precluded.

ANNUAL REPORT ON COUNTERFEITING.

THE "Board of Managers of the Association of Banks for the Suppression of Counterfeiting" have made their Tenth Annual Report, for the year 1862-3. The objects of this Association are highly laudable, and should be promoted by every bank in New-England and in the State of New-York. If all were contributors, the expense of sustaining the Association would be less upon each subscriber than at present. But there are many in all the States that do not as yet contribute to the suppression of the great vice of counterfeiting—not less than sixty-three per cent. of those in New-England—as will appear by the following summary :

<i>State.</i>	<i>Total No. Banks.</i>	<i>Total Capital.</i>	<i>No. Contributors.</i>	<i>Non- Contributors.</i>
Maine,.....	68 ..	\$ 7,988,000 ..	17 ..	51
New-Hampshire,.....	52 ..	4,798 000 ..	20 ..	32
Vermont,.....	41 ..	3,911,000 ..	16 ..	25
Massachusetts, (Country,).....	189 ..	28,912,000 ..	66 ..	53
Boston,.....	44 ..	38,631,000 ..	27 ..	17
Rhode Island,.....	88 ..	20,900,000 ..	18 ..	70
Connecticut,.....	75 ..	21,785,000 ..	3 ..	72
	507 ..	\$126,915,000 ..	187 ..	320

We think it an obligation which the banks owe to each other, and to the whole community, to aid, in the small way desired, to lessen, if not remove, this great and growing evil of counterfeiting. It is through the banks only, or through the inferior workmanship employed in engraving, that the community is so largely imposed upon in this way, and hence the banks should all combine together to adopt stringent measures to counteract the movements of the counterfeiters.

Now that the general government has become an issuer of paper money, the Treasury Department will no doubt contribute its aid towards the objects of the Association; and should undertake to pay the Association for every arrest and punishment through its exertions, for frauds on government securities.

If all the bank capital of New-England contributed toward the means of the Association, the tax upon each would be at the rate of only two dollars

for every hundred thousand dollars of capital; but as only forty-six millions contribute out of one hundred and twenty-six millions, the levy upon each bank is, at present, at the rate of five dollars for each \$100,000 of capital, without raising as large a fund as the former would.

For the information of bankers generally, we copy the Annual Report in full, with some slight omissions and the names of contributors.

'ASSOCIATION FOR THE PREVENTION OF COUNTERFEITING, BOSTON.

Annual Report, 1862-1863.

Pursuant to the requirements of the eleventh article of the Association, the Managers present herewith a report of their doings for the past year (1862.)

At the first meeting of the Board of Managers, elected at the last annual meeting of the Association, an assessment of five dollars on each one hundred thousand dollars of capital stock, was laid upon the banks, pursuant to the second article of the Association.

Subsequently, circulars were sent by the Treasurer to all the banks in New-England; and, in Massachusetts, one hundred and thirteen banks responded by paying their annual assessment. Of the banks in the other New-England States, seventy-four became members. The Bank of Geneva, in the State of New-York, is a member; making, in all, one hundred and eighty-eight banks now members of the Association.

Last year the number was the same, one hundred and eighty-eight.

The Board of Managers have held five meetings, as usual, during the past year, at which reports have been made of the doings of the Executive Committee, and their acts have been unanimously approved.

The Executive Committee have held thirty-four meetings during the past year, at which all matters of detail coming before it have had a proper hearing, and such directions given as seemed judicious, to best promote and carry forward the interests and operations of the Association.

In accordance with the statutes of the Commonwealth, the Secretary has delivered to the High Sheriff of Suffolk County, to be destroyed by the Superior Court having jurisdiction, seven hundred and ten five-dollar counterfeit notes, of the Orange County Bank, of Chelsea, Vermont.

The Managers continue their offer of rewards for the conviction and sentence of engravers of plates for counterfeit bank notes, and for dies for altering the same; also for uttering counterfeit bank notes, as it continues to present a very strong inducement to detectives and other persons in all sections of the country, to arrest and cause to be sentenced, this class of persons, who, otherwise, in many cases, would be likely to go on without arrest and punishment, defrauding the community. The Association has paid this year, the same as last year, *fifty dollars reward* for each person sentenced for passing counterfeit money of any bank *belonging to the Association*, and twenty-five dollars for the sentencing of persons passing counterfeit money of any of the other New-England banks.

From January 1st to December 31st, 1862, sixty-nine persons were convicted and sentenced. The aggregate years of confinement being 171 years and 7 months.

Rewards paid for banks that are members of the Association, to wit: Commercial Bank, Bristol, R. I., 5 rewards; Thomaston Bank, Thomaston, Me., 3; Rockland Bank, Roxbury, Mass., 1; Prescott Bank, Lowell, Mass., 2; Southbridge Bank, Southbridge, Mass., 1; Cambridge City Bank, Cambridgeport, Mass., 3; Warren Bank, South Danvers, Mass., 1; Brighton Market Bank, Brighton, Mass., 1; Continental Bank, Boston, Mass., 1; Atlantic Bank, Boston, Mass., 3; Mechanics' Bank, Boston, Mass., 1; Bank of North America, Boston, Mass., 1. A total of 28 rewards.

Rewards paid for banks that are not members of the Association, to wit: Monson Bank, Monson, Mass., 3 rewards; Hampden Bank, Westfield, Mass., 1; Townsend Bank, Townsend, Mass., 1; Blue Hill Bank, Dorchester, Mass., 4; Waterbury Bank, Waterbury, Conn., 10; New Britain Bank, New Britain, Conn., 3; Southport Bank, Southport, Conn., 1; Stamford Bank, Stamford, Conn., 1; Mechanics' Bank, New-Haven, Conn., 1; Phoenix Bank, Hartford, Conn., 1; Bank of America, Providence, R. I., 3; Bank of Royalton, Royalton, Vt., 4; Bank of Orange County, Chelsea, Vt., 1. A total of 34 rewards.

Gratuities paid for detection of operators in American coin and checks: Manufacturers of coin, 7 gratuities; utterers of coin, 4; altering bank checks, 1. A total of 12 gratuities.

The Association has paid, for sentencing the following number of persons for the last ten years, to wit:

In	14 persons sentenced,	time not kept, say	50 years.			
" 1854,	64	"	"	"	was kept,	269 " 4 months.
" 1855,	10	"	"	"	"	84 " 4 "
" 1856,	20	"	"	"	"	78 " 6 "
" 1857,	29	"	"	"	"	97 " 7 "
" 1858,	61	"	"	"	"	208 " 6 "
" 1859,	80	"	"	"	"	103 " 8 "
" 1860,	89	"	"	"	"	125 " 1 "
" 1861,	98	"	"	"	"	286 " 9 "
" 1862,	69	"	"	"	"	171 " 7 "
Total,	484	"	"	"	"	1,425 " 4 "

From an examination of the list of banks counterfeited upon the past year, it will be seen that *thirty-four* rewards have been paid for banks that are *not members*, being eleven more than have been paid for banks that are members.

It would seem, from this fact, that it is clearly for the interest of the New-England banks, that are not members, to join the Association, as the increased reward paid for those that are members undoubtedly deters operators, to some extent, from counterfeiting on this class of banks; besides, much more trouble and expense will be incurred by those persons seeking the rewards to sentence the parties carrying the fifty dollars reward.

The second Annual Report of the "Central Association of Banks," in Pennsylvania, published in May last, shows that, in less than two years, ninety-one banks have taken membership, and it had paid for sentencing forty-seven persons to an aggregate imprisonment of one hundred and fifteen years, besides obtaining and destroying a large amount of counterfeit notes, coin and implements for manufacturing the same.

It is very gratifying to note such success and prosperity of an Association formed and worked mainly on the same principle as ours, and also in harmony and co-operation with us, in all matters requiring a united course of action.

We will again express our desire that the very large banking interest of the State of New-York would form an association, which would greatly aid other associations now at work in a common cause. Or, if it is too much labor and trouble to organize an association, subscribe to ours; thus giving us material and moral aid, and furnishing us with reliable and sympathizing correspondents, to aid in convicting and sentencing the numerous parties arrested in that State for manufacturing and uttering counterfeit bank notes and coin.

The legislature of Massachusetts renewed its grant of fifteen hundred dollars for the year 1862, provided the Association expended three times that sum; which condition is the same as in former resolves, and is continued annually by the nearly unanimous voice of both branches of the legislature, on the ground that *a necessity exists* for an organization like ours, for the protection of the community from the frauds of counterfeiting the currency of the State; and for the right to issue bank notes as a currency, the State continues to receive one per cent. tax on the capital of every bank, being nearly all its ordinary revenue.

The law passed at the last session of the legislature, concerning the taking of bail in criminal cases, "works admirably."

The Board of Managers submit with pleasure the result of their labors for the year past, and hope the members of the Association will approve our acts by continuing their membership, and we ask also the approval of the legislature and a continuance of its grant.

We again ask the managers of the banks of New-England—not members—to examine our report and ask themselves the question, whether it is not a *duty* they owe to themselves and the community around them, to contribute the small sum asked of each bank, to enable us to extend our operations, and curtail, as much as possible, the counterfeiting of bank notes and coin.

The following is the standing offer of the Association :

TWO HUNDRED AND FIFTY DOLLARS REWARD.—*To the Bill and Coin Brokers, City Marshals and Police Officers, and the Public generally, of New-England, the Middle States and Canada.*—The Association of Banks for the Suppression of Counterfeiting will pay to the person who shall furnish information which shall lead to the conviction and sentence of the parties herein mentioned, the following sums, to wit: A reward of **TWO HUNDRED AND FIFTY DOLLARS** for each person convicted and sentenced for engraving a plate or plates for counterfeiting bank bills, or dies for altering bank bills; and a reward of **TWENTY-FIVE DOLLARS** for each person convicted and sentenced for uttering or passing counterfeit bank bills; said sums to be paid upon the presentation of the certificate of the judge, or the prosecuting officer of the courts where such conviction shall be obtained; provided said counterfeits are on the banks in New-England. Suitable rewards will also be paid for the conviction and sentence of makers of counterfeit coin, or of dies for the same, and for the uttering of such coin. The above are additional to any rewards authorized by State laws. The above rewards will be *doubled* for the sentencing of persons for counterfeits on *banks belonging to the Association*, a list of which can be seen at any bank in the United States. Per order of Executive Committee.

Boston, Jan. 7, 1863.

CHARLES B. HALL, Secretary.

President, DANIEL DENNY, President Hamilton Bank, Boston; *Treasurer*, ALMON D. HODGES, President Washington Bank, Boston; *Secretary*, CHARLES B. HALL, Cashier National Bank, Boston; *Auditor*, GEO. W. THAYER, President Exchange Bank, Boston.

1. BENJ. E. BATES, President Bank of Commerce, Boston; 2. L. GULLIVER, Cashier Union Bank, Boston; 3. WM. HYDE, Cashier Hampshire Manufacturers' Bank, Ware; 4. J. M. THOMPSON, President John Hancock Bank, Springfield; 5. HENRY W. CUSHMAN, President Franklin Co. Bank, Greenfield; 6. GEORGE W. RICHARDSON, President City Bank, Worcester; 7. MOSES WOOD, President Rollstone Bank, Fitchburg; 8. L. BALDWIN, President Brighton Market Bank, Brighton; 9. J. A. APLETON, President Haverhill Bank, Haverhill; 10. J. CHADWICK, Cashier Exchange Bank, Salem; 11. HENRY H. FISH, Cashier Fall River Bank, Fall River; 12. P. C. HOWLAND, Cashier Merchants' Bank, New-Bedford.

☞ Gentlemen who wish to ascertain more fully the plan of organization, may obtain copies of the By-Laws, &c., by addressing CHARLES B. HALL, Esq., Cashier National Bank, Boston, and Secretary of the Association.

OUR MULTIFORM CURRENCY.

From "The National Intelligencer," Washington, February, 1863.

We present below some reliable statistics and facts relative to our currency, which we are confident will be found novel and valuable, in view of the momentous questions and interests concerning finance, now undergoing discussion in Congress and by the people.

The whole number of banks in the United States is estimated at 1,395, apportioned as follows—the branches of State banks not being enumerated in this estimate:

Maine.....	69	Georgia.....	31
New-Hampshire.....	51	Alabama.....	7
Vermont.....	41	Louisiana.....	11
Massachusetts.....	185	Ohio.....	21
Rhode Island.....	92	Indiana.....	25
Connecticut.....	73	Illinois.....	60
New-York City.....	54	Kentucky.....	8
New-York State.....	249	Tennessee.....	28
New-Jersey.....	55	Missouri.....	8
Pennsylvania.....	81	Michigan.....	5
Delaware.....	9	Wisconsin.....	122
Maryland.....	32	Iowa.....	7
District of Columbia.....	6	Minnesota.....	1
Virginia.....	30	Florida.....	2
North Carolina.....	12	Texas.....	1
South Carolina.....	18	Kansas.....	1

Every one of these banks has its separately engraved and printed notes, differing in form or design pictorially, and each bank issues the various denominations, which, by usage, seem to have become a rule.

Our paper currency may, therefore, be designated as of the denominations of one, two, three, five, ten, twenty, fifty, one hundred, five hundred, and one thousand dollars. This shows ten different denominations as the usual quota from the prominent old banks in the Eastern and Middle States. It may be stated, however, that of the banks of the West, &c., the larger denominations above named are rarely used; they seldom issue notes of denominations above fifty or one hundred dollars.

In view of these facts, and to the end that we may present a fair average exhibit, let us allow six different forms of notes to each of these 1,396 banks. The result of this simple multiplication will give the formidable number of 8,370 *varieties of notes* in circulation and use from these accredited banks.

Moreover, the varied issues of the "fraudulent, broken and worthless banks" should not be overlooked. Of this class—of "retired banks," as they are styled—854 are enumerated in the published list furnished by the "descriptive list" for January, 1863. Such as these have heretofore contributed, and in many instances still contribute, their quota to this promiscuous catalogue.

One phase of our paper currency, engendered by this multifform system, calls for special notice and consideration. We refer to counterfeiting. It may be safely stated that the art, as pursued in the United States, is without parallel, and that, without vaunt or hyperbole, we can "beat the world" on this our national *specialité*—counterfeiting. A species of literature, even unknown to the rest of the world, has been initiated among us; and no merchant or mechanic deems himself safe unless he consults the "counterfeit detector." These publications have become articles of "prime necessity," to the profit of the publishers, doubtless, if not to the community; and they are spawned weekly, semi-monthly and monthly, in most of our cities. We need not enlarge upon this topic, amazing as it always appears to foreign observers and writers on these subjects.

The absolute facts, as detailed by those interested in keeping the records of counterfeits, appear monstrous and fabulous, even beyond credence. Of the various kinds, it is estimated that there are about six thousand. How many of each kind must be conjectured, as we have no means of catechising the originators! It would seem, however, as the rule, that the better the banks the more numerous the counterfeits. We cite, in illustration, that Massachusetts has one hundred and eighty-five banks. "THOMPSON'S *Reporter*," of recent date, describes counterfeits on one hundred and sixty-nine of these, and "GWYNNE & DAY'S" specifies one hundred and seventy-four. A like inference may be drawn from the same authorities in reference to the banks of New-York. Of three hundred and three banks enumerated in that State, it is stated that the issues of only forty-five are not counterfeited.

Of the various species of counterfeits, as they are called, it is ascertained that but a small part of the whole in circulation is composed of *bona fide* "imitations" of the genuine notes. Those known as "alterations" number highest. One cause of this multiplicity of altered notes is attributable to the similarity of titles among banks in different sections of the country. As, for instance, we find twenty-seven "Union" banks,

of which seven are in the State of New-York. A yet further aid to "alterations" is in the frequent use of the same devices on notes of different banks, and often of different banks of the same name.

Next in number to the "alterations" come the "spurious," such as resemble in title only the notes for which they are intended to pass. These notes are from plates of broken and "bogus" banks, in most instances, although not unfrequently from the *debris* material of "broken" or "retired" bank note engraving establishments.

In view of such a promiscuous, multiform and dubious circulation, we think it will be generally admitted by the public and by conservative bankers, that a plan which, like that of Mr. Secretary CHASE, proposes to put an end to these evils, deserves a favorable consideration.

BANKING DECISIONS OF THE UNITED STATES.

THE BANKERS' MAGAZINE, for the year 1863, will contain a synopsis of all the decisions of the United States Supreme Court and of the Courts of the several States in the years 1860, 1861, and part of 1862, in reference to banks, banking, bills of exchange, promissory notes, usury, and such other points as are important to bankers.

BANKS AND BANKING.

NEW-YORK.

1. A draft issued by a banking association, and taking effect by delivery, but post dated, is, *it seems*, within the prohibition of the Statute, (chapter 363, of 1840, section 4,) against bills or notes not payable on demand. *ONEIDA BANK vs. ONTARIO BANK*, 7 *Smith's Reports*, 490.

2. The case of *LEAVITT vs. PALMER*, (3 *Comstock's Reports*, 19,) so far as it holds such a draft void if within the prohibition, questioned. (Per *COMSTOCK*, C. J.) *Ibid*.

3. Assuming such draft to be void, the party who has taken it upon a loan of money to the bank, is entitled to the money advanced by him, either upon the basis of the contract of loan, treating that as valid and rejecting the illegal security, or upon a disaffirmance of the contract, as for money had and received. *Ibid*.

4. This right of action is transferred by a sale and endorsement of the draft, although it be held void. *Ibid*.

5. The fact that the draft is transferred to a bank, which, against the prohibition of the Safety Fund Act, (chapter 94, of 1829, section 33,) discounts it, having less than sixty days to run, at a greater rate of interest than six per cent., is not available to the drawer as a defence against the same liability which might have been enforced by the original holder. *Ibid*.

6. A director of a banking association is not liable to one who becomes a stockholder, for false statements in the articles of association respecting the amount of capital actually subscribed and paid in, by which he was induced thereafter to become a stockholder. *MAYBEY vs. ADAMS*, 3 *Bosworth*, (*New-York*,) 346.

7. One who purchases stock in a banking association from the association itself, cannot maintain an action against a director of the association for violations of the statute relating to moneyed corporations which occurred before he became a stockholder, although the value of the stock is depreciated by reason of such violations of the statute. 3 *Bosworth*, (*New-York*,) 346.

8. Had the stock been purchased of a previous holder, *it seems*, the decision would have been different. 3 *Bosworth*, (*New-York*,) 346.

9. In an indictment for uttering and circulating, as money, foreign bank bills, and for receiving such bills, with intent to circulate, contrary to statute, May 7, 1839, section 2, as amended April 13, 1853, it is not sufficient to describe the defendants as officers of a bank or banking association, and then simply to charge that they did the acts complained of. It is necessary to allege a violation of the statute by the bank or association, and that the defendants acted as such officers in doing the acts in question. As individuals, the defendants are not liable, unless they are "authorized to carry on the business of banking in this State," and where the intent is to charge them as such, the allegation bringing them within section 2, of the act of 1853, should be made in the indictment. *PEOPLE vs. WILLIAMS*, 4 *Parker, C. R.* (*New-York*,) 349.

10. The restriction of the rate of interest is, *it seems*, designed only for the benefit of the borrower. 7 *Smith's Reports*, 490.

11. A regulation of a savings bank, requiring the production of the depositor's pass-book before he should be entitled to receive any payment, is reasonable in a general sense; but proof of the loss of the pass-book, or inability to find, after proper search, will excuse the non-production, and entitle the depositor to his money. *WARHUS vs. BOWERY SAVINGS BANK*, 7 *Smith's Reports*, 543.

12. A bond conditioned for the faithful discharge by one of the obligors of "the trust reposed in him as assistant bookkeeper" of a bank, is an engagement that he will not avail himself of his position to misapply or embezzle the funds of his employer. *ROCHESTER CITY BANK vs. ELWOOD*, 7 *Smith's Reports*, 88.

13. The appropriation by the bookkeeper of the bank's money, and making fraudulent entries to avoid detection, is a breach of the bond as against a surety therein. *Ibid.*

14. It is immaterial that the embezzlement was committed while the bookkeeper was employed in keeping a journal, which, when he entered upon his duties and usually, was kept by the teller, and that the fraudulent entries were made in such journal. *Ibid.*

15. Associations organized under the general banking law, are within the provisions (1 *Revised Statutes*, 603, section 4) prohibiting any incorporated company from making any transfer or assignment in contemplation of insolvency. *ROBINSON vs. BANK OF ATTICA*, 7 *Smith's Reports*, 406.

16. They are not excluded by the exception, (1 *Revised Statutes*, 605, section 11,) because, though moneyed corporations, they are, by the construction of the act authorizing their creation, not subject to the "regulations to prevent the insolvency of moneyed corporations," otherwise than as some of those regulations are expressly adopted and applied. *Ibid.*

17. The payment of a debt to a *bona fide* creditor is prohibited by the statute, equally with a general transfer of property, or an assignment in trust for creditors. *Ibid.*

18. A transfer is in contemplation of insolvency, as well where the insolvency actually exists, as where it is anticipated. *Ibid.*

19. A dictum to the contrary, in *HAXTON vs. BISHOP*, (3 *Wendell's Reports*, 17,) disapproved. *Ibid.*

20. A satisfied judgment constitutes no part of the effects of a bank, the transfer of which is, by 1 *R. S.* 1,115, § 8, prohibited, without authority by a previous resolution of the board of directors. *ENO vs. CROOKER*, 10 *N. Y.*, (6 *Selden*,) 60.

21. The payment of forged checks by a bank is made in their own wrong, and if paid to an innocent holder, the money cannot be recovered back. *WEISSER vs. DENISON*, 10 *N. Y.*, (6 *Selden*,) 68.

22. A depositor at a bank is under no obligation to examine his bank-book after it has been settled and balanced by the bank and returned with cancelled vouchers, and is not estopped by such settlement, until barred by the statute of limitations, from showing that the account is wrongfully stated, and that the signature of certain checks was unauthorized. *Ibid.* 6 *Selden*, 68.

23. In such case the depositor is not bound by the approval of his agent by whom the forgeries were committed, of the account so rendered by the bank. *Ibid.* 6 *Selden*, 68.

24. Until the certificate required under section 16 of the general banking law is made, there can be no legal organization under it, and those who do not unite in such certificate are not members of the corporation. *BURROWS vs. SMITH*, 16 *N. Y.*, (6 *Selden*,) 550.

25. The provision of the general banking law reserving to the legislature the power to alter or repeal it, forms a part of the contract with every association formed under that act, and the State may modify it prospectively or retrospectively, without infringing the provision of the Federal Constitution against laws impairing the validity of contracts. 7 *Smith's (New-York) Reports*, 9.

26. Such modification may be made, it seems, as well by a change of the State constitution as by an act of the legislature. *Ibid.*

27. The articles of association of a corporation formed in 1844, under the general banking act of 1838, provided that the shareholders should not be individually liable for any contract of the association. It issued circulating notes after 1850, as before. *Held*, that the stockholders are personally liable under the constitution, and chapter 226, of 1849. *Ibid.*

28. Although the issuing of circulating bills after 1850, by which the liability is incurred, be the act of the corporation as such, and not of the stockholders, and although a stockholder be unable to prevent it, the liability attaches in consequence of the exercise of a power which he has conferred on the corporation, and is therefore within his contract. *Ibid.*

29. An agreement between a banking corporation, located in Wisconsin, and commission merchants in the city of New-York, by which the former is to consign produce to the latter for sale on commission, against which drafts are to be drawn, and to keep the drawees in funds to meet the same, in cases where consignments are not made, is not necessarily illegal, in the absence of any thing to show what powers are possessed by the bank, by virtue of its charter. *PERKINS vs. CHURCH*, 31 *Barbour, N. Y.*, 84.

30. Banking associations organized under the general banking law are within the provisions of the revised statutes to prevent the insolvency of moneyed corporations. (1 *R. S.* part 1, ch. 18, tit. 2, art. 1, sec. 10.) *MABEY vs. ADAMS*, 3 *Bosworth, N. Y.*, 346.

31. A loan by a foreign corporation for the full value of the notes taken, is not a discount of the notes within the meaning of the statute. *NOBLE vs. CORNELL*, 1 *Hilton, (N. Y. C. P.)* 98.

32. Notes were discounted for a dealer who deposited collaterals with the bank. Meanwhile the dealer made an assignment of which no notice was given to the bank, and another note made payable at the bank was presented and paid. The collaterals were afterwards collected, leaving a balance over the amount of the notes discounted. *Held*, that the bank could set-off the last note paid in an action for the balance. *GRIFFEN vs. RICE*, 1 *Hilton, (N. Y. C. P.)* 184.

33. A notice of non-payment held sufficient to charge the endorser of such note, which correctly described it in all particulars, except that it is said to have been made by "S. H., Treasurer," whose signature, with that of the president, was affixed to the note. 8 *Smith's Reports*, 114.

34. The note was designated on its margin as No. 253, and it appeared that five notes had been issued at the same time, and to the same payee, which were in all respects alike, and distinguishable only by the numbers marked on the margin. *Held*, that the omission to state the number, in the notice of non-payment, did not render it defective. *Ibid.*

35. It is the misfortune of the endorser, if, from his having endorsed several notes, a complete description of one of them, in every essential feature, does not enable him to identify it. *Ibid.*

36. To estop the parties to a bill of exchange by their representations in respect to its consideration and validity, such representations must be outside of the face of the bill. *CLARK v. SISSON. Ibid.*

37. The recital in the bill, of value received, and its endorsement, do not estop the acceptor or the endorser from proving that the acceptance and endorsement were for the accommodation of the drawer, and that the bill had no inception until its usurious discount by the plaintiff. *Ibid.*

38. The articles of a banking association conferred upon the directors the power of making regulations for the government of their agents and the management of the business. *Held*, that this power was not broad enough to authorize a regulation concerning the transfer of the stock. (*ALLEN, J.*, dissenting.) *BANK OF ATTICA vs. MANUFACTURERS', &c., BANK*, 20 *New-York, (6 Smith)*, 501.

39. The general banking law provides that holders of bank shares may transfer them unconditionally, unless otherwise agreed by the articles of association. *Held*, that the bank directors could not, by a by-law,

create a lien upon the shares to secure the payment of debts due from the shareowner to the bank. (ALLEN, J., dissenting.) 20 *New-York*, (6 *Smith*,) 501.

40. And that a purchaser of the stock could recover its value in an action against the bank. (ALLEN, J., dissenting.) 20 *New-York*, (6 *Smith*,) 501.

41. Under the act of 1849, rendering stockholders of certain banks individually liable for the debts of the bank, this court has power to order an apportionment of the debts of the corporation, among the stockholders, notwithstanding there is a large amount of assets in the receiver's hands not disposed of. RECIPROCITY BANK, 29 *Barbour's Reports*, (*New-York*,) 369.

42. A married woman holding stock in a bank is within the act, (chapter 226 of 1849, to enforce the liability of stockholders,) and is liable as such to assessment for its debts. *In the matter of the RECIPROCITY BANK*.

43. Whether the legislature could have exempted her consistently with the constitution. *Quere?* *Ibid*.

44. Where a safety fund bank has taken a surrender of shares of its stock in payment of debts, and has subsequently re-issued them, the purchaser cannot avoid liability as a stockholder, whether the bank had or had not the right thus to deal in its own stock. *Ibid*.

45. The provision (section 3) of the act of 1849, exonerating a stockholder upon his making a *bona fide* transfer to a resident of this State, is not, it seems, satisfied by a transfer to the bank itself. The purchaser must be one who succeeds to a personal liability distinct from and in addition to that of the bank. *Ibid*.

46. No apportionment of debts and liabilities among the stockholders can be ordered, until the receiver has converted the assets of the bank into cash, except so far as the same may be prevented by the pendency of litigation upon demands of the banks, and has declared a dividend thereof. *Ibid*.

47. *It seems*, that the provisions in regard to time are directory only so that the proceedings would not be void if the dividend should be declared, and the apportionment made after a delay, which the terms of the statute do not allow. But where the only apparent reason for not converting the property of the bank into cash was, that it could not be done without a large pecuniary sacrifice, *held*, an insufficient reason for requiring a resort to the individual responsibility of the stockholders, until after such assets should have been exhausted. *In the matter of the RECIPROCITY BANK*.

48. Article 8, section 7, of the Constitution of 1846, subjecting the stockholders of banks to personal liability, applies as well to banking corporations then existing as to those created afterwards. *In the matter of OLIVER LEE & Co.'s BANK*, 7 *Smith's (New-York) Reports*, 9.

49. The rule of interpretation by which that construction of a statute is to be avoided, which gives it a retrospective operation, has little if any application in construing the organic law. *Ibid*.

50. It is the duty of a receiver, under the act of 1849, to declare a dividend within one hundred and eighty days after his appointment, and

for this purpose to collect or sell all assets not in litigation, or to show that in respect to choses in action, not sold, a judge has, upon his application, postponed the sale. *Matter of HOLLISTER BANK, Smith's Reports, N. Y. Court of Appeals*, vol. 9, p. 508.

51. Such postponement of the sale of choses in action is not, it seems, to delay a dividend within the one hundred and eighty days of the other assets. *Ibid.*

52. The provision of the constitution, (article 8, section 7,) imposing individual responsibility upon stockholders, embraces banks specially chartered, and subject to the safety fund law. *In the matter of the RECIPROCITY BANK, Smith's Reports, N. Y. Court of Appeals*, vol. 8, page 576.

53. The provision of the Constitution of 1821, requiring two-thirds of the members of the legislature to concur in an act for the alteration of a corporation, did not enter into the contract between the State and corporations chartered while it was in force, so as to prevent alteration of the charter by a mere majority vote, under the present constitution. *In the matter of the RECIPROCITY BANK. Ibid.*

54. The power reserved in the charter to amend it, is one to be exercised by the legislative power, in any mode consistent with the constitution for the time being. *Ibid.*

55. The provisions of the act of 1849, rendering the stockholders of banks issuing bank notes for circulation individually liable for the debts of the banks, and those of the constitution in aid of which that act was passed, apply to banks created and existing anterior to the constitution and the statute. 29 *Barbour, (New-York,)* 369.

56. Making a note payable at a bank where the maker keeps an account, amounts to a request to that bank to pay it. 1 *Hilton, N. Y. C. P.* 184.

THE GLUT OF SILVER IN CANADA.—It would do a hard-money man good to go to Canada. The currency consists, almost exclusively, of American silver. Silver abounds every where. Every body is loaded with it, and every body tries to get rid of it, as people do of doubtful funds. The taxes are paid in silver, and the collectors take it by the bushel. The City Treasurer of Toronto has half a ton of it. The merchants have bags of it in their safes. The banks won't receive it. The Great Western Railway has issued printed notices that only five per cent. of silver will be received for fare or freight. Only think of a country where you cannot pay your fare on the cars in silver coin! At Toronto, London and elsewhere, business men and firms have united in a general resolution to receive silver only at a discount of five per cent. for Canada bank paper. This, of course, applies to American silver, as the Canadian and English coinage is a legal tender. Think again of a region, within one mile of Detroit, in which the "dirty rags" issued by the bank are worth five cents on the dollar more than the shining coin.—*Detroit Advertiser.*

FINANCIAL FACTS OF 1862.

From the Bankers' Magazine, London.

THE Bank of England rate of discount at the beginning of 1862 was 3 per cent.; but on the 9th of January the directors reduced it from that point, at which it had stood since the 7th of November, to $2\frac{1}{2}$ per cent. The next alteration occurred on the 22d of May, when it was found expedient to increase the terms once more from $2\frac{1}{2}$ to 3 per cent. Between this period and July, although numerous loans and public companies had been brought forward, the directors found their resources so increased that they lowered their quotation, on the 24th of the latter month, from $2\frac{1}{2}$ to 2 per cent. At the end of July and the beginning of August the various loan operations made considerable progress, the effect of which was to increase the demand, but not to such an extent as to create important stringency. Arrivals of gold from America and Australia were at this time pouring in, and they also tended to increase the surplus available for general purposes. Towards the end of September, the expectations of the harvest not having been realized, and the weight of foreign loan engagements, with the calls for new companies, exercising increased influence, the inquiry for discount accommodation augmented. The directors of the bank, with tolerably good resources, did not, however, recognise the immediate necessity of varying the rate; but eventually, on the 30th of October, they carried the official *minimum* at one step from 2 to 3 per cent. Their conduct in this especial instance was extensively criticised; and it was said that they should have moved either one-half per cent. earlier, or in the same proportion on two successive occasions. It then transpired that large exports of silver were being made to India to pay for cotton, and it was assumed that these would probably represent over £1,500,000 per month; but before they occurred to any great extent, the arrangements of the Secretary of State for India to allow tenders for bills upon the several presidencies to the extent of one million pounds per month, altered in a great degree the aspect of affairs, and at once diminished the inquiry for export.

The highest point in the stock of bullion at the bank, in 1862, has been £18,448,000, the amount exhibited on the 30th of July. The lowest point has been £14,828,000, the sum figuring in the return of the 10th of December. It would seem that the reserve of notes has varied from £10,482,000, on the 24th of September, to £8,111,700 on the 12th of November. The extreme extent of the active circulation has been £22,586,000, which was the total on the 6th of August, whilst the lowest limit was £19,185,000 on the 17th December. The private securities, showing the amount of bills discounted, &c., were at the highest point on the 2d of July, when they stood at £21,588,000, and they had previously been, on the 29th of January, £17,030,858. The Bank of France, on the 21st of January, reduced their rate from 5 to $4\frac{1}{2}$ per cent. On the 6th of February they again lowered their terms from $4\frac{1}{2}$ to 4 per

cent. Progressing with the increased abundance of money in their relaxation on the 27th of March, they went from 4 to $3\frac{1}{2}$ per cent. On the 6th of November, the Bank of England having previously carried their rate of discount up 1 per cent., the Bank of France raised their terms from $3\frac{1}{2}$ to 4 per cent.

The first loan operation was the amount borrowed on behalf of the Imperial Moorish government, which represented £501,200, in a five per cent. stock at 85, upwards of £5,000,000 being subscribed in a few days. The next transaction of magnitude was the temporary borrowing of £4,000,000 on French Rentes by the French government, but this, through special circumstances, was not completed. The third was the Italian loan, promoted by Messrs. C. J. HAMBRO & SONS, for £1,782,000, in a five per cent. stock at 84, the object being railway construction, the bonds to possess the guarantee of the State as well as a mortgage on the undertaking. This did not succeed and become popular, though every endeavor was made to give it strength and vitality. The fourth was the eminently successful transaction conducted by Messrs. CHARLES DEVAUX & Co. and the Ottoman Bank, under which £8,000,000 were raised for the Turkish government in a six per cent. stock at 68, redeemable by a sinking fund of two per cent. per annum, commencing on the 1st of July, 1863, the bonds to be drawn by lot half-yearly, and paid off at 100. The list was opened on the 24th of March, and closed on the 28th, when the gross applications were found to represent upwards of £36,000,000. The fifth operation was the Egyptian loan, brought out by Messrs. FRUHLING & GOSCHEN, and the Bank of Saxe Meiningen. The total in this case was £2,195,200, in a seven per cent. stock at $82\frac{1}{2}$, the sinking fund providing for its redemption at par in 30 years by half yearly drawings. When the list was concluded, £9,635,000 was the aggregate amount represented. The sixth loan was that announced by Messrs. ROTHSCHILD on account of the Russian government for £15,000,000, the price for a five per cent. stock being 94, which, through discount, allowance, &c., was reduced to 92. It was not universally accepted, though the friends of the house supported it both at home and abroad. The seventh was the new Portuguese loan of £5,000,000, ushered into existence by Messrs. KNOWLES & FOSTER, in a three per cent. stock at 44, and which was subscribed to the extent of at least £20,000,000 in a very short period. Then came altogether the eighth, ninth and tenth loan transactions, one of which, being the second issue of the Egyptian, was forthwith taken by the original subscribers to the first loan, but the other two were not altogether so readily rushed after. The Venezuelan of £1,000,000, in a six per cent. stock, at the price of 63, with an annual and accumulative sinking fund of two per cent., was taken up, but the Peruvian of £5,500,000, in a four and a half per cent. stock, at the price of 93, with a good accumulative sinking fund, was not freely responded to, doubts being entertained of the complete authority of the minister to effect the transaction. As the whole of the existing Peruvian stocks were received in part payment, £2,700,000 was absorbed by holders of the old debt, leaving only £2,800,000 for the general public. The attempt on the part of the government to repudiate the contract soon threw discredit on the security, and though it is now, at the latest moment, recognised

and confirmed, the damage done is almost irreparable. The amount of the second issue of the Egyptian seven per cents was £1,097,600, which was speedily taken at 84½ per cent. The three last loans were announced on the 1st of August, and it was immediately seen, from the doubt and hesitancy exhibited by the public, that the career of these transactions was at least temporarily terminated. This has proved the case, and, for the present, investors having been surfeited, it would be only some very first-class security that could expect to command attention and become a general favorite.

Banking enterprise has been rife, indeed, during the last twelve months. About twenty undertakings having been started, and the principal of them matured, in the course of that period. The nominal capital pledged is between £23,000,000 and £26,000,000, of which but a small proportion has yet been raised. With one or two exceptions, they have been organized under the system of limited liability, so that the new principle will be fairly tested after the lapse of a year or two.

Several of these projects are at a very high premium, and some parties scarcely think the price justified by the business transacted at the new institutions; but that will be established in the affirmative or the negative in a few weeks hence, when the balance-sheets will be presented and tested in regular order. In addition, a variety of other projects have been put upon the market, but none with the same success as banking undertakings; and it still remains to be ascertained whether, with the coming year, these latter will not still be the most favored description of shares. Tontines, mines, cotton companies, foreign railways, irrigation, coffee and tea cultivation companies have in their turn been announced for support, but they have merely received a moderate amount of notice, far from that which they would have obtained if the tendency had been towards a regular and general mania.

Business in the aggregate has not been unsatisfactory. The cotton dearth has produced an enormous amount of misery in the Lancashire districts, which every one with the slightest pretensions to humanity would have been pleased to see averted. That being impossible, the next best thing has been done, viz., to alleviate it to the fullest extent; and notwithstanding the subscriptions have fallen far short of what should have been raised, they show the disposition to assist the sufferers, which has, among the operatives themselves, been most deeply appreciated. The cotton market at Liverpool has been the scene of gigantic speculations, and the advance in the staple, while it has destroyed the manufacturing power of Manchester and its neighborhood, has created enormous fortunes for the adventurers who were bold enough to operate and take the risk of any reaction.

The Board of Trade returns clearly indicate that, despite the American difficulty, there has been a large extent of commercial activity, and though particular branches may have experienced serious drawbacks, the impression is, that after all, the twelve months just terminated have, as a whole, not proved discouraging.—*London Bankers' Magazine*.

THE LONDON JOINT-STOCK BANKS IN 1863.

REVIEW FOR 1862.

THE half-yearly meetings of the several joint-stock banks in London being now completed, the subjoined tables have been made up, exhibiting their position at the close of the year 1862. The table shows the period at which each bank was founded, together with its subscribed and paid up capital, the amount of liabilities, the amount of guarantee fund, and the rate of dividend distributed; and the second shows the progress made by each institution during the past seven years. The current accounts and deposits held by the nine banks in the list reach a total of £54,212,822, exclusive of those of the London and Middlesex Bank, from which a detailed report is not yet due. This total is nearly 7 per cent. in excess of the corresponding period of last year—an increase which, although very large, is not so great as that of the previous twelve months, when it was more than 15 per cent. :

Banks, and Year Established.	Subscribed Capital.	Paid-up Capital.	Deposit Account.	Guarantee Fund.	Dividend and Bonus, 1862.
1824, London and Westminster,...	£ 5,000,000	£ 1,000,000	£ 12,398,736	£ 202,656	24 per cent.
1826, London Joint-Stock,	2,000,000	600,000	11,472,734	267,173	22½ "
1826, Union Bank of London,.....	2,000,000	730,000	12,576,355	50,000	13½ "
1829, London and County,.....	1,500,000	506,875	7,517,504	175,000	15 "
1855, City Bank,.....	600,000	400,000	2,208,981	70,000	10 "
1855, Bank of London,.....	600,000	300,000	3,223,675	82,000	10 "
1861, Metropolitan and Provincial,.	1,000,000	72,000	501,804	6,000	5 "
1862, Alliance Bk. of Lon. and Liv.,	2,000,000	245,005	1,019,100	.....	..
1863, Imperial Bank,.....	1,000,000	99,000	498,128	.....	..
	£ 17,900,000	£ 4,068,000	£ 54,212,822	£ 912,829	

The annexed table exhibits the septennial progress of the London joint-stock banks in the past fourteen years, showing the respective amounts of current and deposit accounts, guarantee funds, dividend and bonus per annum; also the ratio of increase of current and deposit accounts per cent. within the same period :

Year.	Banks.	Current and Deposit Accounts.	Guarantee Fund.	Dividend and Bonus per Annum Per Cent.	Ratio of Increase of Current and Deposit Accounts Per (mi).
1848,...	London and Westminster,	£ 2,069,659	£ 102,738	6	248.5
1855,...		8,166,558	187,889	15	
1862,...		12,398,736	202,656	22	
1848,...	London Joint-Stock,.....	2,328,056	128,765	9½	202.20
1855,...		6,241,594	153,378	19½	
1862,...		11,472,734	267,173	21½	
1843,...	Union Bank of London,...	2,644,728	40,900	6	258.20
1855,...		8,368,466	120,000	20	
1862,...		12,576,355	50,000	13½	
1848,...	London and County,.....	1,354,720	26,320	6	252.00
1855,...		4,442,259	100,000	15	
1862,...		7,517,504	175,000	12½	

The average aggregate increase of current and deposit accounts in the past fourteen years is 386 per cent.

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----- exempted from taxation,	1	3
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BANK STATISTICS.

Condition of the Banks of the State of Ohio, February, 1863, compared with 1857, 1858, 1860, 1861 and 1862.

February, 1863.

Resources.	Totals.				
	Independ. Banks.	Free Banks.	State Bank.	Branches of State Bank.	Totals.
Specie on hand,.....	\$ 158,255	\$ 648,043	\$ 2,216,923	\$ 8,023,285	\$ 2,008,975
Eastern deposits,	710,995	673,754	1,648,721	3,033,470	1,151,470
Bank notes,	800,813	1,500,217	2,012,824	8,813,363	1,255,444
Due from banks,	126,496	262,716	1,028,044	1,407,368	1,088,060
Discounts,.....	1,095,964	2,547,976	8,653,459	12,298,399	13,526,750
State bonds,.....	1,205,680	1,748,481	814,809	3,768,820	2,796,396
Real and per. property,	80,956	78,770	587,723	697,449	865,903
Cash items,.....	16,143	182,278	63,715	261,136	87,767
Other resources,	86,721	71,281	1,343,257	1,501,209	932,027
Total,.....	\$ 3,781,872	\$ 7,708,471	\$ 16,819,544	\$ 29,804,387	\$ 22,861,792

January, 1863.

LIABILITIES.	Totals.				
	Independ. Banks.	Free Banks.	State Bank.	Branches of State Bank.	Totals.
Capital,	\$ 350,000	\$ 1,269,200	\$ 4,054,700	\$ 5,674,000	\$ 5,398,805
Safety Fund,.....	584,900	328,700	725,226	1,588,826	1,096,780
Circulation,.....	669,288	1,142,086	7,246,514	9,037,888	8,795,798
Due to banks,	194,788	528,760	291,215	1,014,768	399,502
Deposits,.....	1,820,474	4,229,148	5,691,629	11,681,251	5,749,120
Unpaid dividends,....	205	6,847	165	7,217	5,310
Contingent fund, &c.,	116,661	81,187	79,025	276,878	338,089
Bills payable,.....	50,817	113,914	216,909	381,640	302,337
Other liabilities, .....	.....	9,350	.....	9,350	98,662
Total,.....	\$ 3,781,872	\$ 7,708,471	\$ 16,819,544	\$ 29,804,387	\$ 22,861,792

Totals, Nov., 1861.	Totals, Aug., 1862.	Totals, Nov., 1863.
\$ 8,047,251	\$ 8,384,983	\$ 3,370,132
2,223,995	3,858,698	3,606,147
1,661,256	2,673,510	2,989,608
1,129,585	1,010,731	1,037,961
10,750,862	11,087,324	11,206,967
2,669,958	3,186,420	3,606,318
696,797	789,726	727,810
182,216	196,088	608,447
1,543,102	1,885,079	1,306,508

Totals, Feb., 1860.	Totals, Feb., 1863.	Totals, Feb., 1863.
\$ 1,828,641	\$ 1,784,995	\$ 1,784,995
1,498,796	1,106,121	1,106,121
898,337	768,243	768,243
1,188,970	1,088,060	1,088,060
11,100,463	9,583,926	9,583,926
2,158,552	2,083,778	2,083,778
718,914	522,040	522,040
187,379	121,353	121,353
961,721	907,545	907,545

Totals, Nov., 1861.	Totals, Feb., 1860.	Totals, Feb., 1863.
\$ 5,680,450	\$ 5,406,995	\$ 5,680,450
1,713,386	1,484,144	1,484,144
9,522,498	7,983,390	7,983,390
576,269	789,970	789,970
5,664,293	4,017,044	4,017,044
8,598,426	2,761	2,761
9,814,009	398,584	398,584
9,814,009	243,610	243,610
.....	58,167	58,167
.....	84,008	84,008
.....
.....	182,498	182,498

Totals, Nov., 1861.	Totals, Aug., 1862.	Totals, Nov., 1863.
\$ 27,015,343	\$ 27,015,343	\$ 27,015,343
\$ 23,905,023	\$ 20,486,773	\$ 20,486,773

BANKS OF MASSACHUSETTS.

FROM THE ANNUAL REPORT OF THE BANK COMMISSIONERS OF MASSACHUSETTS, OCTOBER, 1862.

Average Monthly Condition of all the Banks in the Commonwealth of Massachusetts, for the Year ending Sept. 30, 1862.

Date.	Capital.	Loans, &c.	Specie.	Deposits.	Circulation.	Aggregate Dep. and Circulation.	Per ct. of Specie.
1861.							
October,.....	\$ 67,281,700 ..	\$ 110,940,984 ..	\$ 8,707,816 ..	\$ 88,878,874 ..	\$ 19,790,875 ..	\$ 88,889,849 ..	16.3
November,.....	67,844,200 ..	109,493,624 ..	8,999,710 ..	88,447,285 ..	19,547,867 ..	81,994,808 ..	17.3
December,.....	67,844,200 ..	111,852,145 ..	10,824,850 ..	86,827,608 ..	18,987,509 ..	85,815,210 ..	19.5
1862.							
January,.....	67,844,200 ..	109,911,373 ..	10,597,118 ..	84,379,006 ..	19,810,657 ..	88,889,898 ..	19.5
February,.....	67,844,200 ..	108,901,946 ..	9,818,451 ..	81,810,873 ..	19,717,194 ..	81,027,568 ..	18.8
March,.....	67,641,200 ..	108,469,092 ..	10,817,123 ..	88,941,285 ..	20,068,616 ..	49,004,341 ..	21.
April,.....	67,644,200 ..	108,901,905 ..	10,591,797 ..	80,184,841 ..	20,966,446 ..	51,150,739 ..	20.7
May,.....	67,619,200 ..	108,608,878 ..	10,946,695 ..	84,878,888 ..	20,812,845 ..	54,887,878 ..	18.6
June,.....	67,644,200 ..	109,694,843 ..	9,868,465 ..	86,079,408 ..	21,391,818 ..	57,471,216 ..	16.9
July,.....	67,544,200 ..	114,480,417 ..	9,778,660 ..	87,471,188 ..	24,811,021 ..	61,682,184 ..	15.8
August,.....	67,544,200 ..	117,849,289 ..	9,789,686 ..	87,817,866 ..	24,891,872 ..	68,109,128 ..	15.5
September,.....	67,544,200 ..	121,489,184 ..	9,789,818 ..	88,771,147 ..	26,848,759 ..	66,816,906 ..	14.8
Average for year,.....	\$ 67,482,749 ..	\$ 111,491,214 ..	\$ 9,852,968 ..	\$ 84,948,709 ..	\$ 21,802,649 ..	\$ 85,696,858 ..	17.6
Average for 1860-61,.....	\$ 67,045,118 ..	\$ 106,911,716 ..	\$ 7,041,484 ..	\$ 97,068,871 ..	\$ 20,719,151 ..	\$ 47,802,029 ..	14.7

In the year 1880 the population of the State was 610,408; in 1840 it was 737,699; in 1850, 994,514; in 1855, 1,132,369; and in 1860, by the government census, 1,232,065. The average saving deposits per capita have increased from \$5.58 in 1834, to \$7.88 in 1840; \$13.73 in 1850; \$24.12 in 1855; and to \$36.59 in the year 1860. The average expenses of management of savings banks in the State in 1834-1839 were one-third of one per cent.; in the last two years they were annually 27-100 of one per cent.

THE GOLD PRODUCT OF THE WORLD.

- I. *Report of the Commissioner of the General Land Office of the United States for the year 1862.* 8vo. pp. 146, with Maps.
- II. *Letter from the Secretary of the Interior in reply to a Resolution of the House of Representatives in regard to the Mineral Resources of Nevada Territory.* January, 1863.
- III. *Annual Report of JAMES POLLOCK, Esq., Director of the United States Mint, for the Fiscal Year ending June 30, 1862. Addressed to the Secretary of the Treasury, under date October 27, 1862.* 8vo. pp. 38.
- IV. *Report of the Secretary of the Treasury United States on the State of the Finances, for the year ending June 30, 1862. Addressed to the Senate and House of Representatives United States.* 8vo. pp. 276.
- V. *Preliminary Report on the Eighth Census of the United States.* By JOSEPH C. G. KENNEDY, Superintendent of the Census. Under date May 20, 1862. 8vo. pp. 294.
- VI. *The Edinburgh Review, Vol. CXVII., January, 1863. Article "Gold-fields and Gold-miners."*
- VII. *Statistical Abstract for the United Kingdom, in each of the years 1847-1861.* London, 1862. 8vo. pp. 72.
- VIII. *Relations between the United States and Northwest British America A Letter from the Secretary of the Treasury to the House of Representatives United States, particularly in reference to the Central District of the Red River of the North and the Saskatchewan.* 1862. Published under a resolution adopted December 23, 1862. 8vo. pp. 88, with two Maps.
- IX. *The Grain, Pastoral and Gold Regions of North America.* By WILLIAM GILPIN, late of the U. S. A. 8vo. pp. 194. 1860.

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- I. *Extraordinary Production of the new States and Territories.*—II. *California.*—III. *Colorado.*—IV. *Nevada.*—V. *New Mexico.*—VI. *Idaho and Washington.*—VII. *Arizona.*—VIII. *Oregon.*—IX. *Utah.*—X. *Nebraska.*—XI. *Dakota.*—XII. *New Discoveries of Gold in British Columbia, &c.*—XIII. *The Annual Report of the Trade of San Francisco for the year 1862.*—XIV. *Bullion Movement and Coinage of Great Britain for Fifteen Years.*—XV. *Gold and Silver Deposits and Coinage of the United States Mint.*
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ALL the American publications above named convey much information as to the resources and business and condition of the Western States and Territories. By "the West," we now mean those regions beyond the Rocky Mountains.—I. The Report of the Commissioner of the General Land Office is especially important in its information as to the recent emigration to the Pacific States, and to the large amount of capital and

of labor now devoted to the development of the mining resources of those regions, with valuable maps. II. The Letter of the Secretary of the Interior gives fresh details as to the increasing population, and the application of machinery to working the mines. III. The Annual Report on the Operations of the Mint, not only gives the details as to the year 1862, but furnishes a *resumé* of the coining movements since the year 1793. From this report it appears that the total deposits of gold and silver of domestic production at the Mint and branches, from the commencement of the coinage (1793) to June 30, 1862, was \$554,506,002 and 97 cents. The coinage during the same period has been \$864,947,020 and 20 cents, viz. :

Mint at	Com- menced.	No. Pieces.	Amount coined.	Annual average.
Philadelphia,....	1793	\$ 719,171,542	.. \$ 505,417,941 77	.. \$ 7,324,897 70
San Francisco,...	1854	12,264,739	.. 146,907,689 52	.. 18,363,461 19
New-Orleans,....	1838	94,900,695	.. 70,271,652 13	.. 3,055,289 22
Charlotte,.....	1838	1,206,954	.. 5,048,641 50	.. 219,506 15
Dahlonega,.....	1838	1,381,750	.. 6,121,919 00	.. 266,170 04
New-York,.....	1854	33,694	.. 181,179,176 28	.. 16,397,397 03
Totals,.....		\$ 828,959,374	.. \$ 864,947,020 20	.. .....

IV. The report of the Secretary of the Treasury is essential to a clear understanding of the financial condition of the country; the comparative trade of the year with foreign countries; the details of the public debt, and the measures considered necessary by him to sustain the public credit and to lessen the burden upon the people. V. The Preliminary Report on the Census is the most comprehensive and reliable volume yet issued on the subject of the population, business and wealth of the country. VI. We are forcibly reminded by the elaborate article in the *Edinburgh Review* of the physical developments now being made in Australia and other remote parts of the world, and of the vast volume of gold now produced annually in countries hitherto considered barren. VII. From the Statistical Abstract we gather information as to the coinage and bullion movements of England for fifteen years.

Let us moralize as we may, poets and geologists will still dwell upon the subject of

"Gold!
Bright and yellow, hard and cold."

SHAKSPEARE has said, "all that glistens is not gold;" and the *Fairie Queene* has conceived the same idea, expressed in the line,

"Yet gold all is not that doth golden seeme."

There were dreamers of golden regions in the fifteenth and sixteenth centuries, as well as of the nineteenth century. Reality in the present age goes far ahead of those dreams. Probably no conceptions were ever formed by the most sanguine, as to the wealth contained in the bowels of the earth, that have not been exceeded by the products of the present age. Was it not said by ANTONY,

"I have a ship
Laden with gold; take that, divide it."

Was it not reserved for the present century, and for the present genera

tion, to have ships laden with gold by the million in value! There are other conceptions of the poet which now have a significance. In RICHARD II. we read of the stormy day,

“Which makes the silver rivers drown their shores;”

and in RICHARD III. of

“Wedges of gold, great anchors, heaps of pearl,
Inestimable stones, unvalued jewels.”

And when we read, in official reports, of lumps of gold being found on the surface of the earth, worth thousands of dollars, and of silver and precious stones abounding in an area of one million of miles in extent, the dreams of the dreamer are exceeded by reality.

Colonel GILPIN, in his recent volume on “The Central Gold Region: the Grain, Pastoral and Gold Regions of North America,” says, after California had been washed and mined for ten years: “The true region of the precious metals is not yet reached; it lies beyond the Cordillera, upon the plateau. It is the immense area convulsed by volcanic action; containing the Sierra San Juan, the Sierra La Plata and the Sierra Wasatch, and seamed with the radiant gorges of the Del Norte, San Juan, Eagle and Colorado rivers, where gold and silver will be found *in mass and in position*, accompanied by the precious stones. * * * It is not easy for one who holds in his mental vision the progressive growth of our great country, so intense in volume and celerity, to disconnect its march from a visibly systematic vision.

“The production of gold and silver, the construction of habitations, of cities and of States, will be hastened under a propitious climate, salubrious seasons and perennial pastures. Public works will not linger far behind, and long before our going generation shall have ended its career, our States will compactly fill the space from one ocean to the other; and citizens of Asia and of Europe traverse familiarly the central region of our country, in the interchanges of commerce, and passing to and fro to their homes.”

Mr. GILPIN alludes to the River Columbia, which, running from east to west, distributes in its course of 1,200 miles, and in its descent of 8,500 feet, its valuable minerals. “Potential fashion now exalts the little maritime basin of California (San Francisco Bay) into the haven of hope and fortune of the new seaboard; while the sublime basin of the Columbia and its magnificent river harbors are banished from public favor.”

Since the volume of Mr. GILPIN was written, (1860,) enterprise and capital have established five steamers on the Columbia, above the portage; while regular lines of steamers from the mouth to San Francisco serve to transmit the annual millions now yielded in the mines of Washington and Idaho. On one occasion lately the steamer from the Columbia took down \$800,000 in gold to San Francisco, as one of the tri-monthly contributions from that quarter.

According to the annual report, before quoted, of the Secretary of the Interior, the great mineral region has also precious stones, marble, gypsum, salt, tin, quicksilver, asphaltum, coal, iron, copper and lead; and mineral and medicinal, thermal, and cold springs and streams. Many of the valleys of the rivers which pour down from these treasure-laden

mountains, are well suited to agricultural purposes, and can furnish food for the miners. What amazing resources, of which we hardly dreamed a few years ago! It is clear that the government ought to derive some benefit from them. It is suggested that it subject the public mines to lease under quarterly payments, as seignorage, upon the actual products; or that it sell the mining lands in lots of one acre each. Mr. SMITH says that it has been estimated that the sale would produce \$500,000,000, after giving a free and clear title to the miners of the lands now occupied by them. The Commissioner says, that assuming the national debt, on the 1st of July, 1862, to be \$778,000,000, a tax of some eight per cent. on the whole yield of the mines would, upon the maturity of a proper mining system, and when the same shall eventually go into full operation, pay off this interest, enable the government to reduce, by at least two-thirds, the existing direct tax, and from the residue and imposts, have an annual income sufficient to support the government, and provide a fund for the gradual extinction of the public debt, and restore the currency to a metallic basis.

The production of gold throughout the world is one of the most important topics of inquiry in the year 1863. This inquiry assumes importance in three phases at least: 1. In a commercial point of view; this to the world at large is the most prominent aspect. 2. Its social aspects—its influence upon emigration and upon society in the old world and the new. 3. Its political and financial aspects, as affecting the great States and Territories as members of this Union; and, financially, its relation to the newly-created debt of the United States.

In a commercial point of view the gold question may be considered as exceedingly important in and to this generation. States are created; new territories planted; the magic telegraph hence to the shores of the Pacific may be said to annihilate space; steam lines of communication are projected between San Francisco and China; others are in operation between the Golden Gate and North Pacific ports; the rail-road from the Mississippi to the Sacramento is in its early stage; thousands of miners are flocking to the valleys and streams of the Pacific shores, and a large population making their homes in those regions. Already San Francisco is talked of as the future commercial emporium of the continent. That city is now the channel of a vast trade to and from China, Japan, the Sandwich Islands, British Columbia, Western Mexico, and the newly-formed territories and the Eastern States of the Union, and thus becomes a great importer as well as exporter for the Western world.

We are yet in *the mere beginning* of a vast commercial revolution produced by the gold question, although it is now thirteen or fourteen years since the golden sands were first developed by and to American enterprise. We are as yet but awakening to the grand social and commercial problem of the century; and those now living who may survive till the opening of the twentieth century, will witness a political and commercial grandeur which the mind of man has not yet conceived.

It was until lately thought that California was the almost sole region of gold on this continent; and that Mexico, with its annual yield of thirty millions in silver, held pre-eminence in the latter metal; but the years 1861 and 1862 have brought to light even greater fields of both

gold and silver. The reading of the annual report of the Land Office for the past year reminds one of the story of ALADDIN'S wonderful lamp—truth gallops beyond fiction, and reality surpasses the dreams of the sanguine. Mr. Commissioner EDMUNDS assures us that California is producing her seventy millions of gold annually; that the new territory of Colorado will yield ten millions in the present year; that Nevada and New-Mexico are “literally stocked with mineral, gold and silver,” and that “no part of the world is so rich in silver mines.” He assures us that in Colorado are found, besides gold in profusion, coal, lead and iron; that “gold is found on the loose soil of the surface in pieces from a grain to several ounces;” that in Nevada there were last year one hundred and forty mills in operation, “crushing” an average of EIGHT CORDS (!!) of gold quartz PER WEEK.

But these extraordinary and well grounded estimates are surpassed. It is left for the new territories of Washington and Idaho to claim the banner. It is represented that the latter will soon have a male population of 20,000, “with a yield of ten dollars per day per man,” near the Salmon river mines. This is equivalent to a product of one million or more per week; and if we allow only one hundred and fifty working days per year, we shall find that this new territory will, in its early stage, produce some thirty millions of gold annually.

Here we have belonging to the United States, and only a small part of the vast wealth of the Union, a gold region of seventeen degrees of latitude, (from 31° 30' to the 49th degree,) and as many of longitude, embracing ONE MILLION OF SQUARE MILES; “the yield of which, for the years 1862-'3, will not fall below one hundred millions of dollars, and will augment with the increase of population for centuries to come.”

Let us stop and take a long breath.

California will have in the next Congress three representatives, the result of her increase of population from 1850 to 1860, and equal to the growth of the white population of the State of Georgia in the thirty years, 1830-1860.

To California let us add the rapidly growing populations of Dakota, Nebraska, Colorado, New-Mexico, Arizona, Utah, Nevada, Oregon, Idaho and Washington, all of which are rich in minerals, and we may begin to form a correct idea of the solid wealth belonging to the United States—a wealth which promises ample returns for the labor of her present people, and to invite immigration on a large scale from Europe.

The development of these vast mineral regions must create an empire, vast in itself, on and near the shores of the Pacific. And this empire, bound to the shores and States of the Atlantic by iron bands, must create an extent of commerce hitherto unknown in the world; an unlimited market, we may say, thus arises for the cotton and leather goods of the Eastern States, and for all the manufactures now promising so liberal a yield to the operative and to the capitalist.

We will not stop to consider the effects of this great change, now in actual progress, upon the political and social world—volumes will be hereafter demanded for such an illustration—but we may well consider the powerful influence of the vast gold products of the West in the

restoration of specie payments, the restoration of a sound currency, and to assist in the gradual and certain extinguishment of the existing public debt of the United States.

As proof of the vast productions of the Pacific States and Territories, the Commissioner of the General Land Office, in his annual report for 1862, produces numerous letters from official gentlemen, who, by personal observation, are competent to judge of the mineral regions of the West. The yield of gold and silver for the year 1862 is estimated by him, from reliable data, at one hundred millions of dollars. He considers these mines as a legitimate source of taxation, under the present exigencies of the country. He says, (pp. 29—31):

"In Nevada good coal has been discovered in the neighborhood of Dayton, formerly Chinatown, and superior specimens have reached here from Colorado, showing the wealth of that territory in this great industrial agent. But the necessities of the times and the financial condition of the country render specially attractive the gold-fields of the public domain.

"The great auriferous region of the United States on the western portion of the continent stretches from the 49th degree of north latitude and Puget Sound to the 31° 30' parallel, and from the 103d degree of longitude west of Greenwich to the Pacific Ocean, embracing portions of Dakota, Nebraska, Colorado, all of New-Mexico, with Arizona, Utah, Nevada, California, Oregon and Washington Territory. It may be designated as comprising 17 degrees of latitude, or a breadth of 1,100 miles from north to south, and of nearly equal longitudinal extension, making an area of more than a million of square miles.

"This vast region is traversed from north to south, first on the Pacific side by the Sierra Nevada and the Cascade mountains, then by the Blue and Humboldt; on the east by the double ranges of the Rocky Mountains, embracing the Wasatch, the Wind River chain and the Sierra Madre, stretching longitudinally and in lateral spurs, crossed and linked together by intervening ridges, connecting the whole system by five principal ranges, dividing the country into an equal number of basins, each being nearly surrounded by mountains and watered by mountain streams and snows, thereby interspersing this immense territory with bodies of agricultural lands, equal to the support not only of miners but of a dense population. These mountains are literally stocked with mineral; gold and silver being interspersed in profusion over this immense surface, and daily brought to light by new discoveries. The precious metals are found imbedded in mountains of quartz, rich washings marking the pathway of rivers and floods.

"Besides their wealth in gold, no part of the world is so rich in silver mines as Nevada and New-Mexico, yet these may be estimated as only in proportion to the gold-fields, which are in process of development with amazing results. The recent discoveries in the Colorado or southern portion of California, and in the region stretching thence away up to and north of the Salmon River in Washington Territory, are every day stimulating the mining enterprise of our people.

"Prior to the gold discoveries in 1848, at Sutter's race, in California, the gold product of the world was only an annual average of 18 millions.

In 1853 the yield of California was \$70,000,000, about four times the aggregate gold product of the world prior to 1848, and that sum may be set down as the present average from that State alone. If we compare the known gold-fields elsewhere in our public domain with the yield of California, we would have, if an equal ratio of labor was applied, an annual value of between three and four hundred millions. That an adequate amount of labor to this end will be at hand when peace returns is not to be doubted, not only as coming in part from our citizens now in ordinary pursuits, but from the million and a half of men now in arms, who are to be restored to civil avocations. These fields of labor will not only solve the difficulty of returning without disturbance this portion of our people to peaceful employment, but they will furnish incentives for effort and toil to the restless and adventurous, under the protection and inducements of wide legislation.

"Even in the distant territory of Washington, the extreme mosaic block of the Union, the product of the Salmon River mines has been estimated at twenty millions the present year, the developments there, too, having been made under every disadvantage: first, in a season of unusual severity, with deep snows; next, in restricted facilities of travel into the interior, and with inadequate labor, and in times of domestic turmoil.

"An immense revenue may readily be obtained by subjecting the public mines either to lease, under quarterly payments, or quarterly tax, as seignorage, upon the actual product, under a well-regulated and efficient system, which would stimulate the energies of miners and capitalists by securing to such classes an undisputed interest in localities so specified, and when the conditions as to payment for the usufruct are complied with, for unlimited periods, and, whilst effecting this with beneficial results to them, would relieve the necessities of the Republic.

"The average rate of interest now of $4\frac{1}{2}$ per cent.* on the public debt, would amount annually to thirty-five and a half millions; a tax of some 8 per cent. on the whole yield of the mines would, upon the maturity of a proper mining system, and when the same shall eventually go into full operation, pay off this interest, enable the government to reduce by at least two-thirds the existing direct tax, and from the residue and imposts have an annual income sufficient to support the government, and provide a fund for the gradual extinction of the public debt, and restore the currency to a metallic basis. In order that the facts more in detail may be understood, upon which rests the judgment of this office as submitted in the foregoing, the following is presented:

"The usual size of a mining claim in the quartz region is 100 feet on the line of the lode or vein, and 100 feet on each side, equal to an area of 20,000 square feet, or say 1,200 claims to the square mile. Allow that only one hundredth part of the mountain surface is occupied by paying leads or veins, and there will be space for 3,600,000 claims. But Governor EVANS, of Colorado, estimates the already discovered gold bearing region of that territory as affording ample room for 800,000 claims, and states that new discoveries are daily increasing this area. A glance at the map is sufficient to show that the mineral region of Colo-

* Actually about $3\frac{1}{2}$ per cent.—Ed. B. M.

rado occupies less than one-sixth of the whole extent under consideration; but assume it to be one-sixth, and there will be ample extent on this basis for 4,800,000 claims, which, if worked, would give employment to 20,000,000 of men. Quartz that yields \$12 per ton will pay in favorable localities, but there are many veins now worked that yield from \$20 to \$500 per ton, and some that yield from \$500 to \$2,000 per ton, varying in different parts of the same lode. Some of the recent discoveries are estimated as high as \$20,000 per ton, but these have not been worked.

"In addition to the deposits of gold and silver, above especially alluded to, various sections of this whole region are rich in precious stones, marble, gypsum, salt, tin, quicksilver, asphaltum, coal, iron, copper and lead—mineral and medicinal, thermal and cold springs and streams.

"None of these mines have been worked for a great length of time, except the placers of California, and much the largest portion of them are comparatively recent discoveries, yet it has been fully demonstrated that the deeper the mine is worked the richer is the ore or rock. Mines that barely paid at the surface are yielding enormous profits at a depth of 150 to 200 feet. And when the geological formation of this region is carefully considered, it will be conceded that even the precious metals must be found in masses and in position if a sufficient depth shall be reached. The above estimate of the extent of the mines may seem extravagant, but it is believed experience will demonstrate that the estimate is too low. Not now, nor for many years to come, because the population is not there; but as fast as the population does reach that region, the correctness of these conclusions, it is believed, will be vindicated. Within the last eighteen months more has been done to establish the position assumed than all the discoveries previously made. The coming year and a half will do still more.

"The yield of the precious metals alone of this region will not fall below \$100,000,000 the present year, and it will augment with the increase of population for centuries to come. The value of these mines is absolutely incalculable; to the government they may be made to yield, in revenue, just in proportion to the number of men employed in working them. This year they should yield ten millions of dollars, and would do so under the operations of a well-matured system. But to establish a just system of revenue from the mines is a work of time. It cannot be done at once without a shock to the mining interest. It should be done gradually, and adapted to the peculiarities of locality and population.

"Within ten years the annual product of these mines will reach two hundred millions of dollars in the precious metals alone, and in coal, iron, tin, lead, quicksilver and copper, half that sum, which should give a revenue of \$25,000,000; and so, progressing to a distant future, they may be made a rich source of increasing revenue to meet the wants of the government, and relieve the nation from the burden of direct taxation. The experience of miners in those districts which have been successfully worked, has demonstrated the propriety, and I may add the necessity, of dividing the mineral lands into small parcels or claims, as they are denominated in the language of the country, varying from one hundred to twenty thousand square feet, their size being determined by

the character of the mines and the peculiarities of the district in which they may be situated, assigning to the first discoverer two claims, or a double allotment. The eagerness with which these locations are sought carries the explorer far in advance of the public surveys, thereby defying the preparation of the ground by that means either for sale or allotment, in any form now known to the laws, and creating a necessity for adapting the proposed system to the state of things which may exist when the government shall take cognizance of the localities for the purpose of sale or taxation, so that existing and heretofore recognised rights may not be rudely disturbed, nor the industry of the miner paralysed, or his investment of capital rendered insecure. It must be readily seen that no system for the sale of these lands can be devised which can be adapted to all these circumstances; and if it could, no equitable minimum that would afford adequate remuneration to the government can possibly be determined upon in advance of actual mining operations. Miners would not purchase at all save at a nominal price until the value of the location should be fully ascertained, and when so ascertained, they would not consent, nor would it be just, to put them in competition with capitalists who have risked nothing in the exploration. Even if sales could be effected, they would cover so small a proportion of the general surface that, at any minimum which would be just to existing interests and give promise of sales in new localities, the amount realized to the government would be but nominal and *irregular*, forming no basis for *permanent revenue*; affording no certainty that any sum beyond the expenses of survey would be realized, and no adequate compensation to our people for the surrender of the right of free occupation which they have heretofore enjoyed, and which their interest and that of the government alike demand shall be retained as a common and perpetual inheritance.

“For these and other reasons, of which the proper limits of this report will not permit a recital, this office cannot recommend any measure for the *sale* of the mineral lands; but would advise the retention of the *fee* in the *United States*, and that they be held open to the free occupation of all our people, subject only to a nominal annual license, and such monthly, quarterly or annual moderate per centage *upon the product* as shall be prescribed by law. A *limitation* as to the quantity which may be held by any person is also advised, with the guarantee that such quantity may be retained so long as the location shall be occupied, worked, and payments duly made to the government.

“This plan presents no obstacles to the complete recognition and protection of existing interests, or to the advance of the mining population beyond the lines of public surveys or exploration, and yet affords ample guarantees for the investment of capital and labor upon any portion of these lands, with a *permanent basis for revenue*, which will be enlarged precisely in the ratio of the improvements in the process and machinery applicable to this branch of industry and the increase of the mining population. The immense mineral interests under consideration suggest a recommendation, now submitted, of an appropriation of ten thousand dollars for the purpose of a geological and mineral exploration.”

From other sources we learn that in California, recently, nuggets were found in value \$400 and \$450; the miners are making \$8 to \$10 per

day; among the Yreka flats \$150 per day. (!) One "claim," valued as high as \$64,000, produced in one week \$4,575. In Sierra County one lead alone yields \$30,000 to \$40,000 every forty days; another \$1,000 per day for days in succession. In Yuba County \$8,000 per week was the result of one lode, and in another \$30,000 were "pounded" out in one week. At one mill in Nevada County, 415 ounces were retorted in the month of March, and 547 ounces in April, 1862. One vein in Mariposa County is shown to be 63 feet thick (!) "very solid and rich in gold"—the largest quartz vein yet known. These are the few, a *very few*, among many similar discoveries throughout the whole of California, Nevada, Idaho, &c. The Secretars of the Interior, in his Annual Report for 1862, says:

"The extensive mineral lands belonging to the United States, although containing inexhaustible mines of wealth, have heretofore been wholly unproductive as a source of revenue. The products of these mines have increased the wealth and prosperity of the country, but the direct profits upon their production have been enjoyed exclusively by those who have been engaged in mining them. It has become a grave question, to be determined by Congress, whether this policy shall be longer continued, or whether these vast mines of wealth shall not be made available to aid in liquidating our national debt, so far as this may be done without injustice to the enterprising men who are working them. The great auriferous region of the United States, on the western portion of the continent, extends from 31° 30' north latitude to the 49°, and from 100° of longitude to the Pacific Ocean, embracing portions of Dakota, Nebraska, Colorado, New-Mexico, Arizona, Utah, Nevada, California, Oregon and Washington, and covering an area of more than a million square miles.

"This vast region is traversed by extensive ranges of mountains, which are literally stocked with minerals, gold and silver being interspersed in profusion, and daily brought to light by new discoveries. The precious metals are found imbedded in mountains and in rich washings, marking the pathways of rivers and floods. The silver mines of Nevada and New-Mexico promise a production greater than that of any other portion of the world. The discoveries of gold in the Colorado or southern portion of California, and in the region stretching thence up to and north of the Salmon River, in the Territory of Washington, are stimulating the mining enterprise of that region beyond all former precedent.

"Before the discovery of the gold of California the annual production of gold in all parts of the world did not exceed an average of eighteen millions. The present annual production in California is estimated to average seventy millions. The Commissioner of the General Land Office, after extensive inquiry from all available sources of information, estimates the production of gold the present year from the whole region of country before described at one hundred millions. If an amount of labor relatively equal to that expended in California had been applied to the gold-fields already known to exist outside of that State, it is believed that the production of this year, including that of California, would have exceeded four hundred millions.

"Our rapidly increasing public debt demands a resort to every available source of revenue. The mineral lands of the public domain are the

property of the whole people, and justice, as well as sound policy, requires that they should be used as a means of relieving them, to some extent, from the burdens of taxation.

"Several modes have been suggested for making these lands productive to the government. The granting of leases by the government; the collection of a certain proportion of the proceeds of the mines; and the absolute sale of the land, in small lots, have each been advocated. It has been estimated that at least \$500,000,000 could be realized by the sale of them in one-acre lots, after granting to those who are now engaged in mining a clear title, without cost, to the lands they occupy. It will be for Congress to determine which, if either of these systems, shall be adopted. It is due to those who are now engaged in mining that their interests, and the capital they have invested, should receive a proper degree of protection."

COLORADO.

The Commissioner of the United States General Land Office, in his annual report for 1862, says, (p. 22):

Of the Natural Resources of Colorado.—"The Surveyor General submits an interesting report of the natural resources of this territory. The gold product is reported as no longer an experiment; claims are being worked at a depth of two hundred feet; the deeper the lodes are worked the richer the quartz. The principal gold-bearing region, as at present discovered, extends from the vicinity of Long's Peak, in a southwesterly direction, to the heads of San Juan River. The product of the mines the last year was about \$5,000,000. The gold yield for the present year, it is estimated, will reach \$10,000,000. Lead, iron and coal are also found to exist in considerable quantities in the mountains. The surveyor-general thinks a scientific geological survey of the territory is needed. The valleys of the mountain streams, in which the supply of water is constant, are fertile, and adapted to agricultural purposes. The surveyor-general reports that there are many stock ranches in the valleys, and that little attention is paid to raising crops, by reason of the shortness of the crop-growing season.

"On Huerfano and Arkansas rivers are the most extensive grain-growing farms east of the mountains. On the Rio Grande and its tributaries is a large population, mostly Mexican, engaged in agricultural and pastoral pursuits."

In an official communication from the surveyor-general of Colorado, dated Denver, September 1, 1862, he claims that the annual product of gold in the territory, even at this early period, will exceed ten millions of dollars. He says:

"The gold product of the mountains is no longer an experiment. The Gregory mines, on North Clear creek, have been developed the most thoroughly. Many claims are now being worked at a depth of more than two hundred feet, and experience has shown that the deeper the lodes are worked the richer the quartz proves to be. The principal gold-bearing region, as at present discovered, extends from the vicinity of Long's Peak, in a southwesterly direction, to the heads of the San Juan River. The principal developments have been made on the heads of North and

South Clear creek, on the heads of Blue, South Platte and Arkansas rivers. Last year the product of the mines reached nearly \$5,000,000. This year it is estimated by those who ought to be well advised in the matter, that the yield of gold will exceed \$10,000,000. Doubtless as rich mines as any now worked are yet to be discovered.

"Nearly all the precious and useful metals are found in the mountains, but as yet very little attention has been paid to the development of any metal but gold. Lead and iron are manufactured from the ores, but not as yet extensively. Coal is found in considerable abundance and of a very fair quality. All that I have seen thus far belongs to the tertiary formation. I have nowhere seen any out-crop of coal from the lower carboniferous strata, but am told by Mr. E. L. BERTHOUD, who last year surveyed a route for a wagon-road from this place to Salt Lake City, that a very excellent quality of coal, belonging to the lower carboniferous strata, crops out in abundance west of the Snowy Range. A scientific geological survey of this territory is very much needed, and would materially assist in developing the latent riches of the mountains."

The product of the Colorado mines will reach the Eastern States, ordinarily, *via* the Missouri and St. Louis; and here the great value of the proposed Pacific Rail-Road becomes apparent. The mines are groaning with the weight of metal, and millions are spent annually in the mere expenses of transportation to and from the other States by means of mule and wagon carriage.

The mines in Colorado have been but lately made known. In an official letter to the General Land Office, by Mr. ANTONIO M. PICO, United States Register of the Los Angeles District, dated August 8th, 1862, he says:

"Sir,—I have the honor to inform you, in conformity to your circular dated February 10, 1862, that the Placer mines of Colorado River have become the all-absorbing topic of interest in the southern counties. News of the most startling interest is daily reaching us, and the result is that the whole of the floating population is on the way or about leaving for the Colorado district. The locality of the newly-discovered placers is on the left bank of the Colorado River, due east from San Bernardino, and about eighty miles northeast of Fort Yuma. From the quantity of gold daily reaching this city there is reason to anticipate a development of mineral wealth superior to that of any other portion of the Pacific coast. From accounts which have reached us, the amounts collected each day came up from four to six ounces to the hand. The gold found is on the loose soil of the surface, in pieces varying from a grain to several ounces. From the reports of persons worthy of confidence, there remains no doubt of the vast richness of that portion of Colorado Territory. The gold is of extreme purity, assaying twenty-three carats fine, and sells readily at \$17 50 to \$18 per oz.

Unfortunately there is no water nearer than the Colorado, and the mining district is from twelve to eighteen miles from the river. The gold-fields are situated on the middle of the Colorado and Gila rivers. The country near the Colorado is said to be of the most forbidding character, with a soil incapable of sustaining vegetation other than that of the "cactus" family, which is thereby scattered over it. Towards the

Sierra Blanca vegetation becomes more abundant, and, near the mountain range assumes a luxuriance equal to our rich valleys of the southern counties.

"I saw yesterday, in the hands of a merchant of this city, a piece of gold weighing forty-seven ounces, for which the sum of \$869 50 was paid. It was taken up by a Mexican named AMBROSIA CASTILLO. This beautiful piece was solid and entirely pure. He says that persons will soon arrive here bringing larger pieces than this one. About *two thousand* persons are already at work at these mines; numbers are starting from all parts of this State and also from the neighboring State of Sonora, Mexico. As these "Placer mines" are situated on the new territory of Colorado, I presume the land office recently created for that district will transmit to you all the necessary information as to the exact locality of the gold-fields, extent of discoveries, topography and character of the surrounding country, &c."

NEVADA TERRITORY.

Official reports speak in the highest terms of the mineral resources of this new territory. In a special report to Congress, under date December 22, 1862, the Commissioner of the General Land Office communicates, for the information of the government, the results of observations made by official gentlemen employed in the new territory. He says:

"The result is that the United States, in the opinion of this office, from existing discoveries, hold the proprietary interest in the most extensive and richest mines in the world; the reason being found in the fact that the average annual California product, since 1853, is four times the annual yield of the globe prior to the gold discoveries in that State, and the most important region recently developed is undoubtedly NEVADA.

"The gold and silver mines there are found stretching from the Washoe, on the southwestern part of Nevada, across the territory, from west to east, and radiating in northerly and southerly directions from the great central discoveries of Washoe. We have information of the deeply tunnelled 'Potosi,' or Spanish mine, with splendid gold rock, partially decomposed, of a reddish hue, from which *rock* is furnished to several mills engaged partly in crushing, and in selling the same as it comes from the mine; also the 'Central' and 'Ophir,' all situated in Washoe County, some twelve or fourteen miles north of Carson City, in the extreme western part of the territory, and in about $39^{\circ} 15'$ north latitude.

"The principal clusters of gold and silver discoveries are in the counties of *Washoe, Storey, Lyon* and *Ormsby*, encircling Carson, the capital of the territory. Then proceeding south some thirty or forty miles from Virginia City and Gold Hill, there has been discovered between the forks of Carson River what is known as the 'silver mountain,' some ten miles of it having been staked off, on which, wherever the miners have penetrated to any depth in the hill, it is reported they have found *ore* which will rival any other mining district of the eastern slope. Advancing still further in a southerly direction, on the western side of the territory, the Esmeralda and Van Horn mining districts are reached, the latter embracing the 'Bullion mill.' Then returning to the central discoveries

around Carson, and travelling due east across the territory, 177 miles from Carson, in almost the extreme eastern part of Nevada, the 'Reese River' mining district is found, lying on both sides of the main stage and immigrant road. Yet still further east than the 'Reese' is the 'Simpson Park' district, abounding in silver ore.

"Returning, then, to the region about the geographical centre of the territory, and around it have been established the Humboldt, Eldorado, Echo, Sacramento and several other mining districts. It was estimated in August last that there were in the territory one hundred and forty mills in operation, more than half of which yield large amounts weekly, crushing an average of eight cords per week, at a yield of \$160 per cord.

"Besides its resources in the precious metals and in the useful minerals, it has extensive agricultural capacities scattered throughout the mineral ranges. This glimpse at the wealth in precious metals of Nevada, not (as hereinbefore indicated) afforded from official data, may serve to furnish some idea of its general diffusion over the territory, the cost of transportation to and from the mines having been estimated at six millions of dollars annually. This mineral region, undoubtedly, extends eastward into Utah, as it is known to do in a southwesterly direction to the Colorado region of California. The Nevada mining region occupies a position of *centrality* in connection with the Pacific and the plains reaching to the Mississippi valley, as it does relatively north and south, being about the middle part of that portion of the American Union."

The reports as to the productiveness of Nevada Territory are also confirmed in a letter from Mr. SAMUEL YOUNGS, addressed to the Commissioner of the General Land Office, Washington City, dated *Aurora, Esmeralda County, N. T., August 7, 1862*:

"I received your circular of 10th February yesterday, and shall be pleased to render all aid in my power to the advancement of the information desired. Not being learned in the sciences, I could only give the practical or popular names. At present I know of no opportunity of forwarding specimens to you. I could forward rich specimens of gold and silver quartz. In this district we have more quartz ledges and quartz rock than any other place I have seen. Having been in California since 1849, I have had some experience. Here we have frequent boulders of quartz lying upon the surface over the country for three to five miles in extent, which promise richly in silver, many tons of them having been worked to profit for the miners. In no other country is silver rock found upon the surface, so far as I am informed. We have here obsidian, a species of coarse glass, found on the surface; in other sections a boulder resembling lava, which, when broken, is hollow, the inside coated with beautiful colors, white, blue, &c. It resembles a fine agate; I can give it no name. We have bituminous coal; beautiful, clear, white salt. The soil contains much alkali; the ground is extremely dry and barren; country covered with wild sage bushes, from two to four feet high. Cedar, pine and wild mahogany trees are our wood; they grow slow and very scrubby. In the mountains we have timber for lumber, &c. In the rivers we have trout and other fish. We have also cinnabar and alum in this district; when opportunity offers I will forward samples."

NEW-MEXICO.

The surveyor-general of New-Mexico, in an official communication, dated September, 1862, claims for that State the existence of extensive gold and silver mines, as well as copper, lead, iron and coal. He says, (p. 99, annual report:)

“At present, on account of the hostility of the Indians and other causes, but little is done to develop the mineral resources of New-Mexico. Traces of gold have been found in almost all the mountain ranges extending from the gold region of Colorado to Mexico and Texas. Mines of silver, copper, lead, iron and coal, of exceeding richness, are found in many portions of the territory. In the spring of last year, when the Texan traitors first raised their rebellious flag in New-Mexico, gold and silver mines were being worked with profit in the region about Fort Stanton, in the Organ mountains, near the Rio Grande, along the Colorado and the Gila, near Tubac on the Santa Cruz, on the Mimbres and at the “Placer,” near Santa Fé. Copper mines on the Rio Mimbres were also extensively worked, and the copper so cheaply obtained that, although the proprietors were compelled to transport the copper in wagons to Lavaca, in Texas—a distance of over eight hundred miles—yet they realized large profits. Since the commencement of the rebellion, work at all of these mines has ceased, except at the Placer mines, about twenty-eight miles south of Santa Fé, and at the new discoveries on the Rio Colorado. Reports have reached me of the discovery, within the past few months, of extensive and very rich gold fields near the Rio Colorado, in this territory, not far from the 35th parallel of latitude, and of the emigration thither of great numbers of miners from California. I shall avail myself of every means within my reach to obtain information concerning these new discoveries, and will promptly communicate to you such facts as I may be enabled to collect. If these reports should be verified, the interests of the government and people will require the extension of the public surveys over that region at an early day.”

IDAHO AND WASHINGTON TERRITORIES.

The new territories of Washington and Idaho, lying north of California, and between the latitudes of 42° and 49°, are also possessed of rich mineral regions. Mr. E. GIDDINGS, chief clerk of the surveyor-general's office of this territory, in a letter dated Olympia, August, 1862, says, (p. 143, annual report:)

“The rich mining region about Florence is but about eleven miles in circumference. On June 1, 1862, there were recorded on the town books of Florence 1,319 claims, worked by about 4,200 men; and in addition to the above number, some 5,000 more are now stopping in and about Florence, making preparations for prospecting tours up Salmon River and its tributaries. Reports are continually being made of further rich discoveries, and the country between Florence and Oro Fino is undoubtedly rich in mineral wealth.

"Mr. GEORGE GLASCOCK, of Florence, very kindly furnished me with his notes of travel up the Salmon River some 120 miles above Florence, from which I obtained the course of said river above Florence, and also the several tributaries to the same, as delineated in the accompanying map. He also informed me that he and his party had discovered gold upon the Salmon River and all its tributaries between Florence and the Mormon settlement on the same, but the waters being so high at present, it would be difficult to profitably work them. Ledges of gold-bearing quartz have also been discovered near the Mormon settlement. A few specimens taken from said ledges, and also some specimens of petrification, are herewith sent you. The gold-fields of the Clearwater have proved to be extensive, although the deposits are not so rich as in the Salmon River mines. They have already proved sufficiently extensive to furnish employment to 20,000 men, with a yield of about \$10 per day to the hand.

"The Colville valley is rich, and well adapted to the growth of wheat, well timbered, and gold is found upon the Columbia, Pend d'Oreille, and their numerous tributaries. I passed over this portion of our territory in 1853, and at that time there were fifteen or twenty settlers, with their families, located in Colville valley, principally on Mill creek, and who had been there for several years. The valley now contains a population of more than 1,200, and over 150 land claims are now being improved, as I am reliably informed. The fact that gold has been discovered in this region is drawing a large population. Colville valley is about fifty miles in length, and from one to five in width."

The new territory of Idaho, established by act of Congress of 1863, has been formed partly out of Washington and partly out of Nebraska, and now has the range of 42° to 49° north latitude.

NOTHWEST BRITISH AMERICA.

In the report of the Secretary of the Treasury of 1862, on "the relations between the United States and Northwest British America," much information is given as to the productiveness of the northern region and of the recent and important measures to facilitate transportation to and from the region around the Red River of the North and the Saskatchewan. This report states that steamboat navigation, now established on the Red River of the North, can readily be extended through Lake Winnipeg and up the Saskatchewan River to Fort Edmonton, the supposed eastern limit of the new gold district. It is believed that the Grand Rapids (so called) of the Saskatchewan are no obstacle to navigation.

The Hon. DARCY MAGEE, of the Canadian parliament, says of this northern region:

"I have always felt an active, living interest in everything that concerns what is usually called among us 'the Red River country.' In the very heart of the continent, on a territory 500,000 square miles in extent, where Lord SELKIRK, half a century ago, declared there was field enough for a population of 30,000,000 souls, the only speck of settlement is some 7,000 or 8,000 of our fellow subjects in and about Fort Garry."

In the year 1858 gold was discovered near Frazer River, British Columbia. The whole region between this and the Red River of the North, thirty degrees of longitude, has gold in a greater or less proportion. The report adds:

"The lake and river system of that region are almost as wonderful as our own. Lake Winnipeg has an area equal to Erie, and Lake Manitoba nearly half that of Winnipeg. In the valleys of the Saskatchewan and Assiniboin Professor HIND estimates that there are above 11,000,000 acres 'of arable land of the first quality.' Of this region about one-half is prairie to one-half woodland; it is the only extensive prairie country open to us east of the Rocky Mountains, and if justice was even now done it, it would become the Illinois or Iowa of our future British-American nationality.

"And this country is not only valuable in itself, but valuable for that to which it leads. The distance from a given point on our side of Lake Superior to navigable water on Frazer River, in British Columbia, does not exceed 2,000 miles, about twice the distance between Boston and Chicago."

The mineral wealth of Lake Superior, particularly its south or American shore, is forced upon our attention in this connection. The two last years have witnessed a production of iron and copper which, with the freedom of the St. Lawrence for the transportation of the ores, or articles manufactured from them, may prove of immense national importance. The rapid progress of these mines is not generally appreciated. A new and extraordinary impulse to the commerce of the northwest will be thence derived, which will, however, greatly depend on the freedom of the whole channel of the river St. Lawrence.

Of the recent and important gold discoveries of Northwest British America and their influences, Mr. JAMES W. TAYLOR says, in his report to the Treasury Department:

"I had proposed under this head to collate the evidences of extraordinary auriferous wealth in British Columbia, but as the summer of 1862 may greatly enlarge the public knowledge on this subject, I only annex a general statement of present developments.

"The discoveries of 1858; in the lower channel of Frazer River, have been pushed to the headwaters of the stream, becoming more remarkable in the remote interior, close up to the central range of the Rocky Mountains. This district, which now attracts so much attention, is known as the 'Cariboo Diggings,' and is being identified upon the eastern flank of the mountains, from which issues the sources of the Saskatchewan; upon the Peace River, before it passes through the main chain from the Pacific slope, and even as far north as latitude 57°, in the rear of the Russian possessions of the coast, gold fields are known to exist nearer the international boundary, particularly on the upper Columbia and its tributaries; but the bulk of testimony is, that the most extraordinary discoveries are north of latitude 53° and in the average longitude of 120° west of Greenwich.

"Making every allowance for interested and exaggerated statements, there remain grounds for the belief that the individual adventurer, with

no other capital than his labor, has a greater chance of success in Northwest America than in any other auriferous district of the world. Hence, the exodus of population to the mines of British Columbia from all parts of the Pacific coast. The gorges of the Rocky Mountains far north of the parallel of 49° will be speedily occupied, and commercial relations established eastwardly along the water-lines of the Saskatchewan and the Red River of the North with the navigation of the Mississippi River and Lake Superior.

“With such an extension of population to the interior of Northwest British America, the coast and archipelago of islands in the same latitude, and quite to the north of Vancouver’s Island, will also be colonized. Already explorations of Queen Charlotte’s Island are in progress, and the Sacramento of the Cariboo mines—the point of most ready supply from the Pacific coast—is likely to be established at the head of Bute’s Inlet, from which a trail pursues the old route of discovery by Sir **ALEXANDER MACKENZIE**.

“Nor will the influence of these northern gold discoveries be limited to the foregoing results, over the area described at length in the foregoing pages, as constituting the arable areas of Northwest British America. The centre of mining activity, as now ascertained, verges upon the valley of the Mackenzie River, a stream sequestered from the world by its arctic situation, but navigable from the Pacific Ocean through Behring’s Straits and the adjacent open Polar sea for an equal period, as European navigators are accustomed to frequent Spitzbergen. Even in Russian America, the Yoncan, which falls into Behring’s Sea south of the straits of that name, is a river of magnificent proportions. So far as the fur trade and mineral wealth of the arctic district of Northwest America need avenues to the markets of the world, they are thus supplied.

“My conclusion is, that, under the potential influence of gold, great social and industrial changes are soon to occur in Northwest British America, influencing most materially the interests of the United States in that direction.”

Of the remarkable mildness of the climate of the regions in latitude 40° to 50°, Col. GILPIN, in his recent volume, says:

“The sublimest of the ocean’s majestic rivers, more worthy to be deified than the Ganges or Egyptian Nile; the grandest and most elevated of earth’s mountains; superlative forest evergreens; an emerald verdure and exuberant fertility; a mellow and delicious atmosphere, imbued with purple tints, reflected from the ocean and the mountains; a soft vernal temperature the year round; whatsoever can be combined of massive and rugged mountains, picturesque landscape, and a verdant face to nature, shining under the richest sunlight, a climate soft and serene; whatsoever of all these, blended and enjoyed in combination, will accomplish to give grace, elevation and refinement to the social world, are here united to woo and develop the genius of our country and our people.”

MINING IN CALIFORNIA AND NEVADA,
IN THE YEAR 1862.

1. *The Floods of 1862.* 2. *Yield of the Mines.* 3. *Placer Mining.* 4. *Copper and Silver Mining.* 5. *Quicksilver.* 6. *Coal.* 7. *Mineral Paints.* 8. *Mining in Nevada.* 9. *Freighting.* 10. *Mill Business.* 11. *Processes.* 12. *Export of Treasure from California in 1862.*

From The Mercantile Gazette and Prices Current. San Francisco, January 9th, 1863.

THE immediate damage to the miners from the floods of the winter of 1861-'2 was immense. It stopped mining operations of nearly all kinds in many districts for a month or six weeks, throwing large numbers out of employment, while, at the same time, by sweeping away the bridges and rendering the roads impassable, it cut off their supplies of provisions and greatly enhanced the cost of living. The high waters in all the streams carried away the implements of the miners and destroyed their reservoirs, ditches, flumes and machinery, rendering great outlays of labor and money necessary to replace them. The larger ditches, flumes, dams and reservoirs owned by incorporated companies, (the principal of which we have described in our former reviews,) which furnish almost the entire supply of water for mining purposes throughout the richest and most densely populated districts, all suffered great injury, and were to a great extent useless while the necessary repairs were being made, and mining operations along their lines were consequently altogether prevented or greatly circumscribed and impeded. The washing away of the costly head dam of the Middle Yuba Canal Company cut off the greater part of the supply of water along the ridges for a distance of nearly thirty miles, stopping hydraulic mining in the districts surrounding North San Juan, Sweetland, Burchville and French Corral. The quartz leads were many of them filled with water, so that ordinary means of drainage were unavailing and work was impossible. At Grass Valley alone, 1,500 quartz miners were thrown out of employment, entailing a loss in wages and profits to the mill-owners estimated at \$10,000 per day. Large excavations and deep cuts made for drainage, and otherwise to facilitate the working of deep claims, were filled up with worthless soil and gravel, requiring months of profitless labor to remove, before they could again be worked at all, sometimes even causing their entire abandonment.

On the other hand, the immense quantity of water which fell was not without its compensating benefits. Many of the smaller gulches and higher flats were thus supplied with sufficient water to permit their being worked with great success by the miners thrown out of employment elsewhere. Besides this, the beds of many of the rivers, creeks and ravines, which had become filled with worthless tailings from hydraulic and other

claims, were suddenly cleared out, often to a depth of ten feet or more, so that the bed rock could again be reached and worked with profit. Many bars and creeks, almost abandoned for years before, have from this cause paid well during the past season, and sometimes the new deposits of gold, washed by the water from the earth carried off, were very valuable, though never as coarse or heavy as those first found, which were the undisturbed result of the same causes operating for untold centuries. In some districts the benefits thus accruing more than equalled the damages caused. This was the case at many places in Sierra County, and also along Yreka Creek and Scott River, at Lancha Plana, Poverty Bar, and elsewhere; and an ounce a day to the hand was frequently the yield of the claims thus improved.

Yield of the Mines.—During the past year the operations in gold mining have usually been attended with fair average success. The gradual diminution of the yield of the older fields has been compensated by the new discoveries that have been made in other vicinities, so that the total gold product of the year has probably fallen but little, if at all, behind that of the past four or five seasons. Our tabular statement in another place contains a full exhibit of the product of the past year as compared with the two previous.

I. PLACEB MINING.

From the northern portions of the State very favorable reports were received during the spring and early portion of the summer, the large quantities of snow upon the mountains, by its gradual melting, extending the season during which the dry diggings and smaller streams could be worked with advantage. In Trinity County the gulch and hill diggings all paid well, and the dry diggings yielded better than ever before. Near Weaverville a stratum of pay dirt containing much decomposed quartz was found, and a square mile of the land was immediately taken up in claims. Much of the gold was coarse, and lumps weighing from \$5 to \$90 were found. In Siskiyou, along Scott River and its vicinity, the yield was larger than for several years past, and a number of rich claims were mentioned, in one of which a \$450 nugget was found. The river claims were worked very extensively, the number of water wheels erected being greater than ever before. On the Klamath a \$400 lump and 18 ounces of other coarse gold were taken from one claim as the result of one week's work. Along the ridge on the eastern part of Yreka Valley, and on Greenhorn Creek, the pay was about \$8 per day to the hand. From about Yreka similar reports have been frequently received, one claim on Yreka flats being mentioned as paying \$150 per day.

Shasta Co.—In Shasta County, about Roaring River, Janesville and Union Flat, the miners were said to be very successful, and earning from \$5 up to \$17 per day. A number of hydraulic claims were also opened. The Bunker Hill Company, at the mouth of Middle Creek, three miles from Shasta, in April last, were reported to have taken out daily for two weeks from 6 to 10 pounds of gold, worth \$19 per ounce, only four men being employed.

Sierra Co.—In Sierra County, about Nelson Point, the miners were making, in April, from \$5 to \$20 per day. Tunneling operations continued to be prosecuted successfully in various localities. As a single instance, the Eagle Tunnel yielded \$4,575 as the result of one week's work of 19 men. The claim was held in 14 shares, and valued at \$64,000, one share being sold during the past season at that rate.

Michigan Bluff.—At Michigan Bluff, midway between Downieville and Placerville, on the north branch of the middle fork of the American River, hydraulic mining has been vigorously and successfully prosecuted. Owing to the formation of the land, the sluices are laid in long tunnels 100 feet under ground. The water is carried in iron pipes upwards of 3,000 feet, and has a fall of 300 feet. Seven of such tunnels were in use in June, and more than a dozen others were shortly to be commenced to work other claims. In El Dorado, the hydraulic claims at Grizzly Flat paid well, and many new claims were located and opened. Creeks worked every year since 1848 having been washed out by the floods, were worked again the past season with profit. In Plumas, for the same causes, this class of mining was also very successful. In Butte, a number of the flats surrounding Oroville, and elsewhere, have also paid well.

Yuba Co.—In Yuba County, hydraulic mining was stopped for some time in the early part of the year, from the effects of the flood and storms, but later in the season was prosecuted with the usual vigor and success. At McFarland Hill the diggings are said, for two years past, never to have paid less than \$8 per day to the hand. A new deposit of very rich earth was discovered in October by tunneling, and a large number of new claims were at once taken up and work commenced. At Smartsville, in Bradley's hydraulic claim, in October, a blast of 500 kegs of powder was fired, for the purpose of pulverizing the hard cemented gravel, and thus preparing it for washing. The bank in front was 85 feet in height. From this a tunnel 190 feet in length was run, with seven side drifts of 10 to 15 feet long. In these the powder was deposited, and five lines of fuse carried thence to the entrance of the tunnel. For a distance of 75 feet from the entrance, the tunnel was then tightly closed, and packed or "tamped" with earth. When the explosion occurred, the hill, for a distance of 300 feet front and rear, and from the bed rock to the surface, a distance of from 85 to 120 feet, composed principally of hard gray and blue cement, was thoroughly pulverized, and the surface thrown in ridges, as though newly plowed. The cost of the blast was \$3,300. The saving of labor was about 30 per cent., and one-fourth more earth can be washed per day; while the gold product is increased 25 per cent., in consequence of the thorough disintegration of the soil. To wash the soil thus prepared would require a stream of 400 inches of water for over three months, for which the outlay would be \$5,000, and \$1,500 more would be expended for the labor required. \$20,000 was refused for the product. A still larger blast was also prepared in the same neighborhood about the same time.

Nevada Co.—In Nevada County, at Red Dog, a layer of rich but hard

cement, called the "blue lead," is found, and as the gravel above it does not pay for washing, it is drifted out by means of tunnels, &c., and crushed in mills, like quartz mills, before washing. At one such mill, having six stamps of 400 pounds each, and costing only \$1,600, the result of 30 hours' work was a yield of \$2,700. Shortly afterwards \$4,000 additional was produced. A few years ago \$8,000 was lost in endeavoring to work the same claim in the usual manner. The lead is particularly rich in this vicinity, though the surrounding mines in which it is found also paid very well. At French Corral, in POLLARD'S claim, in March last, a tunnel 2,800 feet long was completed after two years labor. 75 men were employed and 800 inches of water used in the claim, and \$5,000, \$17,000 and \$20,000 were cleaned up at different times after operations commenced. At Cherokee, where the surface earth was rich—but at a depth of 40 feet quicksands are encountered, notwithstanding other failures—a deep shaft was commenced, with lifting and pumping machinery, to go through the quicksand and reach the bed rock, in hopes of finding gold heavier and coarser than that above it.

Tuolumne Co.—In Tuolumne County, in the neighborhood of Sonora and Columbia, the mines did remarkably well during the past season. From the Major MILL claim 58 pounds of gold were taken as the result of five and a half days' run. Its value was over \$13,000. SMITH, CARVER & Co.'s claim in one week yielded 266 ounces. A single afternoon's work yielded 106 ounces. In June the miners were reported doing better than for a year previously. Good paying claims were particularly mentioned at Yankee Hill, Saw Mill Flat, Campbell's Flat, Brown's Flat, &c. New Placer diggings were also found at Sugar Pine Creek, in which from \$3 to \$10 per day was made. A project was started for the drainage of the whole basin in which Columbia is situated, by means of a large tunnel through Table Mountain, emptying into the Stanislaus River, by which the working of deep claims at Columbia, Shaw's Flat, Union Hill, Wood's Creek, Saw Mill Flat and Yankee Hill would be greatly facilitated, and the scale of operations greatly enlarged. Whether any action has been taken in the matter as yet we are not advised, but some such operation is needed and would doubtless be profitable, though costly. In Mariposa County, Chinamen were working and paying \$4 per month license to the owners of the FREMONT ranch. Being secured in the possession of their claims, they were industrious and successful. Several discoveries of new placer diggings were announced as made in different parts of the county, though not of very great extent. In Tulare County, new diggings were discovered 15 miles south of White River, and extending for seven or eight miles. \$5 per day was generally made, though the discoverers found richer spots in which their profits were much larger. In the Kern River region new placer diggings were found near Keyville.

A large number of miners visited the mines upon the Colorado River during the past season, but while a few were very successful, the majority were compelled to return empty-handed, the intense heat preventing work during the greater part of the day, and the scarcity of water rendering any thing but dry washing or mining on the smallest scale impossible,

and the regions away from the pools and small gulches almost uninhabitable. Water transported by donkeys was readily sold to the miners at a dollar a gallon, and the supply necessarily very limited. 1,500 miners were said to be working there in June, 1862.

The only improvement noted during the past year in this class of mining was a greater saving of the gold in the shape of amalgam taken from the riffles and amalgamated coppers of sluices by means of nitric acid. It has been found that what was formerly regarded as refuse and thrown away, if slowly evaporated, frequently still yields a considerable quantity of gold. The Columbia Plumbing Company thus save sufficient to pay the salary of their superintendent. In HUNTER'S claim, in the same vicinity, after \$2,500 had been extracted in the usual manner, \$385 additional was saved. In other claims from \$300 to \$1,000 per annum is thus gained.

II. QUARTZ MINING.

Very many valuable quartz ledges have been discovered in various parts of the State during the past season, and quite a respectable number of new mills have been erected, and the older claims have been worked with fair results.

In the extreme northern part of the State a number of such discoveries were noted. The Black Bear Ledge, on Salmon River, yielded \$10,000 as the result of two weeks crushing.

Sierra Co.—In Sierra County, the Reis quartz lead, situated at the Buttes, above Downieville, continues to yield regularly at the rate of from \$25,000 to \$30,000 for every forty days run. Several other rich quartz leads are worked in the immediate vicinity. In El Dorado County, in June last, a very rich lead was discovered near Placerville. In Plumas County an extremely rich quartz lead was found in August, near the mouth of Nelson Creek. Another lead at Rich Bar is also noted for its yield. In Indian Valley, a lead nine feet in thickness, and yielding from \$60 per ton upwards, was discovered last fall, and a mill with eight stamps was erected to work it. At Round Valley, in the same neighborhood, several mills and arrastras are in successful operation, one of which yielded \$1,000 daily, and is run at an expense of only \$70. In Butte County, at Cherokee, a furnace was erected for roasting quartz before crushing it, in order to decompose the sulphurets and arsenious compounds, and free the gold. The experiment is said to have been attended with good success.

Yuba Co.—In Yuba County, the HARRIS Lode, in BROWN'S Valley, 12 miles from Marysville, is reported to yield at the rate of \$7,000 to \$8,000 per week, the vein being wide, and the rock soft and easily worked. At German Bar, on the Middle Yuba, \$100,000 was taken out of the Fellows quartz lead in a very short time, \$30,000 being pounded out in a hand-mortar in a single week.

Nevada Co.—In Nevada County prospecting has been actively carried on, and a number of valuable quartz leads been discovered during the past year; from one of which, found on Massachusetts Hill, in April, \$20,000 was taken the first month it was worked. From the report of

the Nevada Quartz Mining Company, for the year ending February 28, 1862, it appears that in that period their mill, propelled by water-power, and driving 12 stamps, 5 Chili mills, 3 Bonham arrastras and 6 Bradford's shaking tables, worked 3,735 tons of quartz, yield \$60,333. Three months time was lost, owing to bad weather. The ledge contains large quantities of sulphurets of iron, and but little free gold. The weight of the amalgam, as taken up, was 15,780 ounces. When retorted, 3,715, worth \$17 15 per ounce. As showing the operation of their system of extracting the gold, the amalgam was found distributed as follows: in the batteries, 3,268 ounces; in the Chili mills, 8,697 ounces; in the arrastras, 2,626 ounces; in shaking tables, 950 ounces; and on the amalgamated coppers, 240 ounces; the value of the amalgam was \$3 81 per ounce. In March, at this mill, 415 ounces were retorted; and in April, 547 ounces—worth \$17,000. In 1852, the Bunker Hill Company lost \$80,000 in working the same ledge, in the imperfect manner then practiced. Some of the ledges that are opened deepest pay as well as the others; rock from Canada Hill, at a depth of 80 feet, paying \$30 per ton and upwards; and that from the Pittsburg Ledge, at a depth of 140 feet, paying from \$60 to \$70. A single lot of 28 tons, crushed in September, yielded \$1,700.

Tuolumne Co.—In Tuolumne County a number of valuable quartz discoveries have been made, while the older ledges still pay handsomely. From a new lead found at BROWN'S Flat, over \$18,000 was pounded out in one week. The yield of the DRAPER Lead, at Soulsbyville, still continues to be large. A large and rich lead was found in June, at French Flat, and others at Sugar Pine Creek. From the latter very favorable reports have frequently been noted, and it is claimed to be one of the richest now worked in the State. Ninety-five pounds of amalgam were collected as the result of five days run on one occasion; 101 pounds of gold was the result of another week's crushing. Fifty-six tons of the rock yielded \$25,000, or nearly \$500 per ton, and this is stated to be but little above the average for the whole of the past summer. The mill has eight stamps, and is said to have paid \$2,000 per day for several months of the past season. These figures are as given in the local papers, but if very materially reduced, the lead would still be rich and the mill very successful. Another lead, extremely rich in gold and silver, was discovered near the summit of the Sierra Nevada in September.

Mariposa Co.—In Mariposa County a number of rich quartz discoveries have been noted from time to time. The largest was a vein reported found in November, near Sweetwater, 12 miles from Mariposa, and stated to be 63 feet thick, very solid and rich in gold. The miners, who have a theory about a main mother ledge, suppose this may be the one so often searched for. If the report is strictly accurate, it is the largest quartz vein yet known. From a lead found on the Merced River, two miles above the Horseshoe Bend, in one week \$12,000 was taken with a mortar and arrastra. A number of water-power mills are in course of erection on the same river, 35 miles above Coulterville, to work several rich leads lately found in the vicinity, in which a number of valuable streaks and pockets were found. A mill to drive 48 stamps was com-

menced at Princeton in May. Large quantities of rock, paying from \$100 to \$300 per ton, are taken from the vein. On Kern River a 4-stamp mill was erected eight miles above Keyesville, and the rock is said to pay \$100 per ton. In the Cave District, CALDWELL & Co.'s leads, nine in number, and 20 to 50 yards apart, and of good width, are said to pay from \$40 to \$65 per ton. One mill is in operation and several others in course of construction. In Santa Clara County, on Penitencia Creek, ten miles from San Jose, a rich quartz lead, containing silver as well as gold, was found last summer.

III. COPPER MINING.

The copper mines of Calaveras County continue to be worked with undiminished success and profit. The main ledges are being thoroughly opened, and the shipment of ores is increasing. Agents in this market now purchase all suitable ores offered, for shipment to Boston and Swansea. The value is ascertained by assays of selected samples. Such ores in Boston are said to be worth \$6 per ton for every one per cent. of metal they contain; thus, 10 per cent. ore would be worth \$60, &c. The rate of advances made to shippers is 50 per cent. on shipments to Boston, and 60 per cent. on shipments to Swansea. The freight is \$9 per ton to Boston and \$11 per ton to Swansea. Expenses are estimated as follows: ore mined and at pit's mouth, \$2 50 per ton; freight in teams to Stockton, \$5 50; by steamer to San Francisco, \$1 50; sacks, commissions, assays and sundry expenses of shipment, &c., \$8; add freight, gives cost in Boston, \$26 50; in Swansea, \$28 50. A very fair profit may thus be made on the shipment of ores of 20 per cent. and upwards. By selecting and assorting the ore at the mine, and reserving the poorer qualities until the expenses of freight, &c., are reduced, or their working here is possible, the business, though greatly hampered, will be remunerative. The shipments of copper ore from this State, as shown by the Custom-House returns for the past year, were 41 tons, 16 boulders, 92 boxes and 73,093 sacks, estimated to be about 3,660 tons, worth, at \$100 per ton, \$366,000. The bulk of this ore was from the Calaveras County mines.

In and about some of the leads considerable quantities of gold are also obtained. Thus, 600 ounces of gold were obtained during the winter from earth in connection with the Napoleon lead.

At Copperopolis, in November, the Union Company were employing 80 men. Their shipments of ore then amounted to 2,600 tons, and were proceeding at the rate of 15 tons per day. The ore is assorted into three qualities; 15,000 tons of third quality ores, supposed to be worth \$150,000, were already extracted and received for future crushing and reduction. The opening of the lead by shafts and tunnels is steadily and energetically carried on. The value of the ore in the west half of the claim from the surface to the bottom of the shafts, as far as then carried, was estimated at \$500,000. The ores in the Keystone claim are said to be improving in quality with the development of the mine. The rate of shipment is about 80 tons per month. In the Kentucky claim, at a depth of 15 feet, the ledge is said to be of a solid thickness of from 15

to 20 feet, and the mineral rich. These leads have been traced to the Mokelumne River near Campo Seco, and the indications there are, that these claims will rival the richness of the first discoveries.

Other discoveries of similar leads have also been made to the southward in Tuolumne County, near Jamestown and Montezuma, and five companies are at work upon such leads in the Crimea House district. The finders believe these to be continuations of the Calaveras leads. In Mariposa County, also, similar discoveries have been made near Big Spring, on the Merced River, near Split Rock, near the Buttes, among the foot hills, and at the head of Chowchilla Creek, 20 miles from Mariposa. In some of these instances the indications have been traced for several miles, and veins are found varying from three to ten feet in thickness; and samples of ore containing 80 per cent. of metal are shown. Companies have been formed and tunnels run to open several of these leads, which are also believed to be equal in value to the Copperopolis veins, though with how much truth cannot yet be determined.

North of Calaveras, in Amador and Plumas counties, other discoveries of the same kind have been made, and are receiving due attention at the hands of the miners. In Amador, copper leads were discovered near Lancha Plana, and since then prospecting for such claims has been very active. The Newton lode is believed to be very valuable. Fifteen or twenty companies are prospecting between the Mokelumne River and Horse Creek, and the opinion exists that the belt of country in which such leads will be found is at least three miles in width.

In Plumas County, the leads discovered in Green valley in 1861 are proving to be valuable. Several tons of the rock is stated to have been shipped to Boston to be thoroughly tested. In the Mountain Meadows district a number of leads containing copper, with a small per centage of gold and silver, have been found. The rock is said to be plentiful and readily obtained. A number of mills are already in operation, and others building.

The copper mines about Crescent City and along the northern coast of the State are also being actively opened and worked, and new discoveries are frequently reported. A line of schooners is to be established to bring ores to San Francisco for shipment, as the steamer's visits are very irregular. In Santa Clara County, on Penitencia Creek, a rich vein, containing much virgin copper, was also found. In the Soledad district, east of Los Angeles, a copper lead is said to be worked successfully.

IV. SILVER MINING.

The success attendant upon silver mining in Washoe and the value of the ledges there, and the knowledge of that kind of mineral acquired by our miners, has stimulated a search for the same kind of leads in this State, and the work has not been barren of results. In Plumas County a number of such ledges have been found 12 miles from Quincy, at Spring Garden Ranch, Round Valley and other places. The Sproul ledge is most noted as yielding rich silver rock and considerable native metal, and has been traced for several miles. Other ledges are also mentioned, shales in which sell as high as \$75 per foot. A new town, called Argen-

tina, has been created by the collection of miners about the junction of Garden and Ophir Creeks, and other small new settlements are also growing up, and a number of mills being erected to work the rock. One of these mills, run at an expense of \$60 or \$70, is said to yield \$1,000 daily.

In Mariposa County a number of silver leads were found within half a dozen miles of Mariposa. A ton of rock from NEAL's claim, in this vicinity, reduced in San Francisco, yielded \$263 90 of silver and \$30 in gold. Another silver ledge, in which the rock is abundant and rich, was found within a couple of miles from Hornitos. In Monterey County similar discoveries are reported to have been made on Carmel River, 18 miles from Monterey.

In the Coso district, in Tulare and Buena Vista counties, mining was greatly interrupted by the Indian hostilities which existed there for several months, in the course of which the miners were driven in from all the smaller and most exposed settlements.

The principal leads have been opened to a considerable extent, and the Great Western, Great Eastern, Pioneer, Mammoth, Winoshick and Josephine have all turned out considerable quantities of rock of good quality. The tunnel of the Coso Silver Mining Company is over 100 feet in length, and strikes the ledge 300 feet below the outcrop. At the Lotta Mills the rock crushed paid \$70 per ton in gold. Picked rock from the Winoshick lead, crushed at Willow Springs in April last, yielded \$400 per ton. At the Josephine lead it was discovered that their previous operations had been upon a mere spur of the main vein, which, after a little prospecting, was itself discovered, and proved equal in quality to the rock previously worked. Several of these ledges claim to be the richest in the district. In the Slate Range district the extensions of the first discoverers have been found rich, and taken up for a distance of ten miles.

This kind of mining, though yet in its infancy, promises to become important. Many of the quartz leads, now worked solely with a view of saving the gold, are known to contain per centages of silver, that elsewhere would be saved with great care. As more experience is obtained in Washoe, its results will be availed of here, and a considerable increase of profits will in many instances be secured.

V. QUICKSILVER.

No new discoveries of cinnabar have been reported. But little has been done as yet towards developing the leads found in Napa County a year or so ago. Two of the companies are erecting retorts, and have reduced small quantities of quicksilver. The damage done to the roads by the floods of last winter necessitated expensive repairs, and prevented access with machinery and heavily loaded teams until late in the season.

VI. COAL, &c.

Discoveries of coal beds have been reported in a number of new localities during the past year, and some of the samples exhibited and tested

were of a quality sufficiently good to make them useful for many purposes. In the Coast Range, between the Bay of San Francisco and the San Joaquin River, some of the mines first opened are being rapidly developed, and considerable quantities of their coals are sent to this market, and used on steamboats and otherwise. Two rail-roads are projected, and the necessary surveys and locations made to carry the coal to the water. The rail-road projected to Stockton will also pass by these mines, or have a branch to them. The beds have been traced for over 12 miles among the foothills, and in Lone Tree Hollow a number of veins are being prospected. These veins are only 10 inches in thickness. Those at Corral Hollow vary from 3 inches to $3\frac{1}{2}$ feet in width. Several varieties of coal have been found.

In Sonoma County three veins are opened: one eight miles from Petaluma, in the Santa Rosa mountains, another near Santa Rosa, and the other on a branch of Mark West Creek. At the latter place the bed has been shown to be two miles long, the width varying, and the coal is said to be of good quality. Four shafts have been sunk and two tunnels, 170 and 190 feet long, run in opening the mines.

In Mendocino County, in June last, a vein of coal, said to be extensive, was found by workmen on the site of a wharf they were building at the embarcadero.

In Tehama County, 10 miles from Millville, on the Honey Lake road, a vein five or six feet in thickness, and said to be of good quality, was found. In Sacramento County, on Dry Creek, seven miles from Folsom, a bed of superior coal was found, which was tested by the Folsom Gas Works, and pronounced well adapted to the manufacture of gas for street lighting. Preparations are being made to work the mine extensively. In Butte County, near Oroville, the Table Mountain Coal Mining Company have commenced operations on a large scale, and their coal is to be used by the Oroville Gas Works. On the Santa Anna River, 35 miles from Los Angeles, coal has also been found.

Mineral oil springs have also been found in several localities. One in Santa Barbara County is said to be capable of yielding upwards of 3,000 gallons per day, of which 60 per cent. is coal oil, yielding, at a low temperature, large quantities of inflammable gas, well adapted to illuminating purposes. In Contra Costa County, near San Pablo, an extensive establishment has been built for the purpose of manufacturing oil by pressing the earth, which is saturated with it. The company expect, by boring, to find the vein from which the supply is derived, and probably bituminous coal. Oil springs have also been found in several localities in Santa Clara County.

VII. MINERAL PAINTS.

In Contra Costa County, near Martinez, large deposits of earths, such as are used in the manufacture of mineral paints, have been found, and a company incorporated in this city to extract the earths and manufacture them. The colors are Terra Sienna for red, Venitian red, Lazulite for blues, Sienite for greens, Limonite for French yellow, and Wacke, of three shades, for fire-proof paints. The yellow is said to be quite equal to that

brought from the single vein in France, from which the markets of the world have hitherto been supplied. The others also are said to be of excellent quality, and well adapted to the uses to which it is proposed to put them.

Fires.—The mining towns have, as usual, suffered severely by fires during the past year, but as the number of brick and stone buildings is continually increasing, when such misfortunes occur, the losses are neither so heavy or so general as in former years. At Iowa Hill, in March, Morristown in July, Jackson in August, and Howland Flat in September, the losses were very heavy. Other large fires occurred at Big Oak Flat, Coulterville, Bear Valley, Hornitas, Amador, Grass Valley, Eureka and Yreka.

VIII. MINING IN NEVADA TERRITORY.

Amount of Product.—The product of the mines in Nevada Territory has been variously estimated of late, but most of the computations are evidently far too high, the figures being contradicted by the treasure movement here. In such estimates it is not safe to take as a basis of calculation the high "assays of rock" so frequently reported, nor the returns of small crushings from the different ledges, which are often selected rock, picked out to be crushed for the purpose of affecting the prices of stock, or of paying off some pressing debt, or raising funds to purchase a mill or sink a shaft, or pay officers' salaries, or meet some similar special outlay, while the poorer and average rock is reserved to be worked when labor is cheaper and their facilities greater.

The most reliable figures we have been able to obtain in this city and from other sources, do not lead us to suppose that the whole production of the territory for the year 1862 has exceeded \$6,000,000. We have observed a number of other estimates in the newspapers which are much higher, one in particular purporting to be based on the amount of bullion passing through Placerville, footing up \$1,680,000 per month, and \$20,160,000 per annum. A comparison of these and similar figures with those showing the shipment of treasure at this port, demonstrates that they are simply absurd. In our financial summary will be found further remarks upon this point.

A great amount of prospecting for new claims has been done, and large numbers of new joint-stock companies, with immense nominal capitals, formed to work the discoveries. The past year has been occupied by the owners of the older mines principally in the construction of mills and the opening of the ledges by means of shafts and tunnels, preparatory to working them. Little of this work yields any present income. A considerable number of the shorter tunnels have been completed, and will be used during the present year in bringing out paying ores, and many mills are now finished or rapidly approaching completion that will add materially to the yield of 1863. Yet the majority of the more extensive tunnels and mills are still in course of construction, and will not be productive for months. Very few of the companies have declared dividends, and the stockholders are lucky whose officers can manage to have mines opened without assessments. The principal profit thus far realized by

the stockholders has been by the sale of their "feet," which cost originally nothing, and lucky transactions in the shares, which have fluctuated greatly during the past year, rising with every rich strike made in neighboring claims, or rich assay or crushing reported, or the approaching completing of a mill or shaft or tunnel; and falling with every disappointment in running a tunnel or sinking a shaft, and failing to strike the ledge where it was presumed to be, or the prospect of further assessments, or often again the starting of an adverse claim to the mine, and a threatened or actual lawsuit for its possession, and sometimes an injunction from the courts stopping all further work.

We annex the figures showing the prices at which three of the principal stocks have sold at different times during the past ten months. As these rose and declined the others were sympathetically affected:

1860.	Opitr.	Central.	Gold & Curry.
March,.....	\$ 1,225 ..	\$ 600 ..	\$ 500
April,.....	1,500 ..	700 ..	825
May,.....	1,575 ..	700 ..	1,000
July,.....	1,800 ..	900 ..	1,400
August 9,.....	2,500 ..	1,000 ..	1,650
August 23,.....	3,400 ..	1,100 ..	2,350
September 20,.....	3,800 ..	1,600 ..	2,000
October,.....	3,000 ..	1,750 ..	2,000
November,.....	2,000 ..	1,600 ..	1,900
December,.....	3,500 ..	1,400 ..	2,300
January, 1863,.....	3,200 ..	1,400 ..	2,650

Increase.—The principal towns in Nevada Territory have greatly increased in size and population during the past year, and many points that, in 1861, were mere small camps of prospectors, are now growing villages and towns, giving evidence of prosperity, confidence, industry and enterprise.

Virginia has increased in size more than any of the others, owing to the capital and labor expended in developing the ledges parallel to the Comstock. Large buildings have been erected in which to carry on the Patio and other silver-collecting processes, and to accommodate the miners and others at work. Long tunnels have been run to tap the veins at great depth, and drain the leads and facilitate their working. The Mt. Davidson Tunnel has changed hands, and work has been resumed upon it with vigor. When completed, it will open a large number of ledges at a great depth, which are now only worked near the surface, and, besides determining their permanent value, will clear them of water and save the expense of hoisting the rock, as the mines will then be worked from below upwards. Gold Hill has more than doubled itself, though the mills have not increased in number in proportion to the other buildings. Silver City has not grown much, but many of the leads in the vicinity have proved themselves more valuable than they were known to be last year. Dayton is also growing rapidly.

Freighting.—The amount of the freighting and passenger business between California and Nevada, during the past year, has been immense, and indicates the growth of the population and mining operations. The different lines of stages always go full of passengers. The stream of

teams and wagons upon the principal roads was almost continuous. A traveller on a trip from Carson City to Sacramento, counted 1,232 loaded teams bound eastward, the freights carried by which were estimated at 3,128 tons. One hundred and twenty-five teams passed each way at Strawberry Valley in a single day. It is said that eight hundred large teams plied regularly the whole season between Sacramento and Nevada Territory, and one hundred and fifty from Marysville, besides those regularly employed on the Northern routes, and those from Stockton, and on the Southern routes, occasional trips of others usually employed elsewhere, and the teams of farmers and others seeking a market for their produce. Taking the freight from Sacramento and Marysville alone, as above, and each of the teams making four trips in the season, and carrying two and a half tons per load, at six cents per pound, the average rate of freight for the season, the result would be 2,375 tons per trip, or 9,500 tons, on which the freight would be \$1,114,000. The sums collected for tolls on the roads are also enormous. These figures, together with the increase that might be calculated upon when facilities were greater, and the heavy passenger travel, demonstrate the profit with which this portion of a Pacific rail-road could be worked. The principal freights were mill machinery, flour, barley and salt. A single mill shipped four hundred tons of salt from Marysville, worth there \$11 per ton, and in Nevada eleven cents per pound. The supply of provisions for the present winter is said, nevertheless, to be scant, and prices will be high. The supply of wood for the mills is also short, and in October few of the mills have provided more than enough for one month's consumption. The price was from \$12 to \$15 per cord, and many mills would be compelled to cease operations when a rise occurred. No considerable effort has been made to develop the true character of the coal-beds found, and but little of the coal has been brought to the mills. Forty tons from the WHITMAN claim was delivered to the Sacramento Mill for trial. New discoveries of coal has been made in various parts of the territory, but nothing definite is yet known concerning them. A contract has been let, to be completed by July, 1863, to turn the water of Carson River, near Dayton, by a ditch carrying 3,780 inches of water, at an elevation of sixty feet, which is thus to afford a fall of from five to fifty feet, and furnish sites, for a distance of two miles, and power for a large number of mills. The river contains about 7,000 inches, so that a sufficiency is left for the existing mills at Dayton.

Mill Business.—The business of crushing rock and separating the gold and silver has paid in some instances very handsomely, while on the other hand a number of failures have occurred. Where mills were economically constructed and with improved machinery, and favorite processes used, and paid for in ready money, they have paid well; but where alterations were required in the machinery, and changes in the processes made, and particularly where there were delays in the construction, and the extravagant rates of interest prevailing there paid for the money used, failures were not to be wondered at. In the older districts the competition created by the new mills has materially reduced the rate charged for reducing ore at the date of our last review. But in

the more distant localities prices are still high. Hard stories continue to be told about the honesty of the returns made by the custom mill men, and the local papers are sometimes facetious at their expense. Comparisons between scientific assays of small samples and actual returns from large crushings frequently give rise to injurious surmises. But the known imperfection in the processes used, and the large loss of the precious metal that can actually be detected by examination of the refuse tailings everywhere, the frequent entire waste of the silver, and the desire of all parties rather to hasten profits by the quick but cheap reduction of large quantities of rock, than to expend time and money in a more perfect separation, and the expense attending every additional manipulation, go far towards explaining such discrepancies. But instances have often occurred where the same kind of rock reduced in different mills, using similar processes, has yielded results so wide apart, that the difference could not be wholly accounted for, even by making great allowance for the relative skill of the workmen and managers. But miners who must have money, and have no mills of their own, cannot help themselves, and must make use of such means as are within their reach to get it, and do not hesitate to sacrifice what rock they have on hand, consoling themselves with the reflection, that when present debts are paid, and the first expenses met, there is plenty more rock, and they hope of better quality, in their claims.

Processes.—No great stir has been made concerning new processes for the extraction of silver and gold from the rock, though doubtless the business is becoming better understood, and more experience and scientific knowledge is applied to it. The successful mills use salt, sulphate of copper, sulphate of iron, catechu, alum, sal ammoniac, salt cake, &c., but a large loss still occurs in the slum or thin mud drained off from the vats, and it is said that often only 40 per cent. of the precious metal is saved by the processes now used, while scarcely any attempt is made to preserve the tailings, &c., for future working. Yet, as showing the improvements made in Washoe in the working of such ores over the old processes used in California, Mr. A. B. PAUL states, that at the Oriental Mill, at Grass Valley, California, 18 tons of rock were worked by the old process, and yielded 62 ounces of gold. Afterwards the tailings were worked over by the Washoe process, and yielded 34 ounces additional. Such results are owing more to additional and improved mechanical appliances than to new chemical discoveries, and the thorough working of the material is nearly the whole secret. It is also found, that with the depth to which the leads are opened, the per centage of silver contained in the rock increases, and Mr. PAUL states that Gold Hill leads, which at first yielded .462 gold and .450 silver, now yield .033 gold and .931 silver, having been opened to a depth of 150 feet. These figures indicate the more perfect saving of the silver rather than a falling off in the gold. The California quartz leads also contain more silver than is usually supposed, and this also increases with the depth from which the rock is extracted. Thus rock from the same lead at Grass Valley that formerly yielded .670 gold, recently worked with improved machinery, (steam pans, &c.) as used in Washoe, yielded .480 gold, .360 silver and .160 base metal. The

leads in the Humboldt River districts that have yielded .90 of gold to .10 of silver, it is said will soon yield .25 or .30 of silver in the 100 parts.

Ophir Mine.—The Ophir Mine is on the side of Mount Davidson, the top of which is 7,827 feet above tide water, as recently determined by the State geologist of California. The mouth of the mine is 1,600 feet below the summit, and is covered by buildings 50 by 120 feet, containing the machinery used in pumping, hoisting rock, &c. The engine has a 12-inch cylinder, with two feet stroke, and large steam-generating capacity. The lead is reached by an inclined tunnel 340 feet in length. The dip of the lead is about 60 degrees. The galleries are from 40 to 50 feet in width, corresponding with the thickness of the vein. The timbering is heavy, and strongly framed and braced, so that all the bearings are perpendicular, a new method introduced by Mr. DEIDESHEIMER, the engineer, and also adopted in the GOULD & CURRY Mexican and Central California claims. Five large chambers are opened between the surface and the bottom of the incline. The comparatively small quantity of water yet encountered is drained to a large pool, and pumped to the surface by an 8-inch pump. The vein stone is quartz and carbonate of lime, tinged of a greyish color by the sulphurets. The lead is well defined by a solid wall of casing on the east, but on the west the wall is solid only in places. The lead is divided in the centre by a mass of rock similar to that outside of it. Such masses of worthless rock are called, by miners, "horses." They are usually wedge-shaped, the vein uniting above and below them, as it is supposed will be the case in this instance at no great depth. The rich rock of 1860 was taken from the western half of the vein. It was large and rich above, and narrower and poorer in quality below. The eastern portion of the vein is the reverse in both respects, and only 15 feet wide above, the width increasing with the depth to which it is opened. Mr. PAUL states, that 50,000 tons of rock has already been extracted, though the lead has only been worked to a perpendicular depth of 200 feet. The yield has been over \$1,000,000. He also states, the ore has probably averaged \$150 per ton, though much has paid from \$500 to \$3,000 per ton, and all pays something for working. A tunnel, to be 6,300 feet long, and intersect the ledge at a depth of 650 feet, was started, but afterwards discontinued. Another, 1,200 feet long, draining the ledge to a depth of 150 feet, was run by the Ophir, Central and California companies jointly. Another, called the La Trobe tunnel, is now being run to cut all the leads back and front of the Comstock ledge, at a depth of 380 feet. In April last this company let a contract for the hauling of 2,000 tons of rock from the mine to the mill at \$8 per ton, to be completed before November. The company is building a rail-road, with a bridge a mile in length, across the flats near Virginia City and the tule flats near the Ophir works. It will be used by teams this winter, and a track laid during the present year from the mine to the mill, and branches to other parts of Washoe Valley, for the carriage of ore and delivery of wood and timber.

The mines and works of several other companies are also very extensive, but our space precludes an extended description.

A company, called the Phoenix Concentrating Company, has been formed at Gold Hill to purchase low grade ores and earths, and concentrate them, rejecting the poorer portions and reducing the richer parts. This is done by means of long sluices, a tom, a machine called a "grizzly," which throws out the larger rocks, and vats in which stirring rakes again throw out the coarser and lighter portions, while the heavier ores and metallic particles settle and are collected. The rocks thrown out are also picked over and the valuable portion saved. In this manner, at a cost of \$1 per ton, the bulk of the mass is reduced one-half, and this portion pays for working in the ordinary manner in a mill. The company lately purchased 16,000 tons of low grade rock of the Ophir Company for \$20,000. On this the expense of hauling and working is expected to be \$70,000, and it is believed a fair profit will be made. The same process will probably be adopted in other parts of the territory.

Esmeralda.—From Esmeralda, early in the spring, the reports were favorable, and the yield of rock and assays reported were high. In February eight mills were in operation. Several hundred tons of rock from the Pride of Utah claim were reported to have yielded \$73 per ton. Etna rock was reported to yield \$58 of gold per ton, and the tailings were then saved for the silver. Rock from the Esmeralda lead, when selected, yielded from \$100 to \$300 per ton. Bright Star, \$128; St. Louis and Flyaway, \$100. New ledges at Last Chance, \$200. In April last, however, it was stated that the yield of gold from the rock taken from a number of the best ledges had caused considerable disappointment, as much of the gold being visible always excited great expectations. The silver at that time was only saved in one of the mills. Much of the rock tried yielded only \$16 to \$18 per ton. Pride of Utah rock did not pay higher than \$62, and went as low as \$7, with an average of hardly \$30. A number of the tunnels into the main ledge having failed to find remunerative rock, unprospected claims depreciated sadly in price. A large number of contracts were then entered into by the different companies, by which they sold large quantities of their rock at low rates, and let those willing to speculate a little and run some risk, sink shafts, run tunnels, and extract and reduce it at their own expense. The Silver Hill and St. Louis Company sold 100 tons of the outcrop rock at \$80 per ton. 1,000 tons were bought of the Real del Monte Company, from which 50 to 60 tons were selected, supposed to be worth \$1,000 per ton, 400 tons were supposed to be worth from \$100 to \$150 per ton, and the balance was poor rock, but believed to be rich enough to pay for crushing. With the Esmeralda Company a contract was made for the extraction of 3,000 tons of selected ore, for which the company was to receive \$10 per ton, and one-half of all the yield over \$100 per ton. Another contract was made to work the company's shaft, and pay \$50 per ton for all the ores extracted. Some of its ores, by the VETCHER process, in which the silver is saved, yielded \$100 per ton. The Antelope Company, in May, estimated 300 tons of rock, then extracted, to be worth \$200 per ton, and let a contract to sink their shaft, then 50 feet deep, 100 feet deeper, the contractor to take his pay from the rock extracted. In the Wide West claim, from two shafts, 50 and 75 feet deep, ores yielded from \$40 to \$50

per ton in gold. A contract was made by this company for the extraction of 1,000 tons of its ores, for which the company was to receive \$6 per ton for ore producing \$36. For ore yielding up to \$44 per ton, the company would receive, in addition to the \$6, one-half of the yield above \$36, and all the yield above \$44 per ton was to be paid to the company. Ores taken from the Etna claim, at a depth of 140 feet, yielded from \$24 to \$52 per ton. Ores from a number of other ledges yielded from \$25 to \$40 per ton in gold. The making of such contracts would seem to indicate greater confidence in individual than in company management. The plan, however, has its advantages, as it develops the lead without expense to the shareholders in San Francisco or elsewhere, and if the claim proves rich the company know it, and at the completion of the contract can resume its management; while, if it fails, the contractor, and not the stockholder, is out of pocket.

Outside Districts.—On East Walker River, 60 miles from Carson City, about 100 ledges, extending back from the river three to four miles and seven miles along it, have been found rich, containing free gold, and located. They are usually three or four feet in thickness. Timber is said to be plenty, and good mill sites easily found. In the Silver Mountain district, 46 miles south of Carson City, operations have been actively carried on. Ledges extending over 10 miles of the mountain are claimed, and a number of tunnels were run from 100 to upwards of 200 feet in length. The ledges reached and opened proved valuable, containing considerable native silver and abundance of chloride of silver and concentrated sulphurets. New and valuable ledges have been found in the Reese River and Simpson's Park districts, from 180 to 300 miles from Carson City, and assays of the rock are high and encouraging. Favorable reports have continued to be received from the Humboldt River mines. Six mills are in course of erection at Unionville and Star Canon, and 2,000 persons will winter there. Rich placer diggings, extending over a large district, with numerous paying flats and streams, were discovered in the Wind River Mountain region, 100 miles north of Thousand Spring Valley. The hydraulic claims in Cedar Hill, near Virginia City, continue to pay richly, and much of the loose float rock is saved for reduction as ore in the mills.

In all parts of the territory, both in old and new districts, many new and valuable discoveries have been made. The erection of mills and the operations upon the new leads, and those previously known, are in many instances vigorously carried on, but their variety and number preclude a more particular and extensive notice in an article of this character. The local papers abound with items concerning them, but no complete and comprehensive statement has been attempted by persons having the necessary information and ability. Several valuable maps of the territory of the mining districts have been lately published, but beyond the locations of the principal points and leads, the information they convey is meagre. The recent action of the territorial assembly in passing the incorporation law, by which the immediate control of their own capital is attempted to be withdrawn from the California stockholders in mining companies, by requiring directors to be residents of the territory and the offices

located there, is operating to discourage investments here and to alarm capitalists. It is to be hoped Congress will repeal the act.

THE EXPORT OF THE YEAR 1862.

The export of treasure to domestic and foreign ports during the year 1862, from San Francisco, was \$42,561,761, of which 38.45 per cent. was to foreign ports, and 61.55 per cent. to New-York. The exports of treasure for each month may be classified as follows, separating the American from the foreign coin:

Months.	American.	Foreign.	Total.
January.....	\$ 2,844,811 85	.. \$ 66,414 00	.. \$ 2,911,225 85
February.....	3,011,382 88	.. 99,250 00	.. 3,110,632 88
March.....	2,292,806 71	.. 12,000 00	.. 2,304,806 71
April.....	2,622,323 51	.. 24,332 00	.. 2,647,214 51
May.....	3,585,596 26	.. 31,891 00	.. 3,617,487 26
June.....	2,218,189 86	.. 21,090 00	.. 2,234,279 86
July.....	4,522,599 61	.. 30,366 00	.. 4,552,965 61
August.....	4,385,655 38	.. 148,904 00	.. 4,534,559 38
September.....	3,673,485 69	.. 46,089 00	.. 3,719,574 69
October.....	3,765,012 07	.. 32,602 00	.. 3,797,614 07
November.....	4,469,201 52	.. 100,000 00	.. 4,569,201 52
December.....	4,378,352 93	.. 184,247 00	.. 4,562,699 93
Total.....	\$41,768,456 07	\$ 798,305 00	\$ 42,561,761 07

The following were the places to which these large sums were exported for the three years, 1860-'62, from San Francisco:

To	1860.	1861.	1862.
New-York.....	\$ 35,661,500 37	.. \$ 32,628,010 00	.. \$ 26,194,024 93
New-Orleans.....	57,795 92	.. ..	.. ..
England.....	2,672,936 20	.. 4,061,779 46	.. 12,950,139 61
China.....	3,374,680 27	.. 3,541,279 17	.. 2,660,754 29
Japan.....	94,200 00	.. 60,220 00	.. 17,916 00
Manilla.....	75,659 94	.. 9,000 00	.. 35,651 64
Panama.....	300,819 00	.. 349,769 17	.. 434,507 79
Hawaiian Islands.....	40,679 57	.. 7,700 00	.. 3,000 00
Mexico.....	19,400 00	.. 7,100 00	.. 6,000 00
Other Countries.....	23,245 00	.. 11,900 00	.. 260,756 81
Total.....	\$ 42,325,916 28	\$ 40,676,758 40	\$ 42,561,761 07

In the year 1860, the export to New-York was about 83 per cent of the whole; whereas, in the year 1862, this proportion was reduced to 61.55 per cent.; and in the present year the domestic export will probably be still less. As long as the balance of trade continues unfavorable to the United States, as at present, in its trade with Europe, gold will be shipped to an extent similar to that of late years; and, while this is the case, the export can be made more advantageously direct from San Francisco to London, than from San Francisco to New-York, and thence to London.

The increased production of gold and silver during the last decade has given increased activity to the government mints of the United States, England and France. From official data before us, it appears that the coinage of the United States, during the fifteen years ending June 30, 1861, was \$675,416,252, or an annual average of \$45,027,749.

RECAPITULATION OF COINAGE.

	Gold.	Silver.	Total.	Average.
United States, 15 years.....	\$ 616,071,588 ..	\$ 59,344,720 ..	\$ 675,416,308 ..	\$ 45,027,750
Great Britain, 15 years.....	366,614,064* ..	22,156,584* ..	388,772,619* ..	25,918,174
France, 8 years.....	549,938,694† ..	64,781,949† ..	614,670,647† ..	76,323,521
Spain, 10 years.....	6,510,800 ..	2,851,500 ..	9,362,300 ..	934,200
Total.....	\$ 1,599,185,114 ..	\$ 149,084,708 ..	\$ 1,668,221,517 ..	

The comparative averages of the coinage in each metal were as follows, in the four countries named :

	In Gold.	In Silver.
United States, 15 years.....	\$ 41,071,486, or 91.23 per cent. ..	\$ 2,256,814, or 8.78 per cent.
Great Britain, 15 years.....	24,440,968, " 94.80 " ..	1,477,285, " 5.80 "
France, 8 years.....	63,743,227, " 89.46 " ..	8,091,494, " 10.54 "
Spain, 10 years.....	651,080, " 69.54 " ..	285,150, " 30.46 "

COINAGE OF SPAIN.

	Gold.	Silver.	Total.
1849.....	\$ 22,200 ..	\$ 145,400 ..	\$ 167,600
1850.....	649,000 ..	277,800 ..	926,800
1851.....	121,200 ..	245,400 ..	366,600
1852.....	8,400 ..	322,600 ..	331,000
1853.....	..... ..	367,100 ..	367,100
1854.....	844,700 ..	418,700 ..	1,263,400
1855.....	1,465,200 ..	305,800 ..	1,771,000
1856.....	1,795,000 ..	253,900 ..	2,048,900
1857.....	1,228,600 ..	185,800 ..	1,363,900
1858.....	376,500 ..	379,500 ..	756,000
1859.....	\$ 6,510,800 ..	\$ 2,851,500 ..	\$ 9,362,300

ESTIMATES OF THE IMPORTS OF THE PRECIOUS METALS FROM AMERICA INTO EUROPE SINCE 1492.

Authorities.	No. of Years.	Periods.	Total estimated Imports.	Annual estimated Imports.
USTARIZ.....	232 ..	1492-1724 ..	\$ 3,536,000,000 ..	\$ 15,241,000
SOLOZANO.....	136 ..	1492-1628 ..	1,500,000,000 ..	11,029,000
MONCADA.....	103 ..	1492-1595 ..	2,000,000,000 ..	19,417,000
NAVARETTE.....	98 ..	1519-1617 ..	1,536,000,000 ..	15,673,000
RAYNAL.....	238 ..	1492-1760 ..	5,154,000,000 ..	17,895,000
ROBERTSON.....	233 ..	1492-1775 ..	8,800,000,000 ..	31,095,000
NECKER.....	14 ..	1763-1777 ..	304,000,000 ..	21,714,000
GERBOUX.....	76 ..	1724-1800 ..	1,600,000,000 ..	21,052,000
The Author of <i>Recherches sur le Commerce</i> , Amst. 1776, }		1492-1775 ..	5,072,000,000 ..	17,922,261

Various estimates have been made of the quantity of gold and silver produced in America during the last three centuries. Dr. ROBERTSON, the historian, estimated, mainly from Spanish authorities, the product from 1492 to 1775, (283 years,) at an average of \$31,095,000 annually.

* At \$4.85 per £

† At 5 francs per dollar.

This is the highest estimate among writers of his day. NECKER estimated the annual product from 1763 to 1777, at \$21,714,000. Later, GERBOUX assumed it at \$21,052,000 for a period of seventy-six years, ending in the last year of the century. The next highest estimate was that of MONCADA, who assumed the production at two thousand millions of dollars for a period of 103 years following the discovery of America, or an annual supply of \$19,417,000, up to the year 1595. The estimate of USTARIZ, for a period of 232 years, ending 1724, was \$15,241,000 annually; that of NAVARETTE, for a period of 98 years, ending in 1617, was \$15,673,000; while the Abbe RAYNAL, for the long period of 288 years, made it \$17,895,000 per annum.

The export of gold from Australia, for a series of years, is stated as follows :

1862.....	£ 6,593,171	1858.....	£ 10,072,234
1861.....	7,592,575	1857.....	10,929,989
1860.....	8,358,059	1856.....	11,523,856
1859.....	9,001,142	1855.....	14,815,432
			£ 78,886,408

From this it will be inferred, that while the export of gold from Australia has lessened since 1855, and is yet diminishing, more gold is retained in the country for domestic use in commerce, and that a larger number of persons than formerly are devoted to agricultural pursuits in those regions. In 1861 there were ascertained to be about 100,000 persons engaged in mining for gold in Australia, whose annual product was £80 sterling each.

One of the extraordinary features of the gold movement of the past ten years is the continued efflux of gold from Atlantic ports to England, and from England to the continent and to the East. Thus the foreign export from England, in five years, 1847-1851, was £42,111,951; from 1852-1856, £95,468,760, and from 1857-1861, it had enlarged to the immense sum of £135,231,063, or an annual average for fifteen years of £18,187,450, and an average for the past five years of twenty-seven millions sterling, equal to the gold product of Australia and the United States.

This immense sum, exported from the workshops of the United States and of England, to the hoarding countries of the East, is only a tribute to the economical habits of the latter. The gold dollar seeks its most valued place of deposit. On the Atlantic board it is worth twice as much as on the Pacific. It is again worth four times as much in Europe, and, not stopping there, it wends its way to the point or points where it is ten times as valuable as at San Francisco.

At San Francisco, the gold depot of California and the West, two dollars will purchase the day's labor of one working man. At New-York the same will purchase one day's labor of two men. In England it will purchase the labor of three persons. On the continent it will secure the labor of four adult laborers for the day; but even there the dollar does not find its greatest value. In China and other portions of the East the same money will purchase the labor of ten or fifteen hard working men, each of whom can maintain himself for fifteen or twenty cents per day.

The practical workings of this system, the exhaustion of our own gold reserves, the hoarding of the precious metals in the East, which have been in operation for centuries, and especially during the nineteenth century, are demonstrated in the fact that Great Britain alone imported in seven years (1854-1860) goods from China to the value of £64,150,000, and exported only £20,125,000. The United States have imported goods from China to the extent of \$231,500,000 in less than forty years, and exported only \$80,700,000. These balances of \$220,000,000 against England, and more than \$150,000,000 against the United States, in their trade with one country only, are, of course, paid for only in gold and silver. These accumulations of the precious metals have thus gone on for centuries; and as all the nations of the East practice hoarding to a great extent—these metals remain with them.

The export of gold and silver from the United States in fifteen years, 1848 to 1862, has been nearly six hundred millions of dollars, while the importation (according to the Custom-House books) has been only one hundred and fifty-seven millions of dollars. The following is the official exhibit of exports from the United States:

Year 1848,.....	\$ 15,841,616	Year 1857,.....	\$ 69,136,923
“ 1849,.....	5,404,648	“ 1858,.....	52,653,147
“ 1850,.....	7,522,994	“ 1859,.....	63,887,411
“ 1851,.....	29,472,752	“ 1860,.....	66,546,239
“ 1852,.....	42,674,135	“ 1861,.....	29,791,080
“ 1853,.....	27,486,875	“ 1862,.....	36,886,956
“ 1854,.....	41,436,456		
“ 1855,.....	56,247,343	Total 15 years,.....	\$ 590,714,059
“ 1856,.....	45,745,485	Deduct foreign imports,..	157,036,696
		Excess of exports,.....	\$ 433,677,361

While our commercial policy has driven our own products (gold and silver) from us to Europe and Asia, at the rate of thirty millions annually, since 1848, let us now look to the future for a reform, and the retention of a large portion of such future product.

“Such is the prosperous future which shines over the central West, and fills the atmosphere to the remotest horizon. This prospective view is not too sanguine; it is not too exaggerated; it is only in moderate and appropriate proportion to the material long accumulating and now beginning to stir with activity through its whole re-animating bulk. Sound health, complete preparation, fresh and mature vigor, judgment and a defined and finite object, all blend themselves with the immense and successful movement which closes in to occupy the centre of our country, to reunite its flanks, and to adjust its true and geographical balance for ever.”*

One remarkable feature of the new territories lying between 40° and 49°, north, is the mildness and uniformity of the climate. On the Fraser and Columbia Rivers there is but little snow or ice—no serious interruption to navigation throughout the winter months.

* The Grain, Pastoral and Gold Regions of North America. By Col. WILLIAM GILPIN, p. 137.

In order to form some correct idea of the area of the new territories on and near the Pacific, we must bear in mind that Utah is the smallest of the eleven known as gold-bearing districts. Utah has slightly over 61,000 square miles, about the size of Virginia, and the size of the six New-England States together. Idaho, the new territory, formed in 1863, is the largest, having 326,610 square miles, or about 209 millions of acres, equal to six such States as New-York. California is next in size—181,918 miles. Dakota is equal to three of New-York in size. Arizona has 126,141 square miles; New-Mexico, 121,201—the last three named being equal in size to the eight seceding States east of the Mississippi. Colorado has 104,500 miles; while Oregon, Nevada, Nebraska, Washington and Utah have a combined area of 390,387 square miles, or an average of about 65,000 square miles. These eleven States and territories have an aggregate area of 1,414,992 square miles, or nine hundred and five millions of acres. The following are the several areas in tabular form, as affected by recent legislation in Congress :

Tabular Statement showing the number of square miles, total number of acres of public land, amount sold and otherwise disposed of, amount remaining unsold, in each of the following States and Territories of the United States :

<i>State or Territory.</i>	<i>Number of square miles.</i>	<i>Total number of acres.</i>	<i>Total acres disposed of.</i>	<i>Total acres undisposed of.</i>
California,.....	158,687 ..	101,659,680 ..	7,645,978 ..	94,018,702
Dakota,.....	148,982 ..	95,816,480 ..	12,076,326 ..	82,240,154
Nevada,.....	81,539 ..	52,184,960 ..	2,295,111 ..	49,889,849
Colorado,.....	104,500 ..	66,880,000 ..	.....	66,880,000
New-Mexico,.....	121,201 ..	77,568,640 ..	8,857,955 ..	68,710,685
Arizona,.....	126,141 ..	80,730,240 ..	.....	80,730,240
Utah,.....	106,382 ..	68,084,480 ..	6,427,567 ..	61,656,913
Oregon,.....	95,248 ..	60,958,720 ..	5,072,172 ..	55,886,546
Idaho,.....	326,373 ..	208,878,720 ..	.....	208,878,720
Washington,.....	69,994 ..	44,796,160 ..	6,312,861 ..	38,483,299
Nebraska,.....	75,995 ..	48,636,800 ..	5,511,704 ..	43,125,096
Total,.....	1,414,992 ..	905,694,880 ..	54,199,676 ..	851,495,204
Illinois,.....	55,410 ..	35,462,400 ..	35,461,467 ..	998
Iowa,.....	55,045 ..	35,228,800 ..	33,847,296 ..	1,381,504
Missouri,.....	65,350 ..	41,824,000 ..	31,417,663 ..	10,406,337
Michigan,.....	56,451 ..	36,128,640 ..	27,034,943 ..	9,093,697
Minnesota,.....	80,386 ..	51,447,040 ..	15,501,747 ..	35,945,293
Wisconsin,.....	53,924 ..	34,511,360 ..	22,437,353 ..	12,074,007
Kansas,.....	81,318 ..	52,043,520 ..	7,538,870 ..	44,504,650
Arkansas,.....	52,198 ..	33,406,720 ..	23,097,311 ..	10,309,409
Indian Territory,.....	68,991 ..	44,154,240 ..	.....	44,154,240
Total,.....	1,984,065 ..	1,269,901,600 ..	250,536,326 ..	1,019,365,334

This comprehensive table indicates at once the immense resources of the country. There are, west of the State of Missouri, over nine hundred millions of acres of public lands unsold, a large portion of which is mineral land, yielding profusely in the precious metals. It will be for the government to say upon what terms these lands shall be leased and occupied for future development of the mines of the territories.

Col. GILPIN, who has travelled over considerable portions of the new territories, looks upon their future as full of promise.

"The achievements of the coming decade of years will differ from those of its predecessor. It will exhibit a greater mass of energy, concentrated in one direction, occupied by a single object, and moving with immense means over a very short line, which is perfectly straight and open. Heretofore the active force of progress has been operating around the rim of our territory, on Lake Superior, in California, in Texas, in Florida, in detached squadrons, separated from the base of old society by the diameter of the continent, or keeping up its communication around the circumference by sea. The opening decade beholds a concentric movement, flooding into the centre, and reducing all movements to the shortest radii. Its career opens with a general force of 30,000,000 of population, having gold in hand, rail-roads, steamers, rivers and prairies on their banks. The difficulties of the wilderness are overcome, the temptation every way increased, the means of motion enormously accumulated."—Page 137, GILPIN'S *Work*.

Of these vast regions, richer in minerals than any other portion of the globe, Col. GILPIN says, in his volume, (p. 153):

"To the American people, then, belongs this vast interior space, with the richest calcareous soil, touching the snows towards the North and the torrid heats towards the South; bound together by an infinite internal navigation; of a temperate climate, and constituting, in the whole, the most magnificent dwelling-place marked out by God for man's abode. As the complete beneficence of the Almighty has thus given to us, the owners of the continent, the great natural outlets of the Mississippi to the Gulf, and the St. Lawrence to the North Atlantic, so is it left to a pious and grateful people, appreciating this goodness, to construct through the gorge of the Sierra Madre a great artificial monument, an iron path, a national railway to the Western Sea."

We now come to another branch of the subject, viz., as to the quantity of gold and silver as money in the United States; and here the estimates of various writers are wide apart. A writer in the *BANKERS' MAGAZINE* (1862, October No., p. 253) estimates the amount at \$788,000,000. Another writer, in HUNT'S *Merchants' Magazine*, for March, 1863, assumes the amount at \$243,030,000.

One important consideration of this subject is as to the quantity of the precious metals consumed in the arts. Another, as to the actual amount in circulation and held throughout this country. The statistical returns of the census for 1860 indicate an annual production of jewelry, plate and other articles of manufacture at about twenty millions of dollars.* This is for twelve States only, and it may be considered as a low estimate. We may, without extravagance, assume the amount of manufactures throughout all the States to be, annually, thirty millions of dollars, of which fully two-thirds are in the metals themselves, the rest in labor. Assuming one-fourth of this amount to be in old plate and old gold and silver, in various forms, it leaves the annual consumption of

* *BANKERS' MAGAZINE*, October, 1862, p. 253; also, Preliminary Census Report, 1860, p. 187.

new metals at about fifteen millions of dollars. The consumption of gold by dentists, by book-binders, by picture-frame makers, by harness-makers, and by various other trades, forms no inconsiderable portion of this large sum.

Another writer* estimates the amount in the loyal States at only \$115,000,000. The truth, we think, lies between. We assume the total amount of gold and silver bullion and coin at the commencement of this year in the United States, at \$354,592,000.

This estimate is based upon the following data :

On hand, in 1821, according to the Treasury Department estimates...	\$37,000,000
Product of California mines, 1849-1863, fourteen years, at \$60,000,000 annually,	840,000,000
Importations from abroad, 1821-1862. (See Report on Finances, 1862, p. 227.).....	402,916,000
Amount brought by emigrants into the United States, 1821-1862, estimated,.....	100,000,000
Product of gold mines, Atlantic States, 1821-1862,.....	30,000,000
Total receipts, forty-one years,.....	\$1,409,916,000
Deduct annual consumption of gold and silver in the arts, 1821-1850, 40 years, \$3,000,000 per year.....	120,000,000
Same, twelve years, 1850-1862, at \$15,000,000 per year.....	180,000,000
Foreign export, 1821-1862, official,.....	755,824,000
	\$1,055,824,000
Estimated balance remaining, 1862,	354,592,000
	\$1,409,916,000

In Europe, where expensive plate and jewelry, &c., are more extensively used than with us, and where this exhaustion of the pure metals has been the work of centuries, the amount annually consumed in Europe and elsewhere is estimated at nearly eighty millions of dollars a year, or sixteen millions sterling. In the latest contribution on the subject it is said :

"Without pretending to an accuracy which, on such subjects, is unattainable, we run little risk in concluding that the expenditure of bullion in the arts, that is, in plate, jewelry, gilding, &c., in Europe, America and Australia, cannot, at present, (1858,) be under, if it do not exceed, £75,000,000 or £16,000,000 a year. But of this a portion, estimated at about one-fifth, or 20 per cent., is supposed to be obtained from the fusion of old plate, the burning of lace, picture-frames, &c. And hence, if we deduct from the £15,000,000 used in the arts, 20 per cent. for the old bullion, we have £12,000,000 for the total quantity of the supplies from the mines, annually used in this way; a considerable portion of which, including that used in the gilding of rooms, earthenware, books, harness, buttons, &c., cannot be again recovered or applied to any useful purpose."[†]

* *Gold Money and Paper Money.* By ALEXANDER DELMAR. New-York, 1863.

[†] *Encyclopedia Britannica*, eighth edition, vol. xviii., article, "Precious Metals." By J. R. McCULLOCH.

England complains loudly of this absorption of the precious metals by Eastern nations. In the London *Money Market Review*, of April, 1863, the editor says: "What is remarkable is, that no material addition has been made to the stocks in the coffers of the Bank of England and other great banks of the world. Where, then, is all the gold gone? If we take the amount in the Bank of England for the five years prior to 1852—say for the quarter ending the 31st December in each of those years—we find that it averaged, in—

1848,.....	£ 13,886,000	1851,.....	£ 15,915,000
1849,.....	16,045,000	1852,.....	21,367,000
1850,.....	15,951,000		

"Or an average of £16,633,000; while the figures for the corresponding periods of the last five years, ending in 1861, are—

1857,.....	£ 8,788,000	1860,.....	£ 14,009,000
1858,.....	18,985,000	1861,.....	14,653,000
1859,.....	17,002,000		

"Or an average of only £14,687,400. Moreover, the very latest return now made by the bank states the coin and bullion at no more than £15,141,755.

"It is evident, therefore, that the discoveries of gold have not as yet added much to our reserves of the metal, although they have given an immense impetus to our commerce, and have greatly added to the prosperity of the laboring classes throughout the world. The prosperity is nowhere more marked than in India, which (as shown on March 21st) has absorbed a vast amount of silver, obtained by exchanging gold for silver on the Continent. One effect has been a rise in wages throughout India, and, it may be added, a rise in the prices of nearly every thing which India produces. Those acquainted with the East know well the love of the natives for silver and gold ornaments, such as armlets, anklets, &c., and it is estimated, on no mean authority, that at least one-half of the bullion that has been transmitted, of late years, to India, has been melted down and used in this manner. When it is considered that the population of India amounts to 180,000,000, it is easy to imagine how large an amount of silver this 'fashion' may absorb."

Conclusion.—The gold discoveries of the past decade have opened a vast prospect for the United States. Without attempting to attribute to Providence these fresh discoveries of the years 1862 and 1863, as ample provision to meet the extraordinary exigencies of the nation, as to its immense public debt, we may at least term these developments as exceedingly fortunate for the country. With a debt approaching one thousand millions of dollars, the government may well look to the gold and silver mines of the Pacific slope as one of the many sources of revenue with which to lessen the financial burden upon the Eastern States, and to finally extinguish this heavy accumulation of indebtedness. With a mineral region untouched—where the white man has scarcely trodden—known to be about one million of square miles in extent—the government may adopt a policy heretofore considered sound by other nations,

and levy a small tax upon the product of their own mines of the precious metals.

But this is a matter of small import, compared with the adoption of a sound system of finance, and of commercial relations with other nations. By a gradual extinction of paper money—the past and present bane of the banker and of the community—we may secure for the country a sufficient reserve of bullion and coin to meet those exigencies and revulsions of commerce to which we, as well as all other nations, are subject.

A sound commercial system, by the adequate protection of our own free labor, and buying only from those who buy from us, we may again secure our commercial independence of foreign nations, and soon become the creditor nation of the whole world.

China, Brazil and Cuba,* which now annually absorb thirty to forty millions of our own product of the precious metals, in their trade with us, may be made to deal with us on equal terms.

England, with a professed “free trade” tariff, levying nearly one hundred per cent. more duty than the so-called “prohibitory” tariff of the United States, may be made hereafter to pay, by an excise duty on cotton, &c., some twenty-five millions annually towards the extinction of our public debt, in consideration of her harboring and fostering pirates of the ocean, and opening her ports to rebel States with which she has no treaties of commerce.

The “free trade” tariff of England has yielded in ten years, 1852–1861,.....	£ 218,417,000
Or, at \$4.85 per £,.....	\$ 1,059,324,000
The “prohibitory” tariff of the United States, in the same time, has yielded,.....	537,262,000
Excess of “free trade tariff” in ten years,.....	\$ 522,062,000

England has realized, in seven years, from duty on one article, (tobacco,) mainly imported from the United States, £38,483,000, equivalent to an annual revenue from that source of twenty-seven millions of dollars. France, from the same article, realizes an annual revenue of over ninety millions of francs, amounting, in forty years, to the enormous sum of 2,328 millions of francs, or about four hundred and sixty millions of dollars.

* We have in ten years imported from Cuba,.....	\$ 254,224,432	
And exported to do,.....	97,702,935	\$ 166,521,497
Imported from Brazil,.....	\$ 169,283,287	
And exported to do,.....	47,400,964	121,882,323
Imported from China,.....	\$ 108,527,731	
And exported to do,.....	40,687,008	62,840,723
Total balance against U. S., ten years, 1850–1860,		\$ 341,194,548

The following is a Tabular Statement of the Exports of Bullion and Coin from the United Kingdom, and of the Imports of Bullion and Coin from 1847 to 1861, and of the Imports of Bullion and Coin from 1857 to 1861.

	EXPORTS FROM UNITED KINGDOM.			IMPORTS OF UNITED KINGDOM.			COINAGE OF THE ROYAL MINT.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.	Gold.	Silver.	Total Coinage.
1847,	£4,784,153	£8,818,445	£13,602,597	.....	.....	.....	£3,158,440	£1,985,780	£5,144,220
1848,	1,855,896	7,041,504	8,897,400	.....	.....	.....	2,451,999	35,443	2,487,442
1849,	1,190,924	7,731,543	8,922,467	.....	.....	.....	2,177,955	119,593	2,297,548
1850,	2,874,568	4,865,778	7,740,346	.....	.....	.....	1,491,886	199,096	1,690,982
1851,	8,975,864	5,084,181	14,060,045	.....	.....	.....	4,400,411	87,868	4,488,279
	£14,080,404	£28,081,647	£42,162,051	.....	.....	.....	£15,080,641	£497,738	£15,578,379
1852,	4,824,524	5,989,640	10,814,164	.....	.....	.....	8,742,270	199,596	8,941,866
1853,	12,751,778	6,154,975	18,906,753	.....	.....	.....	11,952,291	701,544	12,653,835
1854,	16,552,845	6,088,728	22,641,573	.....	.....	.....	4,152,188	140,480	4,292,668
1855,	11,847,318	6,980,945	18,828,263	.....	.....	.....	9,008,468	195,510	9,203,978
1856,	12,088,299	12,818,498	24,906,797	.....	.....	.....	6,002,114	468,588	6,470,702
	£7,515,959	£27,958,801	£35,474,760	.....	.....	.....	£29,887,681	£1,689,658	£31,577,339
1857,	15,061,000	18,505,468	33,566,468	£5,512,317	£2,977,805	£8,490,122	4,859,990	878,980	5,738,970
1858,	12,567,040	7,061,896	19,628,936	22,788,126	6,700,064	29,488,190	1,291,028	445,896	1,736,924
1859,	18,061,180	17,607,664	35,668,844	22,297,698	14,772,483	37,070,181	2,649,509	647,064	3,296,573
1860,	15,841,978	9,898,190	25,740,168	19,581,684	10,898,513	30,480,197	8,121,709	218,408	8,340,117
1861,	11,388,872	9,078,276	20,467,148	18,168,987	6,658,108	24,827,095	8,190,170	209,484	8,399,654
	£72,859,699	£63,641,484	£136,501,183	£74,851,769	£20,428,447	£95,280,216	£90,052,271	£1,894,077	£91,946,348
From	RECAPITULATION.								
1847-1851,	£14,080,404	£28,081,647	£42,162,051	.....	.....	.....	£15,080,641	£497,738	£15,578,379
1852-1856,	57,515,959	87,958,901	145,474,860	.....	.....	.....	89,887,681	1,689,658	91,577,339
1857-1861,	79,859,699	63,641,484	143,501,183	£274,851,769	£20,428,447	£295,280,216	£90,052,271	£1,894,077	£91,946,348
1847-1861,	£144,456,062	£180,682,032	£325,138,094	£274,851,769	£20,428,447	£295,280,216	£90,052,271	£1,894,077	£91,946,348
Average from	£144,456,062	£180,682,032	£325,138,094	£274,851,769	£20,428,447	£295,280,216	£90,052,271	£1,894,077	£91,946,348
1847-1851,	9,516,061	5,600,909	15,116,970	.....	.....	.....	8,184,128	99,545	8,283,673
1852-1856,	11,508,192	7,008,158	18,516,350	.....	.....	.....	7,971,584	837,981	8,809,565
1857-1861,	14,517,995	12,598,267	27,116,262	14,970,829	6,085,889	21,066,718	4,010,454	878,515	4,888,969
1847-1861, 15 years,	9,012,283	6,272,028	15,284,311	.....	.....	.....	5,089,868	279,006	5,368,874

Gold and Silver of domestic production deposited at the Mint of the United States and Branches, to 30th June, 1862.

From	Pittsburg, Pa.	San Francisco.	New-Orleans.	Charlotte.	Dalhousie.	Assay Office.	Total Gold.	Total Silver.
Virginia,.....	\$1,538,455 41	.....	.....	.....	.....	\$20,320 00	\$1,558,805 41	\$41,898 00
North Carolina,.....	4,440,908 29	.....	.....	.....	.....	59,029 07	9,113,994 84	.....
South Carolina,.....	540,467 00	.....	.....	.....	.....	24,519 29	1,352,969 44	.....
Georgia,.....	2,486,089 73	.....	.....	.....	.....	181,338 28	6,909,198 61	.....
Alabama,.....	65,086 76	.....	.....	.....	.....	5,720 62	195,530 82	.....
Tennessee,.....	36,403 88	.....	.....	.....	.....	.....	81,406 75	.....
	\$9,047,391 06	.....	\$189,025 65	\$4,961,254 13	\$4,323,087 28	\$923,927 26	\$19,214,635 38	.....
California,.....	\$250,505,676 12	\$144,197,754 15	\$22,255,240 89	\$67,921 01	\$1,236,016 69	\$129,865,657 05	\$626,145,665 91	\$6,924 00
Colorado,.....	2,076,674 63	680 00	3,437 20	.....	57,763 84	2,614,494 00	4,755,549 67	.....
Utah,.....	1,507 96	.....	.....	.....	145 14	76,414 00	80,067 10	.....
Arizona,.....	3,043 37	.....	.....	.....	.....	18,452 00	21,500 87	95,732 00
Nebraska,.....	1,402 01	.....	.....	.....	.....	.....	1,402 01	.....
New-Mexico,.....	48,672 00	.....	.....	.....	.....	8,227 00	56,929 00	.....
Oregon,.....	63,685 16	888,000 00	.....	.....	.....	11,833 00	963,458 16	.....
Nevada,.....	.....	13,000 00	.....	.....	.....	40,846 00	53,846 00	1,078,406 21
Other sources,.....	41,670 70	.....	7,290 00	.....	951 00	32,821 00	53,733 70	107,564 81
Parted from silver,.....	\$241,789,668 01	\$145,099,484 15	\$22,404,998 74	\$5,068,575 14	\$6,117,918 95	\$122,899,701 31	\$553,873,266 30	.....
	68,864 66	822,823 01	.....	.....	.....	341,029 00	1,132,716 67	3,969,684 10
Total gold,.....	\$241,858,532 67	\$145,922,257 16	\$22,404,998 74	\$5,068,575 14	\$6,117,918 95	\$123,133,780 81	\$554,506,093 37	\$6,226,461 13
“ silver,.....	.....	.....	.....	.....	.....	.....	5,226,461 13	.....
Total gold and silver from the commencement to June 30, 1862,	.....	.....	.....	.....	.....	.....	\$559,732,464 09	.....

The total value of gold and silver of domestic production deposited at the Mint of the United States and its branches, up to June 30, 1862, has been, in gold, \$554,506,093 and 97 cents; and in silver, \$5,226,461 and 13 cents; an aggregate of \$559,732,464 and 9 cents. Of this large sum, California has produced about 94.40 per cent., and all the others about 5.60 per cent. The gold product of Georgia in twenty-five years was \$6,909,128; of North Carolina, \$9,113,994; and of Virginia, Tennessee, Alabama and South Carolina, combined, \$3,191,513. The products of the several States and territories, up to June, 1862, is shown in the above tabular statement.

THE PRICE OF GOLD.

The prices of gold, since 1st February, have been as follows at the New-York Stock Board :

Feb. 2...	156½ @ 157½	..	Feb. 27...	169½ @ 171	..	Mar. 25...	141½ @ 143
3...	154½ @ 155	..	28...	171½ @ 172	..	26...	139 @ 140½
4...	157 @ 157½	..	Mar. 2...	171 @ 171½	..	27...	140 @ 140½
5...	156½ @ 157½	..	3...	171½ @ 171½	..	28...	142½ @ 143½
6...	157½ @ 157½	..	4...	165 @ 168	..	30...	144½ @ 147½
7...	156½ @ 157½	..	5...	157 @ 158	..	31...	148½ @ 150
8...	155½ @ 155½	..	6...	150 @ 154	..	April 1...	156 @ 157½
9...	152½ @ 153½	..	7...	154½ @ 155½	..	2...	153½ @ 157
10...	152½ @ 156	..	8...	155½ @ 157½	..	3...	153 @ 158½
11...	154½ @ 154½	..	9...	160 @ 163	..	4...	154½ @ 155½
12...	155½ @ 155½	..	10...	157½ @ 158½	..	5...	151 @ 152½
13...	155½ @ 155½	..	11...	158½ @ 160½	..	6...	150 @ 152½
14...	155½ @ 157½	..	12...	159½ @ 162	..	7...	146½ @ 147
15...	158½ @ 159	..	13...	157½ @ 158½	..	8...	146½ @ 148
16...	161½ @ 166½	..	14...	154½ @ 155	..	9...	146½ @ 149
17...	161½ @ 164	..	15...	154½ @ 155½	..	10...	150½ @ 152½
18...	163½ @ 163½	..	16...	158½ @ 155	..	11...	157 @ 157½
19...	162½ @ 162½	..	17...	154½ @ 155½	..	12...	155 @ 154½
20...	163½ @ 164½	..	18...	154½ @ 155	..	13...	152 @ 154
21...	167½ @ 171½	..	19...	153½ @ 154½	..	14...	152 @ 153½
22...	171½ @ 172½	..	20...	151 @ 153½	..	15...	152½ @ 153½
23...	169½ @ 171½	..	21...	145½ @ 149	..	16...	151½ @ 152½
24...			22...			17...	
25...			23...			18...	
26...			24...				

BANK ITEMS.

Frauds on Banks.—We learn that some of our banks have recently suffered from a very old but somewhat ingenious fraud. It is usually effected by women who wish to remit small sums to distant places, and ask for drafts, usually for \$8 40 or \$9 50. By the fraction they prevent any line being drawn after the amount, and thus space enough is left to add a letter or a cypher, so as to make the draft pass for \$80 40 or \$90 50. A considerable number of drafts so tampered with have been lately protested, but many have doubtless been paid.

Legislative Memorial.—The following memorial, signed by all the principal banks of this city, was laid before the legislature at Albany:

NEW-YORK, March 30, 1863.

The undersigned, officers of banks in the city of New-York, having observed that a report of a committee has been made to the legislature, adversely to the payment of interest on the State debt *in coin*, as heretofore, beg leave respectfully to express, to your honorable body, their strong conviction that the honor and best interests of the State require that the uniform policy in respect to these payments should be sustained.

They hope and confidently believe that the time is not far distant when the value of the national currency will be restored, and they therefore respectfully urge upon the legislature the importance of maintaining the policy which has preserved the high credit of the State, and given value to its stocks. To promote this important object, the undersigned will gladly participate in making the required provision, either by contributing in coin the amount of interest which may be due to them respectively, or by receiving the same in currency.

Bank Robbery.—The Cashier of the Waverly Bank, N. Y., has addressed the following letter to Mr. BACON, burglar-proof safe maker, New-Haven:

WM. W. BACON, Esq., New-Haven, Conn.,—Dear Sir: We had a call from some burglars on the night of the 9th March, instant. They blew off both vault doors, with powder put into the locks; they however found inside the vault one of your "burglar-proof bank safes." After working all night to get into it, they had to give it up as a bad job, and left disgusted with the "institution," I suppose. We had some postal currency outside of the safe, which they took, amounting to \$175. Now we have got the doors all up right again, and we want two locks for them, and think about the same price as the locks that were on the doors. If you can send us something that will do, you can send some one to put them on, if you think best.
C. H. SHEPARD, Cashier.

Dividend Notice.—The receiver of the Bank of the Capitol hereby declares the third dividend of (12½) twelve and one-half cents on the dollar, it being in full of the principal on the amount of deposits and claims, which have been ascertained and allowed by him to be due on the 10th of May, 1861, payable on and after the 2d day of March, 1863, at the office of the Commerce Insurance Company, 443 Broadway.

MASSACHUSETTS.—The statements of the Massachusetts banks out of Boston, for the month ending 4th April, compare as follows with those of the previous month, and of the same period in 1860 and 1861:

	Capital.	Deposits.	Loans.	Specie.	Circulation.
April 4, 1863,	\$ 29,292,500	\$ 18,176,957	\$ 56,453,308	\$ 1,729,625	\$ 21,493,822
Feb. 28, 1863,	29,312,500	13,023,608	55,995,442	1,780,808	21,521,774
April 5, 1862,	29,412,500	8,376,656	48,813,869	1,891,489	13,762,728
Mar. 30, 1861,	28,962,500	8,014,074	47,268,673	1,633,093	13,624,872

Bank Hours.—The Boston Banks voted, 34 to 1, *not to consider the subject* of keeping open until three o'clock. The usual hours in that city, from April to October, are 10 till 2, P. M.

Removal.—The Hide and Leather Bank, Boston, will remove to the fine large wareroom in SIMMONS' Block, corner of Water and Congress streets, formerly occupied by FREEMAN, CAREY & Co., as soon as the necessary alterations can be made.

Worcester.—The Worcester Spy says, a new bank is to be established in that city under the national banking law. Mr. PARLEY HAMMOND, who has had much experience in banking, heads the list. The names of ICHABOD WASHBURN, NATHAN WASHBURN, T. W. WELLINGTON, E. A. GOODNOW, CHARLES B. PRATT, &c., are also on the list, and the enterprise looks prosperous.

NEW-HAMPSHIRE.—The Mechanics and Traders' Bank, of Portsmouth, have recently paid a dividend of \$20 per share of the surplus fund of the bank to its stockholders.

CONNECTICUT.—Recent dividends of banks in Connecticut: Thames Bank of Norwich, 4 per cent.; Windham Bank, 4 per cent.; Home Bank of Meriden, 4 per ct.

Hartford.—The Merchants and Manufacturers' Bank of Hartford has moved into a new banking house. It has also declared a 3 per cent. dividend.

NEW-JERSEY.—The Highland Bank, Hudson City, N. J., is a new institution. J. S. DE MORR, President; A. DU BOIS, Cashier.

Fraudulent Bankers imprisoned in New-Jersey.—The Paterson Register has a report of the hearing of the case of CHARLES SANDFORD and JOSHUA M. BEACH, in the Supreme Court of the State, on a charge of conspiracy to defraud the public by means of the bogus Cataract City Bank at Paterson. The argument for a new trial was argued on Wednesday, and the motion was refused, when the prosecuting attorney moved that judgment be pronounced, which was done by the Chief Justice sentencing SANDFORD to the penitentiary for nine months at hard labor, and BEACH for one year, and six hundred dollars fine.—Trenton American, April 2.

The directors of the Newark City Bank have determined to build a new banking house upon their present lot, corner of Broad and Clinton streets.

PENNSYLVANIA.—Acts extending the charters of the Bank of Danville, Commercial Bank of Philadelphia, Harrisburg Bank, Farmers' Bank of Bucks County, Honesdale Bank, Bank of Delaware County, Wyoming Bank of Wilkesbarre, Farmers' Bank of Schuylkill, Lebanon Bank and York Bank, were reported in the House as committed, with slight amendments. Acts incorporating the Bellefonte Bank and the Bank of Scranton, were also subsequently reported as committed.

Philadelphia.—The directors of the Kensington Bank, Philadelphia, on the 2d April, elected Hon. JOHN ROBBINS, President of the Bank, in place of Hon. JOHN T. SMITH, resigned.

Capital and Circulation of the Banks of the State of Pennsylvania, with the Circulation to which they are entitled at one per cent. tax. November, 1862.

Banks in excess of Circulation.		Capital.	Actual Circulation.	Circulation to which they are entitled under Act of 1862.	Excess of Circulation.
19	\$100,000 and under,.....	\$ 1,465,427	.. \$ 2,564,879	.. \$ 1,268,284	.. \$ 2,296,595
21	From \$100,000 to \$200,000,....	3,284,941	.. 6,428,455	.. 2,627,958	.. 3,800,503
7	" 200,000 to 300,000,....	1,868,018	.. 3,330,174	.. 1,307,612	.. 2,022,562
12	" 300,000 to 500,000,....	5,168,195	.. 6,964,084	.. 3,097,917	.. 3,866,167
4	" 500,000 to 1,000,000,....	2,670,160	.. 4,256,601	.. 1,085,080	.. 3,221,521
..	" 1,000,000 to 1,500,000,....	.....	.. ..	.. ..	.. ..
..	" 1,500,000 to 2,000,000,....	.....	.. ..	.. ..	.. ..
68	Total,.....	\$ 14,451,741	.. \$ 24,854,198	.. \$ 9,422,446	.. \$ 15,431,752

Banks not in excess of Circulation.		Capital.	Actual Circulation.	Additional Circulation to which they are entitled.	Entire Circulation to which they are entitled at 1 per cent.
14	Under \$100,000,.....	\$ 587,460	.. \$ 96,222	.. \$ 387,428	.. \$ 483,714
2	From 100,000 to \$200,000,....	850,000	.. 68,470	.. 211,580	.. 930,000
3	" 200,000 to 300,000,....	688,050	.. 196,548	.. 285,057	.. 651,635
3	" 300,000 to 500,000,....	1,268,600	.. 447,458	.. 318,677	.. 761,760
4	" 500,000 to 1,000,000,....	3,800,000	.. 1,461,276	.. 422,724	.. 1,900,000
1	" 1,000,000 to 1,500,000,....	1,142,500	.. 54,222	.. 402,177	.. 457,400
2	" 1,500,000 to 2,000,000,....	3,628,800	.. 511,080	.. 577,410	.. 1,066,490
20	Total, 29 banks,.....	\$ 11,465,910	.. \$ 2,885,312	.. \$ 2,617,067	.. \$ 5,452,380
68	" 68 "	14,451,741	.. 24,854,198	.. 15,421,747	.. 3,422,446
92	Grand total, 92 banks, ..	\$ 25,917,651	.. \$ 27,689,505	.. \$ 12,804,680	.. \$ 14,884,945
	Excess of circulation,.....		.. 12,804,680		
	Amount authorized at one per cent.,.....		.. \$ 14,884,945		

For a similar table of New-York banks, see April No. BANKERS' MAGAZINE, page 820, wherein it seems that those banks are entitled to \$15,746,338 additional circulation, at one per cent.

Erie.—A bill has been reported in the Pennsylvania Senate, authorizing the revival of the Bank of Commerce in Erie, Pa., under a change of name.

INDIANA.—HORATIO CHAPIN, Esq., who has been Cashier of the Branch Bank at South Bend, since its organization, a period of over 20 years, and conducted its business with extraordinary sagacity and success, has sold out all his stock and interest in the institution, and dissolved all his connection with it. A. B. JUDSON, Esq., of Mishawaka, has been elected Cashier in his place.

Pittsburgh, Pa.—IRA B. MCVAY & Co., bankers, new firm.

JOHN STEWART, Esq., Cashier of the German Trust and Savings Bank, at Pittsburgh, Pa., has resigned, and Geo. A. ENDLY, Esq., former Cashier of the Guernsey Branch of the State Bank of Ohio, has been appointed his successor.

Mr. THOMAS W. OLOOTT, President of the Mechanics and Farmers' Bank of Albany, has declined the appointment of Comptroller of the Currency, tendered him by the Secretary of the Treasury.

GEO. N. FARWELL, Esq., was elected President of the Claremont Bank, of Claremont, N. H.

CONNECTICUT.—A bank under Secretary CHASE's bank act has been organized in Norwich, Conn., with a capital of \$100,000. It will be named the First National Bank of Norwich, Connecticut.

Kansas City.—The Branch of the Mechanics' Bank, at Kansas City, Missouri, have elected M. DIVELEY, President, and D. L. SHOUSE, Cashier.

PRIVATE BANKERS.

We call attention to an error in the List of Banks, published in the Bankers' Almanac, 1863, namely: J. W. COOK is Cashier of the Alleghany Bank, Pittsburgh, Pa., in place of WM. BAGALEY.

KENTUCKY.—Messrs. HUGHES & ROBINS have commenced the banking business at Louisville. Mr. C. E. ROBINS was formerly Cashier of the Franklin Bank, at Zanesville, Ohio.

MINNESOTA.—Messrs. H. P. PRABODY and S. McCORD, of Milwaukee, have engaged in a general banking and exchange business in Winona, Minn., making the third banking house in that growing town.

Mr. R. J. BALDWIN and Mr. R. J. MENDENHALL have relinquished business as private bankers, and have established the State Bank of Minnesota, at Minneapolis.

OHIO.—Messrs. WM. T. PERKINS & Co. have commenced the banking business at Cincinnati, O.

MICHIGAN.—The firm of CLARK & STARR, bankers, at Coldwater, Michigan, is succeeded by that of DENNIS & STARR.

The firm of PARSONS & FISHER, Detroit, is dissolved.

MISSOURI.—Messrs. EDWARD J. MOSES and STEWART STEEL have been admitted to the banking firm of HASKELL & Co., St. Louis.

PENNSYLVANIA.—Messrs. IRA B. McVAY & Co. have commenced the banking business at Pittsburgh, Pa.

Boston, Mass.—PAYTON, BOWMAN, HALL & Co., bankers; new firm, H. F. PAYTON, S. Z. BOWMAN, J. L. HALL and W. R. STOCKERIDGE.

PACIFIC COAST.—Since 1st January, 1863, pounds, shillings and pence have given place to dollars and cents in Vancouver Island. A very judicious change, as experience will soon demonstrate.

FRANCE.—An exchange says: "All the ten-sous pieces in France are to be withdrawn from circulation and melted down. New fifty-centime pieces will be issued, but the standard will no longer be 9-10ths of pure silver, as heretofore, but 835-1000ths."

GOLD FOR ENGLAND.—The British steamer *Tamar*, on her last voyage from Aspinwall for England, took the largest amount of gold and silver ever taken in one vessel from the Isthmus—five millions of dollars. Of this, \$3,600,000 was brought from the west coast of Mexico, by H. B. Majesty's ship *Clio*, over a million from California, and the balance from Peru and Chili.

Notes on the Money Market.

NEW-YORK, APRIL 25, 1863.

Exchange on London, at sixty days' sight, 165 @ 167.

THE month has witnessed considerable excitement in business circles, owing largely to the varied features of the intelligence from the field of war. After the issue of our April number, gold advanced in the New-York market from 140 $\frac{1}{2}$ to 150, before the close of March. On the 1st April the price again reached 157 $\frac{1}{2}$, and thence declined to 145 $\frac{1}{2}$, on the 8th inst. The unfavorable intelligence from the South again disturbed the market, and the premium advanced on the 18th to 57 $\frac{1}{2}$, which was the highest price reached since the 14th ultimo.

Another cause of disturbance in financial circles is felt in the indirect support given in England to the Confederate cause, and the disposition shown to advance funds for the support of that cause. A loan of £3,000,000 sterling had been effected in England, and in Continental cities, on behalf of the Confederates; the loan to be reimbursed in cotton; and although the loan, at a recent date, had declined to a discount of 2 @ 2 $\frac{1}{2}$ per cent., yet the fact that such assistance could be rendered to a rebel government shows the want of integrity and appreciation of sound policy among commercial circles abroad.

Exchange on Europe has ruled at high rates during the month of April. The continued export of specie serves to maintain these rates, and the receipts of gold from the Pacific are insufficient to maintain the present reserve in the Atlantic cities. The foreign exports of gold and silver from the United States, during the past fifteen years, (1848-1862,) were \$590,714,050, and the imports from foreign countries were \$157,086,698, showing an excess of exports of bullion and coin for that period, amounting to \$433,627,351. No clearer proof is needed of the unfavorable condition of our foreign trade during these years, and of the exhausting process of luxurious habits upon our people.

Paper money in excess has, in part, contributed to this state of things; the reserve of coin at home being insufficient hitherto to meet the extraordinary emergencies of commerce.

The most agreeable feature of the month has been the fresh and constant demand for government loans. The inquiry for seven-thirties is still active, and those of October and April have advanced one per cent., so that their price again approximates to that of the August and February issue. These notes bear such a large rate of interest, and are, at the pleasure of the holder, so easily convertible in long six per cent. stock, that, at present, they seem to be regarded as the most choice security of the government, especially as no further issues will be made hereafter.

The demand for the five-twenty year six per cent. bonds, from all parts of the country, has been so great, that it has been determined by the Secretary of the Treasury to facilitate their negotiations by placing them with the various assistant-treasurers, from whom they can be obtained either for investment or re-sale. Mr. Cisco's announcement of this very desirable change was made public early in April.

The office of the United States Treasury has been removed to the new Treasury building, at the corner of Wall and Nassau streets. The following notice has been issued from the Treasury Department:

"Notice is hereby given of the readiness of this department to redeem, at maturity, the outstanding two years Treasury notes issued in 1861. Interest will, therefore, cease after maturity thereof.

S. P. CHASE, *Secretary of the Treasury.*"

The leading rail-road companies are doing a large business, and give promise of liberal dividends to shareholders. The Hudson River Rail-Road Company has disposed of the 2,275 new shares of their stock issued to build a new double track from Rhinebeck to Poughkeepsie, at 104 $\frac{1}{2}$ per cent. This fills up the capital stock of the company to the limit of the charter, four millions. After the above sale the stock sold freely at 105, and has advanced to 107 $\frac{1}{2}$. In 1860 the stock sold as low as 86. Harlem Rail-Road shares sold, in 1860, at 8 @ 24; in 1861, at 8 $\frac{1}{2}$ @ 16 $\frac{1}{2}$, and in 1862, at 11 $\frac{1}{2}$ @ 25 $\frac{1}{2}$. They have sold this month at 50 @ 68.

The loans, specie, circulation, net deposits and exchanges of the current year, at New-York, have been as follows, at the dates mentioned :

1863.	Loans.	Specie.	Circulation.	Deposits.	Exchanges
Jan. 8,.....	\$ 173,810,000 ..	\$ 85,954,000 ..	\$ 9,754,000 ..	\$ 159,168,000 ..	\$ 186,861,000
" 10,.....	175,816,000 ..	86,770,000 ..	9,551,000 ..	162,879,000 ..	249,796,000
" 17,.....	170,600,000 ..	87,581,000 ..	9,241,000 ..	164,666,000 ..	814,471,000
" 24,.....	179,288,000 ..	88,599,600 ..	9,088,000 ..	168,269,000 ..	298,861,000
" 31,.....	179,823,000 ..	88,894,000 ..	8,906,000 ..	169,961,000 ..	298,076,000
Feb. 7,.....	179,892,000 ..	88,248,000 ..	8,790,000 ..	164,842,000 ..	802,852,000
" 14,.....	173,108,000 ..	83,426,000 ..	8,756,000 ..	167,720,000 ..	265,189,000
" 21,.....	178,885,890 ..	87,981,810 ..	8,762,586 ..	170,108,758 ..	291,242,980
" 28,.....	179,968,849 ..	89,512,256 ..	8,799,969 ..	178,912,695 ..	840,514,444
Mar. 7,.....	181,098,822 ..	89,705,039 ..	8,698,175 ..	175,689,212 ..	844,484,442
" 14,.....	177,875,949 ..	86,110,085 ..	8,657,016 ..	172,944,084 ..	807,870,818
" 21,.....	178,529,479 ..	88,955,122 ..	8,609,728 ..	167,004,466 ..	277,881,851
" 28,.....	172,448,526 ..	84,817,691 ..	8,560,602 ..	158,868,846 ..	281,826,258
April 4,.....	178,088,019 ..	84,257,121 ..	8,848,084 ..	160,216,418 ..	287,847,704
" 11,.....	170,845,288 ..	85,406,145 ..	8,178,091 ..	159,594,781 ..	264,468,080
" 18,.....	169,182,822 ..	86,761,696 ..	8,089,558 ..	164,109,201 ..	259,417,565

The above items, under the head of deposits, include balances due to banks and bankers out of the city, which, at the last quarterly report, formed about \$47,197,000 of the aggregate deposits.

The movement of the Boston banks, on a capital of \$88,231,700, is indicated by the following summary for the current year :

	Loans.	Specie.	Due to Banks.	Deposits.	Circulation.
Jan. 8,.....	\$ 77,889,000 ..	\$ 7,678,000 ..	\$ 16,970,000 ..	\$ 82,873,000 ..	\$ 8,190,000
" 10,.....	77,427,000 ..	7,751,000 ..	17,006,000 ..	83,668,000 ..	8,278,000
" 17,.....	76,694,000 ..	7,710,000 ..	16,547,000 ..	82,862,000 ..	8,199,000
" 24,.....	76,854,000 ..	7,710,000 ..	16,811,000 ..	82,847,000 ..	8,906,000
Feb. 7,.....	78,490,000 ..	7,707,000 ..	16,982,000 ..	85,178,000 ..	8,074,000
" 14,.....	73,481,000 ..	7,794,000 ..	17,070,000 ..	84,908,000 ..	8,000,000
" 21,.....	78,789,748 ..	7,623,819 ..	17,381,354 ..	84,955,475 ..	8,002,888
" 28,.....	79,127,488 ..	7,558,197 ..	17,523,489 ..	85,545,548 ..	8,019,767
Mar. 7,.....	79,374,199 ..	7,582,027 ..	17,840,869 ..	85,915,871 ..	8,294,886
" 14,.....	79,686,184 ..	7,609,238 ..	18,447,286 ..	82,955,149 ..	7,780,062
" 21,.....	79,488,280 ..	7,595,068 ..	18,174,736 ..	82,572,926 ..	7,686,688
April 4,.....	76,988,578 ..	7,708,736 ..	15,444,317 ..	82,684,356 ..	7,968,467
" 11,.....	74,551,018 ..	7,812,895 ..	14,557,371 ..	82,494,593 ..	7,762,915
" 18,.....	73,450,160 ..	7,799,815 ..	13,815,590 ..	82,306,749 ..	7,278,506

The items of deposits in the Boston statements do not include balances due to other banks and bankers. These are under a separate head, making together about forty-seven millions of gross deposits. The business of the Philadelphia banks, for the same period, on a capital of \$11,502,000, was as follows :

	Loans.	Specie.	Due to Banks.	Deposits.	Circulation.
Jan. 8,.....	\$ 87,679,060 ..	\$ 4,510,000 ..	\$ 6,948,000 ..	\$ 28,429,000 ..	\$ 4,504,000
" 10,.....	87,586,000 ..	4,544,000 ..	6,890,000 ..	28,018,000 ..	4,450,000
" 17,.....	87,416,000 ..	4,549,000 ..	7,050,000 ..	27,877,000 ..	4,832,000
" 24,.....	87,479,000 ..	4,573,000 ..	6,755,000 ..	28,778,000 ..	4,284,000
" 31,.....	87,263,000 ..	4,562,000 ..	6,698,000 ..	29,281,000 ..	4,181,000
Feb. 7,.....	87,384,000 ..	4,819,000 ..	6,958,000 ..	28,662,000 ..	4,089,000
" 14,.....	87,710,000 ..	4,279,000 ..	7,469,000 ..	28,769,000 ..	3,888,000
" 21,.....	87,720,460 ..	4,276,761 ..	7,418,250 ..	29,242,596 ..	3,772,781
" 28,.....	87,901,080 ..	4,267,626 ..	6,775,968 ..	30,178,518 ..	3,696,097
Mar. 7,.....	83,808,871 ..	4,249,085 ..	6,549,428 ..	30,679,269 ..	3,608,870
" 14,.....	89,206,028 ..	4,247,317 ..	6,788,218 ..	30,549,587 ..	3,584,860
" 21,.....	89,458,884 ..	4,247,688 ..	7,418,482 ..	30,104,185 ..	3,295,809
" 28,.....	88,957,612 ..	4,811,704 ..	6,504,758 ..	29,171,288 ..	3,889,194
April 4,.....	87,516,520 ..	4,889,252 ..	5,768,558 ..	29,581,559 ..	3,874,418
" 11,.....	86,259,402 ..	4,843,242 ..	5,953,809 ..	30,117,527 ..	3,296,635
" 18,.....	86,295,644 ..	4,848,988 ..	5,806,809 ..	31,059,044 ..	3,185,042

Great activity has prevailed at the stock board during the month of April, without any material advance in market values. California seven per cents have declined 8 @ 10 per cent. Southern State loans are a fraction lower.

We annex the highest cash prices offered, for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Feb. 10A.	20A.	28A.	Mo. 10A.	20A.	Apr. 1st.	11A.	28A.
U. S. 6's, 1881, coupons,...	94	97½	101½	101½	104	105½	105½	106
U. S. 5 per cents, 1874,....	87	91½	96½	95½	97	96½	97½	98
Ohio 6 per cents, 1886,....	118½	118½	120	117	116	120	115	113
Kentucky 6 per cents,....	100½	100	103	103	104	104	103	104
Indiana 6 per cents,....	99½	101	100	101	100	100	99	99½
Pennsylvania 5 per cents,...	103½	103½	104½	103½	103½	101	101½	100
Virginia 6 per cents,....	73	73	68	68	65	66	66	64
Georgia 6 per cents,....	80	80	..	..	..	80	80	81
California 7 per cents, 1877, 181	131½	136½	135	134	130	130	134	137
North Carolina 6 per cents, 80	74	73	80	78	75	75	75	73
Missouri 6 per cents,....	65½	64½	65	63½	61½	61½	61	62½
Louisiana 6 per cents,....	71	71	70	70	75	75	75	75
Tennessee 6 per cents,....	61½	63½	63	61½	61	60½	60	60

For national, State and city securities, we observe the following quotations:

	Bid.	Asked.		Bid.	Asked.
U. S. 6's, 1867,.....	104	105	Ohio 6's, 1868,.....	105	..
do. 1868,.....	104	105	do. 6's, 1881,.....	119	124
do. 1868, coupons,.....	105	107	Missouri, Hannibal & St. Joseph, 86	87	..
do. 5.90, do.	104	..	Michigan War Loan,.....	104	107
do. 5.90, registered,.....	103½	..	Ohio 6's, 1881,.....	110	115
U. S. 6's, 1865, coupons,.....	101½	..	do. 1865,.....	100	100
do. 1871, registered,.....	90	95	do. 1875,.....	..	113
do. 1871, coupons,.....	90	..	Illinois War Loan,.....	102½	100
do. 1874, do.	95½	96	do. Canal Loan,.....	..	100
Oregon War Loan,.....	103	105	do. Coupon 6's, 1880,.....	101	..
Oregon, ½ Year,.....	103	108	do. do. 1882,.....	101	100
New-York 7's, 1864,.....	..	118	do. do. 1865,.....	101	..
do. 7's, 1870,.....	..	125	do. do. 1870,.....	107	107½
do. 6's, 1863,.....	104	..	do. do. 1874,.....	100	119
do. 6's, 1863,.....	..	118	Indiana War Loan,.....	99	99½
do. 6's, 1873,.....	118½	118	do. 2½ per cent,.....	68	65
do. 6's, 1874,.....	118½	..	Minnesota 6's,.....	104	106
do. 6's, 1875,.....	118½	..	New-York City 6's, 1876,.....	115	130
do. 6's, 1871,.....	107	..	do. do. 1878,.....	113	130
do. 6's, 1874,.....	107	..	do. do. 1887,.....	113	130
do. 6's, 1875,.....	107	..			

The rail-road from Erie to Pittsburgh, partly owned by the Buffalo and State Line Company, will be finished in good running order by the first of November next. It will reach the oil wells of Pennsylvania, and the Buffalo and State Line stockholders have the option, for a short time, of subscribing at par to the first mortgage bonds of the Erie and Pennsylvania.

The following regulation respecting the taxation of rail-road coupons has just been issued at Washington:

“TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE, April, 1883.

“Decision 93.—Concerning mining and other companies, owning or possessing any rail-road or canal.

“Companies authorized by charter to build rail-roads or canals, upon which passengers and freight other than that of the company are to be transported, being indebted for any sum or sums of money, for which bonds or other evidences of indebtedness have been or shall be issued, payable in one or more years after date, are required to withhold three per cent. from all payments of coupons, or interest upon such indebtedness as was incurred on account of such rail-road or canal, and to make quarterly returns and payment thereof to the Commissioner of Internal Revenue.”

* Interest off.

We annex the current cash quotations for leading rail-road shares in this market within the past two months. Those with a star [*] paid no dividend last year.

	Feb. 20th A.	23rd A.	Mar. 10th A.	20th A.	April 1.	11th A.	20th A.
N. Y. Central R. R. shares,.....	119	118½	118½	116½	115	115	118½
* N. Y. and Erie R. R. shares,.....	77½	78½	78½	79½	78	76½	78½
* Harlem R. R. shares,.....	86½	86½	88½	88½	82	80	88
* Reading R. R. shares,.....	91	92	91	90½	88	89½	91
* Hudson River R. R. shares,.....	97	97½	97½	100½	105	105	108½
Michigan Central R. R. shares,....	97	98	100	104	101½	101	102
* Michigan Southern R. R. shares,...	61½	61	61	60½	51½	59	59½
Panama R. R. shares,.....	182	192	190	191	187½	187½	194
Baltimore and Ohio R. R. shares,...	87½	90	88	89	86½	89	89½
* Illinois Central R. R. shares,.....	87	92½	92½	92½	90½	89	89½
* Cleveland and Toledo R. R.,.....	95	94½	94½	94½	98	96	92½
Chicago and Rock Island R. R.,...	94½	93½	98	94	98½	89½	89½
Galena & Chicago R. R. shares,...	98½	98	98	98½	98½	91½	92½
Chicago, Burlington & Quincy,...	108½	107	109	109½	108	109	110
Pacific Mail Steamship shares,....	162	168	180½	186½	191½	191	189

For rail-road bonds we note the following quotations :

	Bid.	Asked.		Bid.	Asked.
New-York Central 6's,.....	112	115	Toledo,.....	109½	110
do. do. R. E.,.....	106	..	Fort Wayne 1st mortgage,.....	108	110
do. do. 7's, sub.,.....	105	..	do. do. 2d do.	102½	108
do. do. 7's, 1864,.....	108	104	do. do. 3d do.	78½	79
do. do. 7's, 1876,.....	118	118	Pittsburg 2d do.	106	..
do. do. convert, 1876, 128	..	..	do. do. 1st do.	102½	104
Erie 1st mortgage, 1868,.....	110	120	do. do. 3d do.	102½	104
do. 2d do. 1879,.....	119	120	do. do. 4th do.	79½	80
do. 3d do. 1888,.....	118	118	Mississippi and Missouri land,....	50	54
do. 4th do. 1880,.....	105½	106	Illinois Central 7's,.....	121	121½
do. 5th do. 1888,.....	105½	107	Alton and Terre Haute 1st mortg.,	108	106
Buffalo and Erie 1st mortgage,....	109	..	do. do. 2d do.	91	91½
Hudson River 1st mortgage,.....	116	119	do. do. Income,....	81½	82
do. 2d do.	118	..	Lacrosse and Milwaukee,.....	82	82
do. 3d do.	112½	112½	Chic. & N. Western Int.,.....	98½	99
do. convertible,.....	109	110	do. do. 1st mortgage, 78	78½	110
Harlem 1st mortgage,.....	112½	118	do. do. sinking fund, 105	110	..
do. 2d do.	104	106	do. do. 2d mortgage, 47½	47½	..
do. 3d do.	104	106	do. do. extended,....	..	95
Michigan Central 8's, 1873,.....	113	..	Hannibal and St. Joseph 1st mort.,	65	70
do. 1st mortgage, ..	119	120	do. do. 2d do. 45	..	..
Burlington and Quincy,.....	120	124	Lackawanna and Western bonds, ..	110	116
Michigan Southern,.....	104½	104½	Delaware, Lack. & Wea. 1st mort.,	115	116
do. Goeben,.....	102½	104	do. do. 2d do. 110	112½	..
Michigan Southern sinking fund, ..	112½	118	Toledo and Wabash 1st mortgage, 104½	104½	..
Prairie du Chien,.....	107½	108	do. do. 2d do. 92½	98	..
Galena extended,.....	115	116	do. do. Int.,.....	93	94
Rock Island 1st mortgage,.....	110	111½	New-Jersey Central 1st mortgage, 104½	106	..
do. 2d do. ....	..	116	do. do. 2d do. 105	..	..

It has been decided to lay a third rail upon the track of the Pittsburgh, Fort Wayne and Chicago Railway, from the junction of the Atlantic and Great Western Railway to Chicago, to make the gauge correspond with that of the Atlantic and Great Western and Erie Roads—thus forming an unbroken line of the six-foot gauge from New-York to Chicago. This will give the Fort Wayne road a through route from Chicago to New-York by the Erie Road, as well as by the Pennsylvania Central; and as the expense and inconvenience incident to breaking bulk will thus be avoided, a profitable extension of traffic will no doubt be realized.

The New-York Central Rail-Road Company are now issuing new five per cent. bonds, payable in twenty-five years, in exchange for their old seven per cent. bonds, which fall due next year, and paying to the holders of the latter a bonus of three per cent., if application be made before 1st May next.

The New-York and Erie Railway earned for the month of March, 1863, \$946,040; for 1862, \$688,056; increase, nearly 50 per cent., \$258,084. The earnings of the first three months of the year 1863, give an aggregate of..... \$2,611,227 89
Those of 1862, for the same time,..... 1,985,068 14

Assuming 60 per cent. as the working expenses, the road has earned seven per cent. interest on the debt and both kinds of stocks and shares, leaving a surplus of about \$350,000.

At a recent meeting of the managers of the Buffalo and State Rail-Road with other prominent rail-road men, which was held yesterday at Cleveland, it was determined to build a road direct from Erie to Cleveland. A sum of \$665,000 was subscribed. Committees were appointed to confer with the roads west of Cleveland. The road will probably be called the Lake Shore Rail-Road.

The New-York and New-Haven Rail-Road Company has declared a dividend of three dollars per share, free of government tax, payable on and after May 1st. Cleveland and Toledo Rail-Road Co., four per cent; Panama Rail-Road Co., four per cent.

It is stated that a special meeting of the stockholders of the Dayton and Michigan Rail-Road was held in April, to take into consideration the proposal of the Cincinnati, Hamilton and Dayton Rail-Road to lease their road. About two-thirds of the capital stock was represented, and the vote stood 82,620 in favor of the lessee, and 1,949 against it. This puts under one management the entire line from Cincinnati to Toledo, and will, doubtless, inure to the advantage of both roads.

D E A T H S .

At St. Louis, Mo., Sunday, March 29th, aged thirty-six years, **GEORGE E. HARDING**, Esq., President of the Union Bank, St. Louis. He was a native of Russellville, Ky., and had resided at St. Louis about seven years.

At SALEM, MASS., Tuesday, March 31st, aged sixty-seven years, **DAVID PINGREE**, Esq., President of the Naumkeag Bank, President of the Naumkeag Mills, and President of the Essex Rail-Road Co., and Ex-Mayor of Salem. He was largely engaged in the lumber business in Maine.

At WESTMINSTER, CARROLL COUNTY, Md., on the 11th April, **JOHN FISHER**, Esq., Cashier of the Bank of Westminster, in the 84th year of his age.

At WALDOBORO, MAINE, March 8d, suddenly, **JOHN H. KENNEDY**, Esq., of Waldoboro, President of the Medomak Bank in that place, and a former Collector of Customs.

At BRUNSWICK, MAINE, Friday, March 27th, aged seventy-two years, **Captain JOSEPH BADER**, President of the Pejepscot Bank. He was at one time actively engaged in the duties of a shipmaster; but more recently in the care of the Bank, and of a large interest which he held in navigation.

At SACO, MAINE, Monday, March 2d, in the eighty-first year of his age, **JOSIAH CALEF**, Esq., a native of Kingston. For more than twenty years he was President of the Saco and Biddeford Savings Institution; he was also for a still longer period President of the Saco Mutual Fire Insurance Company; and at the same time he was President, and for many years a Director, in the Manufacturers' Bank, Saco.

At CAMDEN, N. J., suddenly, on Friday, April 10th, **THOMAS ACKLEY**, Esq., Cashier of the State Bank at Camden, N. J.

At ROXBURY, MASS., on Saturday, April 18th, aged sixty-four years, **JONATHAN P. ROBINSON**, Esq., President of the Mount Vernon Bank, of Boston.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. XII. NEW SERIES.

JUNE, 1863.

No. 12.

BANK CIRCULATION IN NEW-YORK.

ACCORDING to the official statements of the banks of the State of New-York for December, 1862, there are one hundred and thirty-two of these that have a circulation liable to a tax of one per cent., semi-annually, upon an excess beyond the amount provided by the act of Congress of 1863, while one hundred and seventy-six are not up to their limit. The following tables exhibit the capital and actual circulation of each of these banks, on the 27th December, 1862. Applications are already on file from several of these institutions to obtain circulation from the Treasury. The new law provides as follows:

“Sec. 62. Any bank or banking association authorized by any State law to engage in the business of banking, and duly organized under such State law at the time of the passage of this act, and which shall be the holder and owner of United States bonds to the amount of fifty per centum of its capital stock, may transfer and deliver to the Treasurer of the United States such bonds, or any part thereof, in the manner provided by this act; and upon making such transfer and delivery, such bank or banking association shall be entitled to receive from the Comptroller of the Currency circulating notes, as herein provided, equal in amount to eighty per centum of the amount of the bonds so transferred and delivered.”

THE BANKS OF THE STATE OF NEW-YORK,

DECEMBER 27, 1862.

Tabular Statement showing the Name of each Bank in the State of New-York, December 27, 1862; the Capital and actual Circulation of each; and the Excess of Circulation of each liable (under the Act of Congress of March 3, 1863,) to a Tax of one per cent. semi-annually; and the additional Circulation to which the others are entitled at one per cent. tax.

INDIVIDUAL BANKS.	Capital.	Actual Circulation.	Circulation taxable one per cent.	Excess liable to two per cent.
Bank of Bath,	\$ 50,000 ..	\$ 129,730 ..	\$ 45,000 ..	\$ 84,730
Bank of Canandaigua,	25,000 ..	62,296 ..	22,500 ..	39,796
Bank of Cayuga Lake,	10,000 ..	19,023 ..	9,000 ..	10,023
Bank of Commerce, Putnam Co.,	87,800 ..	88,652 ..	79,020 ..	9,632
Bank of Havana,	50,000 ..	75,664 ..	45,000 ..	30,664
Bank of Lima,	50,000 ..	54,853 ..	45,000 ..	9,853
Bank of Seneca Falls,	50,000 ..	90,727 ..	45,000 ..	45,727
Bank of Westfield,	50,000 ..	53,368 ..	45,000 ..	8,368
Bellinger Bank,	10,000 ..	76,280 ..	9,000 ..	67,280
Briggs Bank,	25,500 ..	49,553 ..	22,950 ..	26,603
Commercial Bank, Clyde,	25,000 ..	58,045 ..	22,500 ..	35,545
Farmers' Bank of Attica,	40,000 ..	59,613 ..	36,000 ..	23,613
Geo. Washington Bank,	20,000 ..	29,718 ..	18,000 ..	11,718
H. G. Hotchkiss & Co.'s Bank, ..	11,320 ..	10,920 ..	10,188 ..	732
H. J. Messenger's Bank,	50,000 ..	109,488 ..	45,000 ..	64,488
H. J. Miner & Co.'s Bank,	36,000 ..	50,000 ..	32,400 ..	17,600
J. A. Clarke & Co.'s Bank,	10,000 ..	12,780 ..	9,000 ..	3,780
Jamestown Bank,	76,875 ..	110,256 ..	69,188 ..	41,068
J. N. Hungerford's Bank,	30,000 ..	29,394 ..	27,000 ..	2,394
Joshua Pratt & Co.'s Bank,	50,000 ..	45,337 ..	45,000 ..	337
J. T. Raplee's Bank,	25,000 ..	80,654 ..	22,500 ..	58,154
Lake Shore Bank,	46,200 ..	44,895 ..	41,580 ..	3,315
Lyons Bank,	30,000 ..	112,150 ..	27,000 ..	85,150
Merchants' Bank of Westfield, ..	40,000 ..	43,430 ..	36,000 ..	7,430
Perrin Bank,	17,075 ..	17,075 ..	15,368 ..	1,707
P. R. Westfall's Bank,	25,000 ..	107,796 ..	22,500 ..	85,296
Q. W. Wellington & Co.'s Bank,	20,000 ..	19,998 ..	18,000 ..	1,998
Randall Bank,	50,000 ..	53,811 ..	45,000 ..	8,811
R. L. Ingersoll & Co.'s Bank, ..	15,000 ..	14,351 ..	13,500 ..	851
Schoharie County Bank,	50,000 ..	80,125 ..	45,000 ..	35,125
Smith's Bank of Perry,	35,000 ..	33,506 ..	31,500 ..	2,006
Suffolk County Bank,	20,000 ..	82,540 ..	18,000 ..	64,540
T. O. Grannis & Co.'s Bank, ..	10,000 ..	13,000 ..	9,000 ..	4,000
Wooster Sherman's Bank,	50,000 ..	51,843 ..	45,000 ..	6,843
Worthington Bank,	50,000 ..	59,744 ..	45,000 ..	14,744
Wyoming County Bank,	50,000 ..	87,800 ..	45,000 ..	42,800
ASSOCIATIONS.				
Bank of Albion,	\$ 100,000 ..	\$ 179,134 ..	\$ 90,000 ..	\$ 89,134
Bank of Newark,	50,000 ..	60,049 ..	45,000 ..	15,049
Bank of Orangetown,	30,000 ..	99,999 ..	27,000 ..	72,999
Bank of Otsego,	100,000 ..	199,790 ..	90,000 ..	109,790
Bank of Watertown,	29,000 ..	28,390 ..	26,100 ..	2,290

ASSOCIATIONS.	Capital.	Actual Circulation.	Circulation taxable one per cent.	Excess liable to two per cent.
Black River Bank,	\$ 100,000	.. \$ 123,704	.. \$ 90,000	.. \$ 33,704
Broome County Bank,	100,000	.. 103,613	.. 90,000	.. 13,613
Chemung Bank,	50,000	.. 58,223	.. 45,000	.. 13,223
Columbia Bank,	100,000	.. 493,097	.. 90,000	.. 403,097
Cuba Bank,	100,000	.. 180,646	.. 90,000	.. 40,646
Cuyler's Bank,	74,000	.. 159,492	.. 66,600	.. 92,892
Fredonia Bank,	100,000	.. 116,151	.. 90,000	.. 26,151
Frontier Bank,	100,000	.. 127,915	.. 90,000	.. 37,915
Hampden Bank,	100,000	.. 313,220	.. 90,000	.. 223,220
Iron Bank,	10,000	.. 9,996	.. 9,000	.. 996
Lincoln Bank,	100,000	.. 100,055	.. 90,000	.. 10,055
Mercantile Bank, Plattsburgh, ..	100,000	.. 124,429	.. 90,000	.. 34,429
Merchants and Farmers' Bank, ..	90,000	.. 95,254	.. 81,000	.. 14,254
Mohawk Bank,	100,000	.. 112,395	.. 90,000	.. 22,395
Mohawk River Bank,	100,000	.. 98,002	.. 90,000	.. 8,002
Monroe County Bank,	100,000	.. 95,653	.. 90,000	.. 5,653
Orleans County Bank,	71,700	.. 103,892	.. 64,530	.. 39,362
Palisade Bank,	50,000	.. 116,915	.. 45,000	.. 71,915
Rochester Exchange Bank,	100,000	.. 443,499	.. 90,000	.. 353,499
Rome Exchange Bank,	100,000	.. 100,562	.. 90,000	.. 10,562
Schenectady Bank,	73,812	.. 161,231	.. 66,481	.. 94,800
Setauket Bank,	100,000	.. 206,923	.. 90,000	.. 116,923
Susquehanna Valley Bank,	100,000	.. 106,917	.. 90,000	.. 16,917
Watertown Bank and Loan Co., ..	91,500	.. 100,413	.. 82,350	.. 18,063
Weedsport Bank,	100,000	.. 130,033	.. 90,000	.. 40,033
Union Bank, Medina,	25,000	.. 50,126	.. 22,500	.. 27,626
Total 90 per cent.,	\$ 3,835,782	\$ 6,418,133	\$ 3,452,205	\$ 2,965,928

CAPITAL OVER \$100,000 AND NOT OVER \$200,000,

Entitled to a Circulation of Eighty per cent. of their Capital.

New-York Dry Dock Co.,	\$ 200,000	.. \$ 194,692	.. \$ 160,000	.. \$ 34,692
New-York Exchange Bank,	150,000	.. 178,881	.. 120,000	.. 58,881
Bank of Owego,	200,000	.. 192,320	.. 160,000	.. 32,320
Chemung Canal Bank,	200,000	.. 192,877	.. 160,000	.. 32,877
Herkimer County Bank,	200,000	.. 199,308	.. 160,000	.. 39,308
Highland Bank,	200,000	.. 196,862	.. 160,000	.. 36,862
Kingston Bank,	150,000	.. 169,388	.. 120,000	.. 49,388
Seneca County Bank,	200,000	.. 194,414	.. 160,000	.. 34,414
Ballston Spa Bank,	125,000	.. 107,537	.. 100,000	.. 7,537
Bank of Binghamton,	200,000	.. 184,626	.. 160,000	.. 24,626
Bank of Cooperstown,	200,000	.. 189,021	.. 160,000	.. 29,021
Bank of Fishkill,	150,000	.. 137,022	.. 120,000	.. 17,022
Bank of Lansingburgh,	150,000	.. 159,208	.. 120,000	.. 39,208
Bank of Lowville,	102,450	.. 157,101	.. 81,960	.. 75,141
Bank of Norwich,	125,000	.. 137,876	.. 100,000	.. 37,876
Bank of Orange County,	110,000	.. 235,813	.. 88,000	.. 147,813
Bank of Pawling,	175,000	.. 149,669	.. 140,000	.. 9,669
Bank of Salem,	123,000	.. 105,030	.. 98,400	.. 6,630
Bank of Ulster,	150,000	.. 135,373	.. 120,000	.. 15,373
Bank of Waterville,	120,000	.. 135,507	.. 96,000	.. 39,507
Bank of Whitestown,	120,000	.. 101,050	.. 96,000	.. 5,050
Canastota Bank,	110,000	.. 117,324	.. 88,000	.. 29,324
Central Bank, Cherry Valley, ..	200,000	.. 166,833	.. 160,000	.. 6,833
Chester Bank,	125,500	.. 105,358	.. 100,400	.. 4,958
Commercial Bank, Whitehall, ..	108,200	.. 118,367	.. 86,560	.. 31,807

ASSOCIATIONS.	Capital.	Actual Circulation.	Circulation taxable one per cent.	Excess liable to two per cent.
Croton River Bank,	\$ 107,500	.. \$ 105,632	.. \$ 86,000	.. \$ 19,632
Delaware Bank,	150,000	.. 140,304	.. 120,000	.. 20,304
Deposit Bank,	125,000	.. 138,114	.. 100,000	.. 38,114
Farmers and Citizens' Bk. of L. I.	160,000	.. 162,152	.. 128,000	.. 34,152
Farm. and Mech. Bk. of Roches'r,	125,000	.. 125,354	.. 100,000	.. 25,354
Fort Plain Bank,	150,000	.. 138,995	.. 120,000	.. 18,995
Fort Stanwix Bank,	150,000	.. 134,523	.. 120,000	.. 14,523
Glen's Falls Bank,	112,000	.. 130,815	.. 89,600	.. 41,215
Goshen Bank,	110,000	.. 105,169	.. 88,000	.. 17,169
Hamilton Bank,	110,000	.. 92,124	.. 88,000	.. 4,124
Hungerford's Bank,	125,000	.. 124,636	.. 100,000	.. 24,636
Jefferson County Bank,	148,800	.. 128,593	.. 119,040	.. 9,553
Lockport City Bank,	104,000	.. 161,410	.. 83,200	.. 68,210
Middletown Bank,	125,000	.. 113,466	.. 100,000	.. 13,466
Oneida Valley Bank,	105,000	.. 106,923	.. 84,000	.. 22,923
Saugerties Bank,	125,000	.. 106,075	.. 100,000	.. 6,075
State of New-York Bank,	125,000	.. 111,594	.. 100,000	.. 11,594
Ulster County Bank,	150,000	.. 134,660	.. 120,000	.. 14,660
Westchester County Bank,	200,000	.. 190,701	.. 160,000	.. 30,701
Bank of Port Jervis,	180,000	.. 105,765	.. 104,000	.. 1,765
Commercial Bank, G. Falls, ...	136,400	.. 145,078	.. 109,120	.. 5,956
Unadilla Bank,	148,000	.. 122,483	.. 118,400	.. 4,083
Total 80 per cent.,	\$ 6,815,850	\$ 6,741,021	\$ 5,452,680	\$ 1,288,341

CAPITAL OVER \$200,000 AND NOT OVER \$300,000,

Entitled to a Circulation of Seventy per cent. of their Capital.

Cayuga County Bank, Auburn,	\$ 250,000	.. \$ 225,115	.. \$ 175,000	.. \$ 50,115
Farmers and Manufacturers' Bk.	300,000	.. 242,367	.. 210,000	.. 32,367
Tompkins County Bank,	250,000	.. 239,251	.. 175,000	.. 64,251
Troy City Bank,	300,000	.. 228,437	.. 210,000	.. 18,437
Bank of Geneva,	205,000	.. 198,428	.. 143,500	.. 54,928
Bank of Newburgh,	300,000	.. 293,439	.. 210,000	.. 83,439
Total 70 per cent.,	\$ 1,605,000	\$ 1,427,037	\$ 1,123,500	\$ 303,537

Entitled to a Circulation of Sixty per cent. of their Capital.

Marine Bank, New-York,	\$ 400,000	.. \$ 281,638	.. \$ 240,000	.. \$ 49,638
Albany City Bank,	500,000	.. 330,672	.. 300,000	.. 30,672
Atlantic Bank, Brooklyn,	500,000	.. 302,968	.. 300,000	.. 2,968
Oneida Bank, Utica,	400,000	.. 296,962	.. 240,000	.. 56,962
Rochester City Bank,	400,000	.. 293,182	.. 240,000	.. 53,182
Albany Exchange Bank,	311,100	.. 220,560	.. 186,660	.. 33,900
Commercial Bank, Albany,	500,000	.. 563,698	.. 300,000	.. 263,698
Mechanics and Farmers' Bank, ..	350,000	.. 821,742	.. 210,000	.. 611,742
Union Bank, Rochester,	500,000	.. 328,134	.. 300,000	.. 28,134
New-York State Bank,	350,000	.. 227,478	.. 210,000	.. 17,478
Total 60 per cent.,	\$ 4,211,100	\$ 3,667,034	\$ 2,526,660	\$ 1,140,374

Entitled to a Circulation of Fifty per cent. of their Capital.

Leather Manufacturers' Bank, ..	\$ 600,000	.. \$ 325,741	.. \$ 300,000	.. \$ 25,741
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Entitled to a Circulation of Forty per cent. of their Capital.

Shoe and Leather Bank, N. Y.,	\$ 1,500,000	.. \$ 631,350	.. \$ 600,000	.. \$ 31,350
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Total in excess, **\$ 18,567,732** **\$ 19,210,316** **\$ 13,455,045** **\$ 5,755,271**

BANKS ENTITLED TO ADDITIONAL CIRCULATION,

At One per cent. Annual Tax.—\$100,000 and under, 90 per cent.

ASSOCIATIONS.	Capital.	Actual Circulation.	Circulation to which each is entitled.	Additional Circulation to which each is entitled.
Addison Bank,	\$ 10,000 ..	\$ 8,342 ..	\$ 9,000 ..	\$ 658
Bank of Amsterdam,	100,000 ..	51,282 ..	90,000 ..	38,718
Bank of Cohoes,	77,400 ..	68,872 ..	69,660 ..	1,288
Bank of Newport,	93,125 ..	37,471 ..	83,818 ..	46,342
Bank of Ontario, Canandaigua, ..	100,000 ..	78,800 ..	90,000 ..	11,200
Bank of Saratoga Springs,	100,000 ..	74,632 ..	90,000 ..	15,368
Bank of Silver Creek,	95,800 ..	62,091 ..	86,220 ..	24,129
Bank of Tioga, Owego,	100,000 ..	80,669 ..	90,000 ..	9,331
Bank of Vernon,	100,000 ..	82,421 ..	90,000 ..	7,579
Bank of Whitehall,	100,000 ..	72,062 ..	90,000 ..	17,938
Burnett Bank, Syracuse,	88,400 ..	48,622 ..	79,560 ..	30,938
Chatauqua County Bank,	100,000 ..	73,331 ..	90,000 ..	16,669
Dover Plains Bank,	100,000 ..	64,865 ..	90,000 ..	25,135
Elmira Bank,	100,000 ..	30,000 ..	90,000 ..	60,000
E. S. Rich's Bank,	50,000 ..	39,318 ..	45,000 ..	5,682
Ilion Bank,	100,000 ..	48,140 ..	90,000 ..	41,860
Leonardsville Bank,	100,000 ..	69,595 ..	90,000 ..	20,405
Merchants' Bank of Erie Co.,	50,000 ..	6,975 ..	45,000 ..	38,025
Montgomery County Bank,	100,000 ..	88,438 ..	90,000 ..	1,562
Niagara County Bank, Lockport, ..	100,000 ..	81,040 ..	90,000 ..	8,960
Pulaski Bank,	25,000 ..	4,759 ..	22,500 ..	17,741
Rockland County Bank, Nyack, ..	98,850 ..	86,301 ..	88,965 ..	2,664
Spraker Bank, Canajoharie, ...	100,000 ..	85,435 ..	90,000 ..	4,565
Stissing Bank, Pine Plains, ...	90,000 ..	62,978 ..	81,000 ..	18,022
West Winfield Bank,	100,000 ..	71,382 ..	90,000 ..	18,618
Total 90 per cent.,	\$ 2,178,575	\$ 1,477,321	\$ 1,960,718	\$ 488,398

Entitled to a Circulation of Eighty per cent. of their Capital.

Over \$100,000 and not over \$200,000.

Bull's Head Bank, New-York, ..	\$ 200,000 ..	\$ 147,148 ..	\$ 160,000 ..	\$ 12,852
Greenwich Bank, New-York, ..	200,000 ..	119,983 ..	160,000 ..	40,017
New-York County Bank,	200,000 ..	117,550 ..	160,000 ..	42,450
Auburn City Bank,	200,000 ..	110,000 ..	160,000 ..	50,000
Auburn Exchange Bank,	200,000 ..	148,736 ..	160,000 ..	11,264
Bank of Auburn,	200,000 ..	133,904 ..	160,000 ..	26,096
Bank of Cazenovia,	150,000 ..	111,086 ..	120,000 ..	8,964
Bank of Chenango,	150,000 ..	102,809 ..	120,000 ..	17,191
Bank of Coxsackie,	142,000 ..	67,924 ..	118,600 ..	45,676
Bank of Dansville,	150,250 ..	81,156 ..	120,200 ..	39,044
Bank of Fayetteville,	115,400 ..	88,541 ..	92,320 ..	3,779
Bank of Fort Edward,	200,000 ..	93,064 ..	160,000 ..	66,936
Bank of Genesee, Batavia, ...	150,000 ..	113,649 ..	120,000 ..	6,851
Bank of Kent, Ludingtonville, ..	111,940 ..	88,056 ..	89,552 ..	1,496
Bank of Malone,	150,000 ..	114,004 ..	120,000 ..	5,996
Bank of Old Saratoga,	110,000 ..	59,594 ..	88,000 ..	28,406
Bank of Rhinebeck,	125,000 ..	97,043 ..	100,000 ..	2,957
Bank of Rondout,	200,000 ..	142,444 ..	160,000 ..	17,556
Bank of Syracuse,	200,000 ..	125,929 ..	160,000 ..	34,071
Bank of Yonkers,	150,000 ..	76,346 ..	120,000 ..	43,654
Buffalo City Bank,	138,850 ..	62,379 ..	111,080 ..	48,701

ASSOCIATIONS.	Capital.	Actual Circulation.	Circulation to which each is entitled.	Additional Circulation to which each is entitled.
Cambridge Valley Bank,.....	\$ 172,500 ..	\$ 107,363 ..	\$ 138,000 ..	\$ 30,637
Canajoharie Bank,.....	125,000 ..	99,010 ..	100,000 ..	990
Catskill Bank,.....	147,594 ..	93,411 ..	118,075 ..	24,664
Central Bank, Brooklyn,.....	200,000 ..	39,804 ..	160,000 ..	120,196
Central City Bank,.....	125,000 ..	84,898 ..	100,000 ..	15,102
Chittenango Bank,.....	150,000 ..	89,827 ..	120,000 ..	30,173
Citizens' Bank, Fulton,.....	166,100 ..	6,187 ..	132,880 ..	72,636
City Bank, Poughkeepsie,	200,000 ..	104,569 ..	160,000 ..	55,431
Commercial Bank, Sar. Springs,	125,000 ..	79,510 ..	120,000 ..	20,490
Exchange Bank, Lockport,.....	150,000 ..	81,725 ..	120,000 ..	38,275
Falkkill Bank, Poughkeepsie, ..	200,000 ..	93,609 ..	160,000 ..	66,391
Farmers' Bank, Amsterdam,...	200,000 ..	94,949 ..	160,000 ..	65,051
Farmers' Bank, Lansingburgh,...	103,200 ..	32,898 ..	82,560 ..	49,662
Farmers' Bank, Washington Co.,	169,850 ..	103,825 ..	135,880 ..	32,055
Farmers and Drivers' Bank,...	111,150 ..	66,442 ..	88,920 ..	22,478
Farm. and Mech. Bk., Genesee,	152,166 ..	30,821 ..	121,732 ..	90,911
Frankfort Bank,.....	105,000 ..	69,978 ..	84,000 ..	14,022
Fulton Co. Bank, Gloversville,.	150,000 ..	99,525 ..	120,000 ..	20,475
Genesee County Bank, Le Roy,	150,000 ..	82,658 ..	120,000 ..	37,342
Genesee River Bk., Mt. Morris,	130,000 ..	* 69,987 ..	104,000 ..	34,013
Genesee Valley Bank,.....	150,000 ..	117,791 ..	120,000 ..	2,209
Huguenot Bank, New-Paltz,...	125,000 ..	87,997 ..	100,000 ..	12,003
Judson Bank, Ogdensburg,.....	122,000 ..	84,951 ..	97,600 ..	12,649
Manufacturers' Bank, Brooklyn,	150,000 ..	78,762 ..	120,000 ..	41,238
Marine Bank, Buffalo,.....	200,000 ..	70,121 ..	160,000 ..	89,879
Marine Bank, Oswego,.....	186,000 ..	53,447 ..	148,800 ..	96,333
Mechanics' Bank, Syracuse,...	140,000 ..	95,401 ..	112,000 ..	16,599
Merchants' Bank, Albany,.....	200,000 ..	140,748 ..	160,000 ..	19,252
Merchants' Bank, Poughkeepsie,	150,000 ..	102,534 ..	120,000 ..	17,266
Merchants' Bank, Syracuse,...	180,000 ..	112,026 ..	144,000 ..	31,974
Mohawk Valley Bank,.....	150,000 ..	100,403 ..	120,000 ..	19,597
Oneida Central Bank, Rome,...	100,380 ..	73,407 ..	80,304 ..	6,897
Oneida County Bank, Oneida, ..	125,000 ..	80,980 ..	100,000 ..	19,020
Oswegatchie Bank, Ogdensburg,	200,000 ..	109,358 ..	160,000 ..	50,642
Oswego River Bank, Fulton, ..	114,500 ..	73,192 ..	91,600 ..	18,408
Otsego Co. Bank, Cooperstown,	200,000 ..	157,718 ..	160,000 ..	2,282
Rensselaer County Bank,.....	200,000 ..	79,109 ..	160,000 ..	80,891
Rochester Bank,.....	109,400 ..	67,161 ..	87,520 ..	20,339
Salt Springs Bank, Syracuse, ..	200,000 ..	71,772 ..	160,000 ..	88,228
Saratoga County Bank,.....	150,000 ..	88,488 ..	120,000 ..	31,512
Steuben County Bank, Bath, ..	150,000 ..	22,000 ..	120,000 ..	98,000
Syracuse City Bank,.....	166,700 ..	100,331 ..	133,360 ..	33,029
Tanners' Bank, Catskill,.....	150,000 ..	93,995 ..	120,000 ..	26,005
Union Bank, Kinderhook,.....	200,000 ..	158,706 ..	160,000 ..	1,294
Union Bank of Sullivan Co.,...	150,000 ..	102,800 ..	120,000 ..	17,200
Union Bank, Watertown,.....	147,440 ..	94,473 ..	117,952 ..	33,479
Utica City Bank,.....	200,000 ..	109,840 ..	160,000 ..	50,160
Wallkill Bank, Middletown,...	175,000 ..	104,050 ..	140,000 ..	35,950
Washington County Bank,.....	200,000 ..	92,134 ..	160,000 ..	67,866
Waverly Bank,.....	106,100 ..	71,572 ..	84,880 ..	13,308
White's Bank, Buffalo,.....	200,000 ..	74,320 ..	160,000 ..	85,680
Total 80 per cent.,.....	\$ 11,473,520	\$ 6,656,078	\$ 9,178,815	\$ 2,522,737
<i>Over \$200,000 and not over \$300,000, Seventy per cent.</i>				
Chemical Bank, New-York,....	\$ 300,000 ..	\$ 56,205 ..	\$ 210,000 ..	\$ 153,795
East River Bank, New-York, ..	206,525 ..	105,601 ..	144,568 ..	38,967

ASSOCIATIONS.	Capital.	Actual Circulation.	Circulation to which each is entitled.	Additional Circulation to which each is entitled.
Grocers' Bank, New-York,	\$ 800,000 ..	\$ 51,575 ..	\$ 210,000 ..	\$ 158,425
Oriental Bank, New-York,	300,000 ..	150,736 ..	210,000 ..	59,264
Bank of Attica, Buffalo,	250,000 ..	41,829 ..	175,000 ..	133,171
Bank of Kinderhook,	250,000 ..	134,964 ..	175,000 ..	40,036
Bank of Poughkeepsie,	250,000 ..	169,298 ..	175,000 ..	5,702
Bank of Troy,	220,000 ..	66,327 ..	154,000 ..	87,673
Bank of West Troy,	250,000 ..	72,925 ..	175,000 ..	102,075
Brooklyn Bank,	300,000 ..	183,560 ..	210,000 ..	26,440
Central Bank, Troy,	300,000 ..	90,472 ..	210,000 ..	119,528
City Bank, Brooklyn,	300,000 ..	119,903 ..	210,000 ..	90,097
City Bank, Oswego,	276,400 ..	89,163 ..	198,480 ..	104,317
Commercial Bank, Troy,	300,000 ..	96,749 ..	210,000 ..	113,251
Farmers' Bank, Hudson,	300,000 ..	139,078 ..	210,000 ..	70,924
Flour City Bank, Rochester,	300,000 ..	123,118 ..	210,000 ..	81,882
Hudson River Bank,	250,000 ..	130,592 ..	175,000 ..	44,408
Manufacturers' Bank, Troy,	250,000 ..	86,019 ..	175,000 ..	88,981
Market Bank, Troy,	204,000 ..	85,294 ..	142,800 ..	57,506
Merch. and Mech. Bk., E. Troy, . . .	300,000 ..	137,064 ..	210,000 ..	72,936
Mutual Bank, Troy,	234,500 ..	70,858 ..	164,150 ..	93,292
Nassau Bank, Brooklyn,	300,000 ..	129,912 ..	210,000 ..	80,088
New-York and Erie Bank,	300,000 ..	109,820 ..	210,000 ..	100,180
Quassaick Bank, Newburg,	300,000 ..	148,016 ..	210,000 ..	61,984
State Bank, Troy,	250,000 ..	127,997 ..	175,000 ..	47,003
Traders' Bank of Rochester,	250,000 ..	116,551 ..	175,000 ..	58,449
Union Bank, Troy,	300,000 ..	122,372 ..	210,000 ..	87,628

Total 70 per cent., \$ 7,341,425 \$ 2,960,996 \$ 5,138,998 \$ 2,178,002

Over \$300,000 and not over \$500,000, Sixty per cent.

Seventh Ward Bank, New-York, . . .	\$ 500,000 ..	\$ 103,514 ..	\$ 300,000 ..	\$ 196,486
Atlantic Bank, New-York,	400,000 ..	129,968 ..	240,000 ..	110,032
Chatham Bank, New-York,	450,000 ..	31,707 ..	270,000 ..	238,293
Citizens' Bank, New-York,	400,000 ..	180,217 ..	240,000 ..	59,783
Irving Bank, New-York,	500,000 ..	122,281 ..	300,000 ..	177,719
Manu. and Merch. Bank, N. Y., . . .	500,000 ..	8,139 ..	300,000 ..	291,861
Mechanics' Banking Association, . . .	500,000 ..	78,718 ..	300,000 ..	221,282
North River Bank, New-York,	400,000 ..	81,726 ..	240,000 ..	158,274
Pacific Bank, New-York,	422,700 ..	100,052 ..	253,620 ..	153,568
People's Bank, New-York,	412,500 ..	99,112 ..	247,500 ..	148,388
Commercial Bank, Rochester,	450,000 ..	250,151 ..	270,000 ..	19,849
Farmers' Bank, Troy,	350,000 ..	98,877 ..	210,000 ..	111,123
International Bank,	400,000 ..	48,620 ..	240,000 ..	191,380
Lake Ontario Bank,	325,000 ..	62,854 ..	195,000 ..	132,146
Long Island Bank,	400,000 ..	124,180 ..	240,000 ..	115,820
Manufacturers and Traders' Bk., . . .	500,000 ..	113,600 ..	300,000 ..	186,400
Mechanics' Bank, Brooklyn,	500,000 ..	194,830 ..	300,000 ..	105,170
Union Bank, Albany,	500,000 ..	93,804 ..	300,000 ..	201,196
Williamsburgh City Bank,	500,000 ..	205,850 ..	300,000 ..	94,150

Total 60 per cent., \$ 8,410,200 \$ 2,133,200 \$ 5,046,120 \$ 2,912,920

Over \$500,000 and not over \$1,000,000, Fifty per cent.

Bank of the Commonwealth,	\$ 750,000 ..	\$ 321,776 ..	\$ 375,000 ..	\$ 53,224
Bank of North America,	1,000,000 ..	176,473 ..	500,000 ..	323,527
Broadway Bank, New-York,	1,000,000 ..	304,395 ..	500,000 ..	195,605
Butchers and Drovers' Bank,	300,000 ..	313,545 ..	400,000 ..	86,455

ASSOCIATIONS.	Capital.	Actual Circulation.	Circulation to which each is entitled.	Added to Circulation to which each is entitled.
City Bank, New-York,	\$ 1,000,000 ..	\$ 127,051 ..	\$ 500,000 ..	\$ 372,949
Corn Exchange Bank, N. Y., ..	1,000,000 ..	277,030 ..	500,000 ..	222,970
Fulton Bank, New-York,	600,000 ..	172,712 ..	300,000 ..	127,288
Hanover Bank, New-York,	1,000,000 ..	171,404 ..	500,000 ..	328,596
Market Bank, New-York,	1,000,000 ..	280,307 ..	500,000 ..	219,693
Mech. and Traders' Bk., N. Y., ..	600,000 ..	177,626 ..	300,000 ..	122,374
Mercantile Bank, New-York, ..	1,000,000 ..	6,377 ..	500,000 ..	493,623
Nassau Bank, New-York,	1,000,000 ..	12,188 ..	500,000 ..	487,812
Ocean Bank, New-York,	1,000,000 ..	95,472 ..	500,000 ..	404,528
St. Nicholas Bank, New-York, ..	750,000 ..	197,393 ..	375,000 ..	177,607
Tradesmen's Bank, New-York, ..	1,000,000 ..	831,736 ..	500,000 ..	168,264
Bank of Utica,	600,000 ..	231,411 ..	300,000 ..	68,589
Total 50 per cent.,	\$ 14,100,000	\$ 3,196,896	\$ 7,050,000	\$ 3,333,104
<i>Over \$1,000,000 and not over \$1,500,000, Forty per cent.</i>				
Importers and Traders' Bank, ..	\$ 1,500,000 ..	\$ 217,500 ..	\$ 600,000 ..	\$ 382,500
Merchants' Exchange Bank, ...	1,235,000 ..	149,964 ..	494,000 ..	344,966
National Bank, New-York,	1,500,000 ..	103,242 ..	600,000 ..	496,758
Union Bank, New-York,	1,500,000 ..	122,317 ..	600,000 ..	477,683
Total 40 per cent.,	\$ 5,735,000	\$ 593,023	\$ 2,294,000	\$ 1,700,977
<i>Over \$1,500,000 and not over \$2,000,000, Thirty per cent.</i>				
Bank of the State of New-York, ..	\$ 2,000,000 ..	\$ 264,889 ..	\$ 600,000 ..	\$ 335,111
Bank of the Republic, N. Y., ..	2,000,000 ..	196,751 ..	600,000 ..	403,249
Continental Bank, New-York, ..	2,000,000 ..	259,709 ..	600,000 ..	240,291
Mechanics' Bank, New-York, ..	2,000,000 ..	344,466 ..	600,000 ..	255,534
Park Bank, New-York,	2,000,000 ..	395,490 ..	600,000 ..	304,510
Phenix Bank, New-York,	1,800,000 ..	58,770 ..	540,000 ..	481,230
Total 30 per cent.,	\$ 11,800,000	\$ 1,520,075	\$ 3,540,000	\$ 2,019,365
<i>Over \$2,000,000, Twenty-five per cent.</i>				
Manhattan Co., New-York,	\$ 2,050,000 ..	\$ 75,296 ..	\$ 512,500 ..	\$ 437,204
American Exchange Bk., N. Y., ..	5,000,000 ..	210,928 ..	1,250,000 ..	1,039,072
Bank of America, New-York, ..	3,000,000 ..	17,040 ..	750,000 ..	732,960
Bank of Commerce, New-York, ..	9,284,320 ..	1,705 ..	2,308,580 ..	2,306,875
Bank of New-York, New-York, ..	3,000,000 ..	297,869 ..	750,000 ..	452,631
Merchants' Bank, New-York, ..	2,777,525 ..	285,779 ..	694,281 ..	400,602
Metropolitan Bank, New-York, ..	4,000,000 ..	546,787 ..	1,000,000 ..	483,213
Total 25 per cent.,	\$ 29,061,845	\$ 1,434,914	\$ 7,285,461	\$ 5,530,567

RECAPITULATION

Of the Capital and Circulation of the Banks of the State of New-York.

Banks in Excess of Circulation.	Capital.	Actual Circulation.	Circulation to which they are entitled.	Excess of Circulation.
67 under \$100,000,	\$ 3,835,782 ..	\$ 6,418,123 ..	\$ 3,452,305 ..	\$ 2,965,818
47 from \$100,000 to \$200,000, ..	6,815,850 ..	6,741,091 ..	5,459,690 ..	1,281,401
6 " \$200,000 to \$300,000, ...	1,605,000 ..	1,427,087 ..	1,123,500 ..	503,587
10 " \$300,000 to \$500,000, ...	4,211,100 ..	3,667,084 ..	2,526,660 ..	1,140,274
1 " \$500,000 to \$1,000,000, ..	1,000,000 ..	825,741 ..	306,000 ..	698,741
1 " \$1,000,000 to \$1,500,000, ..	1,500,000 ..	631,350 ..	600,000 ..	31,350
133 Total in excess,	\$ 18,567,732	\$ 19,210,316	\$ 13,455,045	\$ 5,755,271

BANKS OF THE STATE OF INDIANA.

Condition of the Free Banks of the State of Indiana for July, 1861, January, 1862, July, 1862, and January, 1863.

LIABILITIES.	July, 1861.	January, 1862.	July, 1862.	January, 1863.
Capital stock,.....	\$ 1,325,135 ..	\$ 1,226,935 ..	\$ 1,204,535 ..	\$ 1,188,635
Due other banks,	42,790 ..	38,605 ..	47,375 ..	81,261
Depositors,.....	728,745 ..	883,850 ..	1,026,306 ..	1,262,863
Circulation,	984,096 ..	971,933 ..	1,109,411 ..	1,223,426
Other debts,.....	105,598 ..	82,122 ..	43,649 ..	73,211
Dividends,	20,915 ..	37,942 ..	23,230 ..	21,113
Surplus fund,.....	152,492 ..	158,522 ..	135,202 ..	161,713
Total liabilities,.....	\$ 3,309,771 ..	\$ 3,399,809 ..	\$ 3,594,708 ..	\$ 3,912,222
RESOURCES.	July, 1861.	January, 1862.	July, 1862.	January, 1863.
Stock deposited,	\$ 1,305,378 ..	\$ 1,358,002 ..	\$ 1,440,418 ..	\$ 1,589,768
Due from shareholders,	49,380 ..	45,600 ..	53,900 ..	51,110
Loans,.....	1,186,906 ..	1,128,974 ..	1,010,200 ..	1,119,977
Suspended debt,	81,341 ..	86,496 ..	73,668 ..	71,968
Notes and checks,....	95,830 ..	129,585 ..	135,071 ..	234,774
Notes of Free banks,...	74,264 ..	14,455 ..	12,174 ..	26,492
Due from banks,	201,830 ..	229,608 ..	220,224 ..	219,020
Real estate,.....	58,507 ..	60,517 ..	56,783 ..	44,882
Other real estate,.....	18,034 ..	20,799 ..	24,390 ..	33,511
Specie,.....	215,259 ..	258,497 ..	237,300 ..	171,134
Cash items,.....	73,042 ..	67,276 ..	330,580 ..	349,586
Total resources,.....	\$ 3,309,771 ..	\$ 3,399,809 ..	\$ 3,594,708 ..	\$ 3,912,222

LIABILITIES AND RESOURCES OF THE MAINE BANKS, 1853-1863.

LIABILITIES.	May, 1851.	71 Banks, June, 1853.	68 Banks, June, 1860.	71 Banks, January, 1862.	69 Banks, January, 1863.
Capital,.....	\$ 3,586,100 ..	\$ 4,238,000 ..	\$ 7,631,400 ..	\$ 7,970,650 ..	\$ 7,938,000
Circulation,.....	3,994,905 ..	4,330,675 ..	4,166,191 ..	4,047,779 ..	6,488,478
Deposits,.....	1,889,187 ..	2,043,743 ..	3,101,227 ..	3,307,680 ..	5,076,107
Profits,.....	169,390 ..	265,766 ..	543,666 ..	638,915 ..	608,398
Due to banks,	111,738 ..	102,450 ..	128,850 ..	88,601 ..	123,573
Total liabilities,.....	\$ 8,251,260 ..	\$ 11,025,684 ..	\$ 15,561,334 ..	\$ 16,048,575 ..	\$ 20,229,561
ASSETS.					
Loans,.....	\$ 6,450,460 ..	\$ 8,157,296 ..	\$ 13,132,661 ..	\$ 12,679,244 ..	\$ 13,658,172
Bank balances,.....	813,223 ..	1,435,938 ..	1,253,635 ..	2,034,368 ..	5,136,006
Specie,.....	630,396 ..	923,491 ..	645,267 ..	710,393 ..	747,145
Real estate,.....	103,570 ..	130,237 ..	195,050 ..	255,059 ..	260,580
Bills of Maine banks,.....	150,016 ..	213,935 ..	233,509 ..	319,300 ..	296,461
Bills of other banks,.....	104,696 ..	165,670 ..	81,213 ..	100,348 ..	230,647
Total assets,.....	\$ 8,251,260 ..	\$ 11,025,684 ..	\$ 15,561,334 ..	\$ 16,048,575 ..	\$ 20,229,561

Since the time of suspension in Maine, (January, 1862,) the circulation has increased sixty per cent. There are two banks with a capital of

\$600,000 each, and one with \$625,000. These are the largest in the State. The average capital of the remainder is about \$93,000 each:

	1861.	1862.
Amount of semi-annual dividends of the year,....	\$ 264,890	\$ 270,700
Amount of bills under five dollars,.....	487,000	860,000
Due from directors as principals,.....	368,000	373,000
Due from directors as sureties,.....	741,000	840,000
Due from stockholders as principals,.....	582,000	512,000
Amount of matured debts unpaid,.....	658,000	601,000
Amount of debts considered doubtful,.....	74,000	74,000

BRITISH COLONIAL BANKS.

LIST OF JOINT-STOCK BANKS IN THE CAPE COLONY AND NATAL.

FROM RETURNS RECEIVED FROM VARIOUS PARTS OF THE COLONY DURING THE PAST WEEK.

Name of the Company.	Estab- lished.	Shares.	Amount paid up.	Cash selling Price.
Albert Bank, (Burghersdorp,).....	1861	.. £ 5	.. £ 2 10s.	.. £ 3 3s. 0d.
Beaufort Bank,.....	1854	.. 10	.. 5 0	.. 5 15 0
British Kaffrarian Bank,	1858	.. 25	.. 12 10	.. 18 10 0
Cape of Good Hope Bank,	1837	.. 50	.. 50 0	.. 89 0 0
Colonial Bank,	1844	.. 50	.. 30 0	.. 45 0 0
Cape Commercial Bank,	1854	.. 12	.. 6 0	.. 11 0 0
Caledon Agricultural Bank,	1861	.. 5	.. 5 0	.. 5 10 0
Commercial Bank of Port Elizabeth,	1853	.. 10	.. 6 0	.. 11 0 0
Cradock Union Bank,	1856	.. 20	.. 10 0	.. 21 0 0
Colesberg Bank,.....	1861	.. 20	.. 10 0	.. 15 0 0
Eastern Province Bank,	1836	.. 25	.. 25 4	.. 48 0 0
Frontier Commercial and Agr. Bank,	1847	.. 50	.. 25 0	.. 48 0 0
F. Beaufort and Victoria Bank,....	1860	.. 10	.. 5 0	.. 7 16 0
Graaff-Reinet Bank,	1843	.. 25	.. 12 10	.. 22 4 0
Graaff-Reinet S. A. Central Bank, ..	1854	.. 10	.. 5 0	.. 8 10 0
George Divisional Bank,.....	1861	.. 5	.. 3 0	.. 3 0 0
London and S. A. Bank,	1860	.. 20	.. 20 0	.. 24 0 0
Natal Bank,	1854	.. 5	.. 5 0	.. 8 0 0
Natal Commercial and Agr. Bank, .	1860	.. 5	.. 5 0	.. 6 10 0
Paarl Bank,.....	1852	.. 15	.. 5 0	.. 7 0 0
Port Elizabeth Bank,	1846	.. 25	.. 15 0	.. 24 0 0
Queen's Town Bank,	1859	.. 10	.. 6 10	.. 7 10 0
South African Bank,	1838	.. 50	.. 30 0	.. 50 0 0
Swellendam Bank,	1852	.. 5	.. 5 0	.. 5 10 0
Somerset East Bank,.....	1861	.. 25	.. 12 10	.. 13 10 0
Stellenbosch Bank,	1854	.. 10	.. 5 0	.. 6 15 0
Union Bank, ¹	1847	.. 10	.. 5 0	.. 6 15 0
Western Provincial Bank, (Paarl),..	1847	.. 25	.. 15 0	.. 24 0 0
Worcester Bank,	1850	.. 10	.. 7 0	.. 9 0 0
Wellington Bank,.....	1857	.. 10	.. 5 0	.. 5 10 0

THE INTERNAL REVENUE ACT.

AN ACT TO AMEND AN ACT, ENTITLED "AN ACT TO PROVIDE INTERNAL REVENUE TO SUPPORT THE GOVERNMENT AND PAY INTEREST ON THE PUBLIC DEBT," APPROVED JULY FIRST, EIGHTEEN HUNDRED AND SIXTY-TWO, AND FOR OTHER PURPOSES.

APPROVED MARCH 3, 1863.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That "An act to provide internal revenue to support the government and pay interest on the public debt," approved July first, eighteen hundred and sixty-two, be, and the same hereby is, amended, as hereinafter set forth, namely:

That wherever any written notice, or other instrument in writing, is required, the same shall be lawful if written, or partly written and printed.

That section eleven be, and hereby is, amended, so as to authorize assistant assessors to perform any duties therein imposed upon assessors.

That section nineteen be so amended that the deputy collector, as well as the collector, may perform all the duties required of the said collector in the said section; and any notice required by said section to persons who neglect to pay their taxes, may be sent by mail or left at the dwellings or usual places of business of such persons, if any they have, written or printed; and said notice shall state the amount of duty or tax for which such persons are liable, including the ten per centum additional, as provided for in said section, demanding payment of the same; and with respect to all such duties or taxes as are not included in the annual lists as provided for in said section, and all taxes and duties, the collection of which is not otherwise provided for in said act, it shall be the duty of each collector in person or by deputy to demand payment thereof, in the manner provided, within ten days from and after the expiration of the time within which such duty or tax should have been paid; and any copy of distraint shall be left at the dwelling or usual place of business of the owner or possessor of the property distrained: *Provided,* That such special demand shall not be necessary in respect to taxes assessed by section seventy-seven of said act.

That section twenty-eight be, and hereby is, amended, by striking out the words "forfeit and pay the sum of five hundred dollars," and inserting in lieu thereof, "upon conviction thereof by a court of competent jurisdiction, forfeit and pay the sum of five hundred dollars, or be imprisoned for a term not exceeding two years, at the discretion of the court."

That section forty-three be amended by striking out the following

words: "and any person who shall use any cask or package so marked, for the purpose of selling spirits of a quality different from that so inspected, shall be subject to a like penalty for each cask or package so used," and inserting in lieu thereof, "and any person who shall fraudulently use any cask or package so marked for the purpose of selling any other spirits than that so inspected, or for selling spirits of a quality or quantity different from that so inspected, shall be subject to a like penalty, as provided for each cask or package so used."

That section forty-four be, and hereby is, amended, by striking out the words "to be contiguous to such distillery."

That section fifty-five be, and hereby is, amended, by inserting after the words "shall not be paid at the time of rendering the account of the same, as herein required," the words "or at the time when they shall have become payable."

That section sixty-four be, and hereby is, so amended, "That no license shall be required of an attorney having taken out a license as such in consequence of being employed to purchase, rent, or sell real estate, or to collect rent thereon for others in the ordinary course of business;" in paragraph number sixteen, by inserting after the word "taverns" the words "or eating-houses;" by adding to paragraph number twenty-eight the following words: "Nor shall apothecaries who have taken out a license as such be required to take out a license as retail dealers in liquors in consequence of selling alcohol;" and in paragraph number twenty-nine, by inserting after the word "merchandise," "or who shall manufacture by hand or machinery, for any other person or persons, goods, wares or merchandise."

That section sixty-four be, and hereby is, further amended, by adding, at the end thereof, the following paragraphs:

"Thirty-four. Architects and civil engineers shall pay ten dollars for each license. Every person whose business it is to plan, design, or superintend the construction of buildings, or ships, or of roads, or bridges, or canals, or rail-roads, shall be regarded as an architect and civil engineer under this act: *Provided*, That this shall not include a practical carpenter who labors on a building.

"Thirty-five. Builders and contractors shall pay twenty-five dollars for each license. Every person whose business it is to construct buildings, or ships, or bridges, or canals, or rail-roads, by contract, shall be regarded as a builder and contractor under this act: *Provided*, That no license shall be required from any person whose building contracts do not exceed two thousand five hundred dollars in any one year.

"Thirty-six. Stallions and jacks, owners of, shall pay ten dollars for each license. Every person who keeps a male horse or a jackass for the use of mares, requiring or receiving pay therefor, shall be required to take out a license under this act, which shall contain a brief description of the animal, its age, and place or places where used or to be used: *Provided*, That all accounts, notes or demands, for the use of any such horse or jack without a license, as aforesaid, shall be invalid and of no force in any court of law or equity.

"Thirty-seven. Lottery ticket dealers shall pay one thousand dollars for each license. Every person, association, firm or corporation, who

shall make, sell, or offer to sell, lottery tickets, or fractional parts thereof, or any token, certificate or device, representing, or intended to represent, a lottery ticket, or any fractional part thereof, or any policy of numbers in any lottery, or shall manage any lottery or prepare schemes of lotteries, or superintend the drawing of any lottery, shall be deemed a lottery ticket dealer under this act.

“Thirty-eight. Insurance agents shall pay ten dollars for each license. Any person who shall act as agent of any fire, marine, life, mutual or other insurance company or companies, shall be regarded as an insurance agent under this act: *Provided*, That no license shall be required of any insurance agent or broker whose receipts, as such agent, are less than the sum of six hundred dollars in any one year.

“Thirty-nine. Butchers shall pay ten dollars for each license. Every person whose business it is to sell butchers' meat at retail shall be regarded as a butcher under this act: *Provided*, That no butcher having taken out a license, and paid ten dollars therefor, shall be required to take out a license as retail dealer on account of selling other articles at the same store, stall or premises: *Provided further*, That butchers who retail butchers' meat exclusively from a cart or wagon, by themselves or agents, shall be required to pay five dollars only for each license, any existing law to the contrary notwithstanding; and having taken out a license therefor, shall not be required to take out a license as a peddler for retailing butchers' meat, as aforesaid: *And provided further*, That no license shall be required of a butcher whose annual sales do not exceed one thousand dollars.

“Forty. Retail dealers shall pay ten dollars for each license. Every person whose business or occupation it is to sell, or offer for sale, any goods, wares or merchandise, of foreign or domestic production, not including wines, spirituous or malt liquors, but not excluding drugs, medicines, cigars, snuff or tobacco, and whose annual sales exceed one thousand, and do not exceed twenty-five thousand dollars, shall be regarded as a retail dealer under this act.

“Forty-one. Wholesale dealers, whose annual sales do not exceed fifty thousand dollars, shall pay twenty-five dollars for each license; if exceeding fifty thousand and not exceeding one hundred thousand dollars, shall pay fifty dollars for each license; exceeding one hundred thousand and not exceeding two hundred and fifty thousand dollars, shall pay one hundred dollars for each license; exceeding two hundred and fifty thousand and not exceeding five hundred thousand dollars, shall pay two hundred dollars for each license; exceeding five hundred thousand and not exceeding one million dollars, shall pay three hundred dollars for each license; exceeding one million and not exceeding two million dollars, shall pay five hundred dollars for each license; exceeding two millions of dollars, shall pay two hundred and fifty dollars for every million of dollars in excess of two millions of dollars, in addition to the five hundred dollars. Every person shall be regarded as a wholesale dealer under this act whose business or occupation it is to sell or offer to sell any goods, wares or merchandise, of foreign or domestic production, not including distilled spirits, fermented liquors or wines, but not excluding drugs, medicines, cigars, snuff or tobacco, whose annual sales exceed twenty-five

thousand dollars; and the license required by any wholesale dealer shall not be for a less amount than his sales for the previous year, unless he has made or proposes to make some change in his business that will obviously reduce the amount of his annual sales; nor shall any license as a wholesale dealer allow any such person to act as a commercial broker: *Provided*, That any license understated may be again assessed.

"Forty-two. Wholesale dealers in liquors shall pay for each license the amount required in this act for license to wholesale dealers. Every person other than the distiller or brewer who shall sell or offer for sale any distilled spirits, fermented liquors and wines of all kinds, in quantities of more than three gallons at one time, or whose annual sales shall exceed twenty-five thousand dollars, shall take out a license as a wholesale dealer in liquors.

"Forty-three. Retail dealers in liquors shall pay twenty dollars for each license. Every person other than a distiller or brewer who shall sell or offer for sale any distilled spirits, fermented liquors or wine of any description, in quantities of three gallons or less, and whose annual sales do not exceed twenty-five thousand dollars, shall be regarded as a retail dealer in liquors under this law; but nothing herein contained shall authorize the sale of any spirits, liquors, wines or malt liquors, to be drunk on the premises: *Provided*, That no person licensed to keep a hotel, inn or tavern, shall be allowed to sell any liquor to be taken off the premises, and no person licensed to keep an eating-house shall be allowed to sell spirituous or vinous liquors, and no person who has taken out a license to keep a hotel, inn, tavern or eating-house, shall be required to take out a license as a tobacconist because of any tobacco or cigars furnished in the usual course of business as a keeper of a hotel, inn, tavern or eating-house."

That section seventy-five be, and hereby is, amended, by inserting after the words "*Provided*, That white lead, oxide of zinc and sulphate of barytes," the words, "and paints and painters' colors;" by inserting before the words "on lard oil," and attached to the next preceding sentence, as follows: "and all duties or taxes on coal mined and delivered by coal operators at the mines on contracts made prior to July first, eighteen hundred and sixty-two, shall be paid by the purchasers thereof," by striking out the following words: "on sugar refined, whether loaf, lump, granulated or pulverized, two mills per pound; on sugar refined or made from molasses, syrup of molasses, melado or concentrated melado, two mills per pound," and inserting in lieu thereof, as follows: "sugar refiners shall pay one and one-half of one per cent. on the gross amount of the sales of all the products of their manufactories: *Provided*, That every person shall be regarded as a sugar refiner under this act whose business it is to advance the quality and value of sugar by melting and re-crystallization, or by liquoring, claying or other washing process, or by any other chemical or mechanical means, or who shall advance the quality or value of molasses and concentrated molasses, melado or concentrated melado, by boiling or other process," and by inserting therein, in lieu of any other duties or rates of duty on the articles hereinafter enumerated in this section, or provisions existing in relation thereto, the following:

"On marine engines, three per centum *ad valorem* ;

"On rivets, exceeding one-fourth of one inch in diameter, nuts, wrought, rail-road chairs, bolts and horseshoes, two dollars per ton: *Provided*, That where a duty upon the iron from which said articles shall have been made has been actually paid, an additional duty only shall be paid of fifty cents per ton;

"On rolled brass, copper and yellow sheathing metal, in rods or sheets, one per centum *ad valorem*;

"On sails, tents, shades, awnings and bags, made of cotton, flax or hemp, or part of either, or other materials, three per centum *ad valorem*: *Provided*, That the sewing of sails, tents, shades, awnings, carpets and bags, the materials whereof belonged to the employer, shall be exempt from duty where the cloth or material from which they are made was imported, or has been subject to and paid a duty;

"On tobacco, cavendish, plug, twist, fine-cut and manufactured, of all descriptions, (not including snuff, cigars and smoking tobacco, prepared with all the stems in, or made exclusively of stems,) fifteen cents per pound;

"On smoking tobacco prepared with all the stems in, and on smoking tobacco made exclusively of stems, five cents per pound;

"On snuff manufactured of tobacco on [or] stems, or of any substitute for tobacco, ground, dry or damp, of all descriptions, twenty cents per pound;

"On mineral or medicinal waters, or waters from springs impregnated with minerals, one cent for each bottle containing not more than one quart; when containing more than one quart, two cents for each bottle;

"Tailors, boot and shoemakers, milliners and dressmakers, making clothing or articles of dress for men's, women's or children's wear, to order as custom-work, and not for sale generally, shall, to the amount of one thousand dollars, be exempt from duty, and for any excess beyond the amount of one thousand dollars shall pay a duty of one per centum *ad valorem*;

"On umbrellas and parasols, made of cotton, silk or other material, three per centum *ad valorem*;

"On all ships, barks, brigs, schooners, sloops, sail-boats, steamboats, (not including the engine,) canal-boats and all other vessels or water craft hereafter built, made or constructed, two per cent;

"On sugar-candy and all confectionery made wholly or in part of sugar, valued at fourteen cents per pound or less, two cents per pound; when valued at exceeding fourteen cents and not exceeding forty cents per pound, three cents per pound; when valued at exceeding forty cents per pound, or when sold otherwise than by the pound, five per centum *ad valorem*;

"On all gold leaf, fifteen cents per pack, containing not more than twenty books of twenty-five leaves each;

"On castings of iron exceeding ten pounds in weight, for each casting not otherwise provided for in this act, or in the act to which this act is an amendment, one dollar and fifty cents per ton: *Provided*, That there shall be deducted from duties assessed upon rail-road cars any duties which may have been assessed and paid upon car wheels under the provisions of this act;

"On clocks and time-pieces, and on clock movements, when sold without being cased, three per centum *ad valorem*."

That section seventy-seven be, and hereby is, amended, by requiring the taxes provided for in that section to be levied, collected and paid annually, by any person or persons owning, possessing or keeping any carriage, yacht, plate or billiard-table; by inserting in the first paragraph of Schedule A., after the words "kept for use," the words "for hire or for passengers;" and by exempting from duty plate belonging to religious societies.

That section seventy-eight be, and hereby is, amended, by reducing the duty so that on horned cattle, slaughtered, the duty shall be twenty cents per head; on sheep and lambs, slaughtered, the duty shall be three cents per head, and on hogs, slaughtered, exceeding one hundred pounds in weight, without regard to age, six cents each, and no duty shall be charged on hogs slaughtered of less weight; and the cattle, hogs and sheep slaughtered by any person for his or her own consumption, not exceeding six of each, shall be exempt from duty.

That section ninety-one be amended, by striking out the word "gas" wherever it occurs, and by striking out the words "or on any articles manufactured," after the word "advertisements."

That section ninety-three be amended so that in case of neglect or refusal to make the returns referred to in said section, the proceedings thereafter for the assessment and collection of the duty shall be in the same manner as provided for in other cases of neglect.

That section ninety-nine be amended, by striking out the words "ninety-three," preceding the words "of this act," and inserting "ninety-eight."

That section one hundred and two be, and hereby is, amended, by striking out the words "therupon allow and deduct from," and inserting in lieu thereof the words "allow upon;" by striking out the words "added to the amount, after deducting the allowance of per centum, as aforesaid," and inserting in lieu thereof the words, "paid by the purchaser of such stamped paper, vellum or parchment;" and by striking out the word "discount," and inserting in lieu thereof the word "commission."

That section one hundred and twelve be, and hereby is, amended, by inserting, after the word "district," where it first occurs, as follows: "of which the deceased person was a resident;" and by inserting, after the word "district," where it next occurs, as follows: "of which the deceased person was a resident."

SEC. 2. *And be it further enacted,* That on and after the first day of May, eighteen hundred and sixty-three, no person or persons, association, firm or corporation, shall make, sell, or offer for sale, or dispose of any lottery ticket, or fractional part thereof, or any policy of numbers in any lottery, or any token, certificate or device representing, or intended to represent, the holder, or any other person or person[s], as entitled or to be entitled, in any lottery, lottery scheme or game of hazard or chance to be drawn, to any prize or share or part of a prize, or any sum or part or share of any sum of money, or other article of value, or any fractional part thereof, without affixing thereto an adhesive stamp or stamps denoting the duty imposed by this act, and in default thereof shall incur a penalty of fifty dollars for each and every such offence; and no prize or

part of a prize drawn to or by any ticket, or fractional part thereof, token, certificate or device as aforesaid, and no sum of money or thing of value made payable or deliverable upon any stake or investment or risk in or upon any policy of numbers, shall be demanded or recovered by any legal proceedings or otherwise without the ticket or fractional part thereof, or policy of numbers, token, certificate or device, shall have been duly stamped at the time of the making, sale or delivery or disposal thereof:

Provided, That, in addition to all other penalties and forfeitures now imposed by law for the evasion of stamp duties, any person who shall purchase, obtain or receive any lottery ticket, or fractional part thereof, or any token, certificate or device representing or intended to represent a lottery ticket, or fractional part thereof, or any policy of numbers, without first having thereon the stamp imposed by this act, may recover from the person of whom the same was purchased, obtained or received, at any time within three years thereafter, before any court of competent jurisdiction, a sum equal to twice the amount paid for such ticket, or fractional part thereof, token, certificate or device, or staked or invested in or upon any policy of numbers as aforesaid, with just and legal costs: *Provided further*, That the stamp duty herein provided for shall be classed in the act to which this act is an amendment under Schedule B, as follows, to wit:

"Lottery tickets, fractional parts of lottery tickets, policies of numbers in lotteries, tokens, certificates, or devices in any form, representing the holder, or any person or persons, as entitled, or to be entitled, in any lottery, scheme, or game of hazard or chance, hereafter to be drawn, to any prize, or portion of a prize, or sum of money, or share thereof, or other article of value, or any portion or share thereof, when such ticket, fractional part of a ticket, policy of numbers, token, certificate, or device, shall not exceed one dollar in the amount risked, or in the retail price thereof, fifty cents; (50;) when such ticket, fractional part of a ticket, policy, token, certificate or device, shall exceed one dollar in the amount risked, or in the retail price thereof, then for each and every dollar, or fractional part thereof, over and above one dollar, as before mentioned, an additional fifty cents; (50;) *Provided, however*, That no stamp duty herein provided for shall be construed to authorize any lottery, or the sale of any lottery tickets, tokens or certificates, representing shares or fractional parts of shares therein, within any State or territory of the United States in which lotteries, or the sale of lottery tickets, is, or shall be specially prohibited by the laws thereof, or in violation of the laws of any State or Territory; and nothing in this act shall be held or construed so as to prevent the several States, within the limits thereof, from placing a duty, tax or license, for state purposes, on any sale of lottery tickets on which a duty is required to be paid by this act."

SEC. 3. *And be it further enacted*, That any person or persons, firm, company or corporation, who shall issue tickets or contracts of insurance against fatal or non-fatal injury to persons while travelling by land or water, shall pay a duty of one per centum on the gross amount of all the receipts for such insurance, and shall be subject to all the provisions and regulations of existing law applicable thereto, in relation to insurance

companies: *Provided*, That no stamp duty shall be required upon tickets or contracts of insurance as aforesaid, when limited to fatal or non-fatal injury to persons while travelling.

SEC. 4. *And be it further enacted*, That all contracts for the purchase or sale of gold or silver coin, or bullion, and all contracts for the loan of money or currency secured by pledge or deposit, or other disposition of gold or silver coin of the United States, if to be performed after a period exceeding three days, shall be in writing or printed, and signed by the parties, or their agents or attorneys, and shall have one or more adhesive stamps, as provided in the act to which this is an amendment, equal in amount to one-half of one per centum, and interest at the rate of six per centum per annum on the amount so loaned, pledged or deposited; and if any such loan, pledge or deposit, made for a period not exceeding three days, shall be renewed, or in any way extended for any time whatever, said loan, pledge or deposit shall be subject to the duty imposed on loans exceeding three days; and no loan of currency or money on the security of gold or silver coin of the United States, as aforesaid, or of any certificate or other evidence of deposit, payable in gold or silver coin, shall be made, exceeding in amount the par value of the coin pledged or deposited as security; and any such loan so made, or attempted to be made, shall be utterly void: *Provided*, That if gold and silver coin be loaned at its par value, it shall be subject only to the duty imposed on other loans: *Provided, however*, That nothing herein contained shall apply to any transaction by or with the government of the United States.

SEC. 5. *And be it further enacted*, That all contracts, loans, or sales of gold and silver coin and bullion, not made in accordance with this act, shall be wholly and absolutely void; and in addition to the penalties provided in the act to which this is an amendment, any party to said contract may, at any time within one year from the date of the contract, bring suit before any court of competent jurisdiction to recover back, for his own use and benefit, the money paid on any contract not made in accordance with this act.

SEC. 6. *And be it further enacted*, That section one hundred and ten be, and hereby is, amended, as follows: "Any memorandum, check, receipt, or other written or printed evidence of an amount of money to be paid on demand, or at a time designated, shall be considered as a promissory note within the meaning of that section, and shall be stamped accordingly; and that Schedule B., following said section, be, and is, hereby amended, so that any inland bill of exchange, draft, or order for the payment of any sum of money exceeding twenty dollars, otherwise than at sight or on demand, and any promissory note, shall (in lieu of the duties prescribed in Schedule B.) have a stamp or stamps affixed thereon denoting a duty, upon every sum of two hundred dollars, or any fractional part thereof, if payable on demand, or at any time not exceeding thirty-three days, including the grace, from the date or sight, of one cent, (01.) If payable at any time not less than thirty-three days, as aforesaid, and not exceeding sixty-three days, including the grace, from date or sight, of two cents, (02.)

If payable at any time not less than sixty-three days, as aforesaid, and not exceeding ninety-three days, including the grace, from date or sight, of three cents, (03.)

If payable at any time not less than ninety-three days, as aforesaid, and not exceeding four months from date or sight and grace, of four cents, (04.)

If payable at any time not less than four months, as aforesaid, and not exceeding six months from date or sight and grace, of six cents, (06.)

If payable at any time exceeding six months from date or sight and grace, of ten cents, (10.)

And that Schedule B., following section one hundred and ten, be and is hereby further amended, so that the stamp duty on certificates on any other description than those specified in said schedule, in lieu of ten cents, as therein prescribed, shall be five cents, (05.)

On passage tickets by any vessel from a port of the United States to a foreign port, costing thirty dollars or less, fifty cents, (50.)

On any power of attorney for the sale or transfer of any scrip, or certificate of profits or memorandum, showing an interest in the profits or accumulations of any corporation or association, if for a sum not exceeding fifty dollars, ten cents, (10.)

On any policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description, whether against perils by sea or by fire, or other peril of any kind, made by any insurance company or its agents, or by any other company or person, in which the premium or assessment shall not exceed ten dollars, ten cents, (10.)

On any bill of sale by which any ship or vessel, or any part thereof, shall be conveyed to or vested in any other person or persons, when the consideration shall not exceed five hundred dollars, there shall be affixed a stamp or stamps denoting a duty of twenty-five cents, (25.)

If the consideration exceeds five hundred and does not exceed one thousand dollars, the duty shall be fifty cents, (50.)

If the consideration exceeds one thousand dollars, for each and every additional amount of one thousand dollars, or any fractional part thereof, in excess of one thousand dollars, the duty in addition shall be fifty cents, (50.)

On each and every assignment or transfer of a mortgage, lease or policy of insurance, a stamp duty shall be paid equal to that imposed on the original instrument.

Any power of attorney, conveyance or document of any kind, made, or purporting to be made, in any foreign country, to be used in the United States, shall pay the same duty as is required by law on similar instruments or documents when made or issued in the United States; and the party to whom the same is issued, or by whom it is to be used, shall, before using the same, affix thereon the stamp or stamps indicating the duty required.

Any mortgage or personal bond for the payment of money, or as security for the payment of any definite or certain sum of money, in lieu of the duties imposed as prescribed in Schedule B., following the one hundred and tenth section, shall have a stamp or stamps affixed thereon,

denoting a duty upon every sum of two hundred dollars, or any fractional part thereof, of ten cents, (10.)

No conveyance, deed, mortgage or writing, whereby any lands, tenements, realty or other property shall be sold, granted, assigned or otherwise conveyed, or shall be made as security for the payment of any sum of money, shall be required to pay a stamp duty of more than the sum of one thousand dollars, any thing to the contrary notwithstanding.

No stamp duty shall be required on powers of attorney or any other paper relating to applications for bounties, arrearages of pay or pensions, or to the receipt thereof from time to time, or indemnity awarded for depredations and injuries by certain bands of Sioux Indians; nor on any warrant of attorney accompanying a bond or note, when such bond or note shall have affixed thereto the stamp or stamps denoting the duty required; and whenever any bond or note shall be secured by a mortgage, but one stamp duty shall be required to be placed on such papers: *Provided*, That the stamp duty placed thereon is the highest rate required for said instruments, or either of them; nor on certificates of the measurement or weight of animals, wood, coal or other articles; nor on deposit notes to mutual insurance companies for insurance, upon which policies subject to stamp duties have been, or are to be, issued; nor on any certificate of the record of a deed or other instrument in writing, or of the acknowledgment or proof thereof by attesting witnesses.

The duty or stamp required for transportation by express companies and others is hereby repealed, and such transportation shall be exempt from stamp duty.

That the stamp duty on a contract or agreement for the charter of any ship, or vessel, or steamer, as now provided for in Schedule B, or any letter, memorandum or other writing between the captain, master or owner, or person acting as agent of any ship, or vessel, or steamer, and any other person or persons for or relating to the charter of such ship, or vessel, or steamer, if the registered tonnage of such ship, or vessel, or steamer does not exceed one hundred and fifty tons, shall be one dollar, (\$1.)

Exceeding one hundred and fifty tons and not exceeding three hundred tons, three dollars, (\$3.)

Exceeding three hundred tons and not exceeding six hundred tons, five dollars, (\$5.)

Exceeding six hundred tons, ten dollars, (\$10.)

SEC. 7. *And be it further enacted*, That the Commissioner of Internal Revenue be, and he is hereby authorized to prescribe such method for the cancellation of stamps as a substitute for, or in addition to, the method now prescribed by law, as he may deem expedient and effectual. And he is further authorized, in his discretion, to make the application of such method imperative upon the manufacturers of proprietary articles, and upon stamps of a nominal value exceeding twenty-five cents each.

SEC. 8. *And be it further enacted*, That on and after the passage of this act, any person or persons owning or possessing, or having the care or management of any canal company or canal navigation or slack-water corporation, or turnpike companies, being indebted for any sum or sums

of money for which bonds or other evidences of indebtedness have been issued, payable in one or more years after date, upon which interest is, or shall be, stipulated to be paid, or coupons representing the interest shall be, or shall have been, issued to be paid; and all dividends in scrip or money or sums of money thereafter declared due or payable to stockholders of any canal navigation, or slack-water or turnpike company, as part of the earnings, profits or gains of said companies, shall be subject to and pay a duty of three per centum on the amount of all such interest, or coupons, or dividends, whenever the same shall be paid; and said canal companies, or canal navigation, or slack-water corporations, or turnpike companies, or any person or persons owning, possessing or having the care or management of any canal company, or canal navigation, or slack-water corporation, or turnpike company, are hereby authorized and required to deduct and withhold from all payments made to any person, persons or party, after the first day of July, as aforesaid, on account of any interest, or coupons or dividends due and payable, as aforesaid, the said duty or sum of three per centum; and the duties deducted, as aforesaid, and certified by the president or other proper officer of said company or corporation, shall be a receipt and discharge, according to the amount thereof, of said canal companies, or canal navigation, or slack-water corporations, or turnpike companies, and the owners, possessors and agents thereof, on dividends and on bonds or other evidences of their indebtedness upon which interest or coupons are payable, holden by any person or party whatsoever, and a list or return shall be made and rendered within thirty days after the time fixed when said interest, or coupons or dividends become due or payable, and as often as every six months, to the Commissioner of Internal Revenue, which shall contain a true and faithful account of the duties received and chargeable, as aforesaid, during the time when such duties have accrued or should accrue, and remaining unaccounted for; and there shall be annexed to every such list or return a declaration, under oath or affirmation, in manner and form as may be prescribed by the Commissioner of Internal Revenue, of the president, treasurer or some proper officer of said canal company, or canal or navigation and slack-water corporation, or turnpike companies, that the same contains a true and faithful account of the duties so withheld and received during the time when such duties have accrued or should accrue, and not accounted for; and for any default in the making or rendering of such list or return, with the declaration annexed, as aforesaid, the person or persons owning, possessing or having the care or management of such canal company, or canal, navigation or slack-water corporation or turnpike companies, making such default, shall forfeit, as a penalty, the sum of five hundred dollars; and in case of any default in making or rendering said list, or of any default in the payment of the duty, or any part thereof, accruing, or which should accrue, the assessment and collection shall be made according to the general provisions of the act to which this act is an amendment.

SEC. 9. *And be it further enacted,* That any person or persons, firms, companies or corporations, owning or possessing, or having the care or management of any ferry-boat or vessel used as a ferry-boat, propelled by

steam or horse power, in lieu of the duties now imposed by law, shall be subject to pay a duty of one and one-half of one per centum upon the gross receipts of such ferry-boat; and the return and payment thereof shall be made in the manner prescribed in the act to which this act is an amendment.

SEC. 10. *And be it further enacted*, That on and after the first day of April, eighteen hundred and sixty-three, any person or persons, firms, companies or corporations carrying on or doing an express business, shall, in lieu of the tax and stamp duties imposed by existing laws, be subject to and pay a duty of two per centum on the gross amount of all the receipts of such express business, and shall be subject to the same provisions, rules and penalties as are prescribed in section eighty of the act to which this is an amendment, for the persons, firms, companies or corporations owning or possessing or having the management of rail-roads, steamboats and ferryboats; and all acts or parts of acts inconsistent herewith are hereby repealed.

SEC. 11. *And be it further enacted*, That in estimating the annual gains, profit or income of any person under the act to which this act is an amendment, the amount actually paid by such person for the rent of the dwelling-house or estate on which he resides shall be first deducted from the gains, profit or income of such person.

SEC. 12. *And be it further enacted*, That no duty shall be required to be assessed or collected on beer, lager beer, ale or porter, brewed or manufactured, or on coal illuminating oil, refined, produced by the distillation of coal, asphaltum, shale, peat, petroleum or rock oil, distilled spirits, cotton or woollen fabrics, when brewed, manufactured or distilled prior to the first day of September, eighteen hundred and sixty-two, whether the same was removed for consumption or sale, or not, when the owner, agent or superintendent of the brewery or premises in which such articles as aforesaid were made, manufactured, produced or distilled, shall furnish to the assessor of the district, without costs or expense to the United States, satisfactory proof that such beer, lager beer, ale or porter, or such coal illuminating oil, refined, produced by the distillation of coal, asphaltum, shale, peat, petroleum or rock oil, distilled spirits, cotton or woollen fabrics, was actually brewed, manufactured, produced or distilled prior to the first day of September, eighteen hundred and sixty-two, as aforesaid: *Provided*, That, in addition to the fractional parts of a barrel allowed in section fifty of the act to which this act is an amendment, fractional parts of a barrel may be thirds and sixths when the quantity therein contained is not greater than such fractional part represents: *Provided further*, That from and after the passage of this act, and until the first day of April, eighteen hundred and sixty-four, there shall be paid on all beer, lager beer, ale, porter and other similar fermented liquors, by whatever name such liquors may be called, a duty only of sixty cents for each and every barrel containing not more than thirty-one gallons, and at a like rate for any other quantity or for fractional parts of a barrel: *And provided further*, That the Commissioner of Internal Revenue is authorized to make rules providing for deductions

on account of leakage, from the quantity of spirituous liquors subject to taxation, under the act to which this act is an amendment, not exceeding five per centum of the amount removed for sale; and said deduction shall be so adjusted in the different parts of the United States as to be proportioned, as nearly as practicable, to the distances over which the manufacturer usually transports said liquors for the wholesale thereof; and the owner of the aforesaid liquors shall be charged with and pay the expense of ascertaining the leakage.

SEC. 13. *And be it further enacted*, That any brewer of ale, beer, lager beer, porter or other malt liquors shall be required to render accounts and make returns on the first day of each and every month, and no oftener. And no brewer of ale, beer, lager beer, porter or other malt liquors shall hereafter be required to keep a record or an account, or to report or return the quantities of grain or other vegetable productions, or other substances put into the mash-tub by him or his agent or superintendent for the purpose of producing malt liquors, any law to the contrary notwithstanding.

BANKS.—SEC. 14. *And be it further enacted*, That every incorporated bank, or other bank legally authorized to issue notes as circulation, which shall neglect or omit to make dividends or additions to its surplus or contingent fund as often as once in six months, shall, in lieu thereof, make returns, under oath, to the Commissioner of Internal Revenue, on the first days of January and July in each year, or within thirty days thereafter, of the amount of profits which have accrued or been earned and received by said bank during the six months next preceding said first days of January and July; and, at the time of making such returns, shall pay to the Commissioner of Internal Revenue a duty of three per cent. on such profits, and shall be subject to the provisions of the eighty-second section of the act to which this is an addition: *Provided*, That the return for the first of January, eighteen hundred and sixty-three, shall be made within thirty days after the passage of this act.

SEC. 15. *And be it further enacted*, That the several assessors shall, on the first Monday of May next, and on the first Monday of May in each succeeding year, direct and cause the several assistant assessors to proceed through every part of their respective districts, and inquire after and concerning all persons being within the assessment districts where they respectively reside, and liable to license duty under the provisions of this act, or of the act to which this is in addition, and assess such persons as in said acts is required. And all licenses so assessed shall continue in force until the first day of May next succeeding. And all licenses granted after the first day of May in any year shall expire on the first day of May following, and shall be issued upon the payment of a ratable proportion of the whole amount of duty imposed for such license; and each license so granted shall be dated on the first day of the month in which it is issued: *Provided*, That any person, firm or corporation that on the first day of May next shall hold an unexpired license, shall be assessed a ratable proportion for the time between the expiration of the license and the first day of May, eighteen hundred and sixty-four.

SEC. 16. *And be it further enacted*, That in any collection district where, in the judgment of the Commissioner of Internal Revenue, the facilities for the procurement and distribution of stamped vellum, parchment, or paper, and adhesive stamps are or shall be insufficient, the Commissioner, as aforesaid, is authorized to furnish, supply, and deliver to the collector of any such district a suitable quantity or amount of stamped vellum, parchment, or paper, and adhesive stamps, without prepayment therefor, and shall allow the highest rate of commissions to the collector allowed by law to any other parties purchasing the same, and may, in advance, require of any such collector a bond, with sufficient sureties to an amount equal to the value of any stamped vellum, parchment or paper, and adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment, monthly, of all quantities or amounts, sold or not, remaining on hand. And it shall be the duty of such collector to supply his deputies with, or sell to other parties within his district who may make applications therefor, stamped vellum, parchment or paper, and adhesive stamps, upon the same terms allowed by law, or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations, not inconsistent herewith, for the security of the United States and the better accommodation of the public in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient: *Provided*, that no instrument, document, or paper made, signed, or issued prior to the first day of June, anno Domini eighteen hundred and sixty-three, without being duly stamped, or having thereon an adhesive stamp to denote the duty imposed thereon, shall, for that cause, be deemed invalid and of no effect: *And provided*, That no instrument, document, writing, or paper, required by law to be stamped, signed, or issued, without being duly stamped prior to the day aforesaid, or any copy thereof, shall be admitted or used as evidence in any court until a legal stamp, or stamps denoting the amount of duty charged thereon, shall have been affixed thereto or used thereon, and the initials of the persons using or affixing the same, together with the date when the same is so used or affixed, shall have been placed thereon by such person. And the person desiring to use any such instrument, document, writing, or paper as evidence, or his agent or attorney, is authorized, in the presence of the court, to stamp the same as heretofore provided by law.

SEC. 17. *And be it further enacted*, That, in addition to the compensation now allowed to collectors for their services, and that of their deputies, there shall be allowed their necessary and reasonable charges for postage actually paid on letters and documents received or sent, and exclusively relating to official business; and in calculating the commission of collectors of internal revenue in districts whence distilled spirits are shipped to be sold in other districts in pursuance of the provisions of the act to which this act is an amendment, the amount of duties due on the quantity of spirits so shipped shall be added to the principal on which the commissions of such collectors are calculated, and a corresponding

amount shall be deducted from the principal sum on which the commissions of the collectors in the districts to which such spirits are shipped are calculated: *Provided, however,* That the salary of no collector shall exceed ten thousand dollars in the aggregate, or more than five thousand dollars, exclusive of the expenses of administering the office.

SEC. 18. *And be it further enacted,* That it shall be the duty of the Commissioner of Internal Revenue to pay over to the Treasurer of the United States monthly, or oftener if required by the Secretary of the Treasury, all public moneys which may come into his hands or possession, for which the Treasurer shall give proper receipts, and keep a faithful account, and at the end of each month the Commissioner, as aforesaid, shall render true and faithful accounts of all public moneys received or paid out, or paid to the Treasurer of the United States, exhibiting proper vouchers therefor, and the same shall be received and examined by the Fifth Auditor of the Treasury, who shall thereafter certify the balance, if any, and transmit the accounts, with the vouchers and certificate, to the First Comptroller for his decision thereon; and the Commissioner, as aforesaid, when such accounts are settled as herein provided for, shall transmit a copy thereof to the Secretary of the Treasury. He shall at all times submit to the Secretary of the Treasury and the Comptroller, or either of them, the inspection of moneys in his hands, and shall, prior to the entering upon the duties of his office, execute a bond, with sufficient sureties, to be approved by the Secretary of the Treasury and by the First Comptroller, in a sum of not less than one hundred thousand dollars, payable to the United States, conditioned that said Commissioner shall faithfully perform the duties of his office according to law, and shall justly and faithfully account for and pay over to the United States, in obedience to law and in compliance with the order or regulations of the Secretary of the Treasury, all public moneys which may come into his hands or possession, and for the safe-keeping and faithful account of all stamps, adhesive stamps, or vellum, parchment or paper bearing a stamp denoting any duty thereon; which bond shall be filed in the office of the First Comptroller of the Treasury, and such Commissioner shall, from time to time, renew, strengthen, and increase his official bond as the Secretary of the Treasury may direct.

SEC. 19. *And be it further enacted,* That the President shall appoint in the Department of the Treasury, by and with the advice and consent of the Senate, a competent person, who shall be called the Deputy Commissioner of Internal Revenue, with an annual salary of twenty-five hundred dollars, who shall be charged with such duties in the Bureau of Internal Revenue as may be prescribed by the Secretary of the Treasury, or as may be required by law, and who shall act as Commissioner of Internal Revenue in the absence of that officer, and exercise the privilege of franking all letters and documents pertaining to the Office of Internal Revenue.

SEC. 20. *And be it further enacted,* That the Secretary of the Treasury may appoint, not exceeding three revenue agents, whose duties shall be, under the direction of the Secretary of the Treasury, to aid in the prevention, detection, and punishment of frauds upon the revenue, who shall

be paid such compensation as the Secretary of the Treasury may deem just and reasonable, not exceeding two thousand dollars per annum. The above salaries to be paid in the same manner as are other expenses for collecting the revenue.

SEC. 21. *And be it further enacted*, That the President of the United States be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, a competent person, who shall be called the cashier of internal duties, with a salary of twenty-five hundred dollars, who shall have charge of the moneys received in the office of the Commissioner of Internal Revenue, and shall perform such duties as may be assigned to his office by said Commissioner, under the regulations of the Secretary of the Treasury; and before entering upon his duties as cashier he shall give a bond, with sufficient sureties, to be approved by the Secretary of the Treasury and by the Solicitor, that he will faithfully account for all the moneys, or other articles of value, belonging to the United States, which may come into his hands, and perform all the duties enjoined upon his office, according to law and regulations, as aforesaid: which bond shall be deposited with the first Comptroller of the Treasury.

SEC. 22. *And be it further enacted*, That in lieu of the pay allowed by law, the several assessors, from the date of their appointment, shall be allowed and paid a salary of fifteen hundred dollars per annum, payable quarterly, and in addition thereto, where the receipts of the collection district shall exceed the sum of two hundred thousand dollars, and shall not exceed the sum of four hundred thousand dollars annually, one-half of one per centum upon the excess of receipts over two hundred thousand dollars; where the receipts of a collection district shall exceed four hundred thousand dollars, and shall not exceed eight hundred thousand, one-fourth of one per centum upon the excess of receipts over four hundred thousand dollars; where the receipts shall exceed eight hundred thousand dollars, one-tenth of one per centum upon such excess; but the salary of no assessor shall, in any case, exceed the sum of three thousand dollars. And the several assessors shall be allowed and paid the sums actually expended for office rent, not exceeding the rate of five hundred dollars per annum. The Commissioner of Internal Revenue, under the direction of the Secretary of the Treasury, is authorized to allow each assessor such clerks as he may deem necessary for the proper transaction of business, and to fix their compensation. Such assessors shall also be allowed their necessary and reasonable charges for postage actually paid on letters and documents received or sent, and exclusively relating to official business, and for stationery and blank books used in the execution of their duties; and the compensation herein specified shall be in full for all expenses not otherwise particularly authorized. And assistant assessors shall, in addition to pay and charges allowed by law, also be allowed their necessary and reasonable charges for postage actually paid on letters and documents received or sent, and exclusively relating to official business: *Provided*, That the Secretary of the Treasury shall be, and he is hereby, authorized to fix such additional rates of compensation to be made to assessors and assistant assessors in the States of California and Oregon, and the territories, as may appear to him to be just and equita-

ble, in consequence of the greater cost of living and travelling in those States and territories, and as may, in his judgment, be necessary to secure the services of competent and efficient men: *Provided further*, That the rates of compensation thus allowed shall not exceed the rates paid to similar officers in such States and territories respectively.

SEC. 23. *And be it further enacted*, That assistant assessors shall make out their accounts for pay and charges allowed by law monthly, specifying each item, and including the date of each day of service, and shall transmit the same to the assessor of the district, who shall thereupon examine the same, and, if it appear just and in accordance with law, he shall endorse his approval thereon, but otherwise, shall return the same with objections. Any such account so approved may be presented by the assistant-assessor to the collector of the district for payment, who shall thereupon pay the same, and, when received by the assistant-assessor, be allowed therefor upon presentation to the Commissioner of Internal Revenue. Where any account, so transmitted to the assessor, shall be objected to, in whole or in part, the assistant-assessor may appeal to the Commissioner of Internal Revenue, whose decision on the case shall be final; and should it appear, at any time, that any assessor has wilfully and corruptly approved any account, as aforesaid, allowing any assistant-assessor a sum larger than was due according to law, it shall be the duty of the Commissioner of Internal Revenue, upon proper proof thereof, to deduct the sum so allowed from any pay which may be due to such assessor, or the commissioner, as aforesaid, may direct a suit to be brought in any court of competent jurisdiction against the assessor or assistant-assessor in default, for the recovery of the amount wilfully and corruptly allowed, as hereinbefore mentioned.

SEC. 24. *And be it further enacted*, That if any person or persons shall knowingly exercise or carry on any trade or business, for the exercising or carrying on of which trade or business a license is required, without taking out such license as is in that behalf required, he, she or they shall, for every such offence, upon conviction thereof, in lieu of or in addition to other penalties now imposed by law, at the discretion of the court, be subject to imprisonment for a term not exceeding two years.

SEC. 25. *And be it further enacted*, That no auctioneer shall be authorized, by virtue of his license as such auctioneer, to sell any goods or other property in any other district than that in which the license shall have been granted; but lawyers, physicians, surgeons or dentists, having taken out a license as such, shall not be required to take out any additional license in consequence of practicing their profession within or beyond the limits of the districts where licensed.

SEC. 26. *And be it further enacted*, That upon the removal of any person or persons from the house or premises at which he, she or they were authorized by license to carry on any trade or business mentioned in such license, and authorized by the act to which this act is an amendment, it shall and may be lawful for the person or persons authorized to grant licenses to authorize and empower, by endorsement on such license or otherwise, as the Commissioner of Internal Revenue shall direct, the person or persons so removing, as aforesaid, to any other place, to

carry on the trade or business specified in such license at the place to which such person or persons may have removed, for or during the residue of the term for which such license was originally granted, without taking out any fresh license or payment of any additional duty, or any fee thereupon, for the residue of such term, and until the expiration thereof: *Provided always*, That a fresh entry of the premises at which such trade or business shall continue to be so exercised or carried on, as aforesaid, shall thereupon be made by and in the name or names of the person or persons to whom such authority, as aforesaid, shall be granted.

SEC. 27. *And be it further enacted*, That any person who shall offer for sale, after the thirtieth of September, eighteen hundred and sixty-three, any of the articles named in Schedule C. of the act to which this act is an amendment, whether the articles so offered are imported or are of foreign or domestic manufacture, shall be deemed the manufacturer thereof, and subject to all the duties, liabilities and penalties in said act imposed in regard to the sale of such articles without the use of the proper stamp or stamps, as in said act is required.

SEC. 28. *And be it further enacted*, That all medicines, preparations, compositions, perfumery and cosmetics, intended for exportation, as provided for in section one hundred and nine of the act to which this act is an amendment, in order to be manufactured and sold or removed, without being charged with duty, and without having a stamp affixed thereto, may, under such rules and regulations as the Secretary of the Treasury may prescribe, be made and manufactured in warehouses known and designated in treasury regulations as bonded warehouses, class two: provided, such manufacturer shall first give satisfactory bonds to the collector of internal revenue for the faithful observance of the rules and regulations herein provided for, in amount not less than half required by the regulations of the Secretary of the Treasury from persons allowed bonded warehouses, class two. Such goods, when manufactured in such warehouses, may be removed for exportation, under the direction of the revenue officer having charge thereof, without being charged with duty, and without having a stamp affixed thereto. Any manufacturer of the articles aforesaid, or of any of them, having such bonded warehouse as aforesaid, shall be at liberty, under such rules and regulations as the Secretary of the Treasury may prescribe, to convey therein any materials to be used in such manufacture which are allowed by the provisions of the said act to be exported free from tax or duty, as well as the necessary materials, implements, packages, vessels, brands and labels for the preparation, putting up and export of the said manufactured articles; and every article so used shall be exempt from stamp and excise duty. Articles and materials so to be used may be transferred from any bonded warehouse in which the same may be, under such regulations as the Secretary of the Treasury may prescribe, into any bonded warehouse, class two, in which such manufacture may be conducted, and may be used in such manufacture, and when so used shall be exempt from stamp and excise duty, and the receipt of the officer of the revenue in charge shall be received as a voucher for the manufacture of such articles. Any materials imported into the United States may, under such rules as the Secretary of the

Treasury may prescribe, and under the direction of the proper officer of the customs, be removed in original packages from on shipboard, or from the bonded warehouses in which the same may be, into the bonded warehouse, class two, in which such manufacture may be carried on, for the purpose of being used in such manufacture, without payment of duties thereon, and may there be used in such manufacture. No article so removed, nor any article manufactured in said bonded warehouse, class two, shall be taken therefrom except for exportation, under the direction of the proper officer of the customs having charge thereof, whose certificate, describing the articles by their marks, or otherwise, the quantity, the date of importation, and name of vessel, with such additional particulars as may from time to time be required, shall be received by the collector of customs in cancellation of the bonds, or return of the amount of foreign import duties. All labor performed and services rendered under these regulations shall be under the supervision of an officer of the customs, and at the expense of the manufacturer.

SEC. 29. *And be it further enacted,* That spokes, hubs, fellos, grindstones, coke, silver bullion, rolled or prepared for platers' use exclusively; materials for the manufacture of hoop skirts exclusively, and unfitted for other use, (such as steel wire, rolled, tempered or covered, cut tapes, and small wares for joining hoops together;) spindles, and castings of all descriptions, where made exclusively for instruments, articles or machinery, upon which duties are assessed and paid, shall be exempt from duty; and all goods, wares and merchandise, and articles made or manufactured from materials which have been subject to, and upon which internal duties have been actually paid, or materials imported upon which duties have been paid, or upon which no duties are imposed by law, where the increased value of such goods, wares and merchandise, and articles so made and manufactured, shall not exceed the amount of five per centum ad valorem, shall be, and hereby are, exempt from duty.

SEC. 30. *And be it further enacted,* That on all cloths of silk, cotton or other material, dyed, printed, bleached, manufactured or prepared into other fabrics, which were removed from the place of manufacture prior to the first of September, eighteen hundred and sixty-two, or which have been or shall be imported, the duty or tax of three per centum shall be assessed only upon the increased value thereof: *Provided further,* That whenever the duty has been assessed, or assessed and collected at the full value thereof upon cloths of silk, cotton or other material, manufactured and removed from the place of manufacture prior to the first of September, eighteen hundred and sixty-two, or which were imported prior to the passage of this act, and which have been dyed, printed, bleached, manufactured, or otherwise prepared into other fabrics since the said first of September, eighteen hundred and sixty-two, the Commissioner of Internal Revenue, subject to the regulation of the Secretary of the Treasury, shall be, and he hereby is, authorized and directed to remit, refund and pay back, such proportion of said duties as were assessed upon the value of such cloths before the same were so dyed, printed, bleached, manufactured or otherwise.

SEC. 31. *And be it further enacted,* That the Commissioner of Internal

Revenue, subject to the regulations of the Secretary of the Treasury, shall be, and hereby is, authorized to remit, refund and pay back, all duties erroneously or illegally assessed or collected, and all judgments or sums of money recovered in any court against any collector or deputy collector for any duties or licenses paid under protest.

SEC. 32. *And be it further enacted,* That manufacturers of lard oil, lubricating oil and linseed oil, shall be subject to the provisions of the act to which this is an amendment, relating to distillers of spirituous liquors, and designed for the purpose of ascertaining the quantity produced, so far as the same may, in the judgment of the Commissioner of Internal Revenue, and under regulations to be prescribed by him, be deemed necessary.

SEC. 33. *And be it further enacted,* That the provisions of the act to which this act is an amendment, in relation to returns by manufacturers, and the payment and collection of duties upon manufactured articles, enumerated in section seventy-five of said act, shall be, and hereby are, made applicable to the producers of articles which are also mentioned in said section, and on which taxes are levied.

SEC. 34. *And be it further enacted,* That there shall be designated by the collector in every district where the same may be necessary, one or more inspectors of manufactured tobacco, who shall take an oath faithfully to perform their duties in such form as the Commissioner of Internal Revenue shall prescribe, and who shall be entitled to receive such fees as may be fixed and prescribed by said commissioner. And all manufactured tobacco shall, before the same is used or removed for consumption or sale, be inspected and weighed by an inspector, designated as aforesaid, who shall mark upon the box or other package containing such tobacco, in a manner to be prescribed by said commissioner, the quality and weight of the contents of such package, with the date of inspection and the name of the inspector. The fees of such inspector shall in all cases be paid by the owner of the tobacco so inspected and weighed. The penalties for the fraudulent marking of any package of tobacco, and for any fraudulent attempt to evade the duties on tobacco, so inspected, by changing in any manner the package or marks thereon, shall be the same as are provided in relation to distilled spirits by existing laws. That manufactured tobacco may be removed from the place of manufacture for the purpose of being exported, after the quantity and quality to be so removed shall have been ascertained by inspection, according to the provisions of this act, upon and with the written permission of the collector or deputy collector of the district, without payment of the duties thereon previous to such removal, the owner thereof having given bonds to the United States, with sufficient sureties, in the manner and form and under regulations to be prescribed by the Commissioner of Internal Revenue, and in at least double the amount of said duties, to export the said manufactured tobacco or pay the duties thereon within such time as may be stated in the bond; and all the provisions relative to the exportation of distilled spirits in bond, contained in the act to which this is an amendment, as far as the same may be applicable, shall be applied to the expor-

tation of tobacco in bond : *Provided, however,* That nothing herein contained shall be considered to apply to snuff, fine-cut tobacco or cigars.

SEC. 35. *And be it further enacted,* That the evidence of exportation to entitle to benefit of drawback under the act to provide internal revenue to which this act is an amendment, and the rules and regulations pertaining thereto, shall be the same as those which are now or may be required to entitle the exporter to benefit of drawback under the acts relating to drawbacks of duties on imports, with such other rules and regulations as the Secretary of the Treasury may prescribe ; that the bureau in charge of exports for the benefit of drawback under the acts as aforesaid at the port of New-York, (and at such other ports as the Secretary of the Treasury may designate,) shall have charge of the same under the act to which this act is an amendment ; that the head of such bureau shall be invested with the authority and receive the emoluments of a deputy of the collector of customs ; and that the said bureau shall, under the direction of the collector of the customs, embrace the supervision of all exports entitled to remission of duties, or to drawback of duties paid, under the acts above mentioned ; the ascertaining and certifying such duties ; the taking and cancellation of required bonds ; the charge of all export entry papers for benefit of drawback and officers' returns thereon, and of certificates in proof of the landing of such exports abroad : *Provided,* That nothing herein contained shall be construed to change or modify the existing mode of paying the drawbacks and debentures allowed by the laws before referred to.

SEC. 36. *And be it further enacted,* That the assistant treasurer of the United States at San Francisco is required, under such instructions as the Commissioner of Internal Revenue shall prescribe, to audit, allow and pay, the accounts for services of the collectors and assessors of California, Oregon and Nevada Territory, subject to the revision of the said commissioner.

SEC. 37. *And be it further enacted,* That this act, except where otherwise indicated, shall take effect from and after its passage, and all acts and parts of acts repugnant to the provisions of this act be, and the same are, hereby repealed : *Provided,* That the existing laws shall extend to and be in force, as modified, for the collection of the duties imposed by this act, for the prosecution and punishment of all offences, and for the recovery, collection, distribution and remission of all fines, penalties and forfeitures, as fully and effectually as if every regulation, penalty, forfeiture, provision, clause, matter and thing, to that effect, in the existing laws contained, had been inserted in, and re-enacted by, this act.

SEC. 38. *And be it further enacted,* That from and after the date when this act takes effect, there shall be an allowance or drawback on cordials and other liquors manufactured wholly or in part of domestic spirits, on which a duty shall have been paid equal in amount to the duty paid on such spirits when exported, with such deduction as the Secretary of the Treasury may think reasonable, not exceeding five per centum of the amount of duty so paid, the amount to be ascertained in the manner and under the regulations prescribed in section one hundred and sixteen of

the act to which this is additional, and the same to be subject to all the provisions of said section applicable thereto: *Provided*, That no such allowance shall be made unless the value of the spirits used in such manufacture shall exceed one-half of the whole value of the article manufactured, as aforesaid.

Approved March 3, 1863.

DECISIONS OF THE COMMISSIONER OF INTERNAL REVENUE.

WASHINGTON, *March*, 1863.

No. 84.—Decision concerning Canal, Canal Navigation, Slackwater Corporations and Turnpike Companies.—The 8th section of the amendment to the Excise Law, approved March 3d, 1863, requires the managers of all canal companies, canal navigation or slackwater corporations, and turnpike companies, to withhold three per cent. from all payments thereafter due on account of interest on bonds and other evidences of indebtedness, or coupons representing interest, or dividends in scrip or money, and to make return and payment thereof to the Commissioner of Internal Revenue.

When bonds are issued by a State, county, city or town, in aid of either of the above companies, whereof the interest is to be paid by the company, the government tax of three per cent. must be withheld, although neither bond nor coupon may express the liability of the company; such an arrangement being virtually an endorsement of the company's bonds by the said State, county, city or town.

Whether the interest is paid by the State, county, city or town, and received from the company, or paid by the company directly to the bondholders, is immaterial. In either case, the managers of the company must account to the government for the tax.

The payment of the tax may be assumed by the company, provided the following proportion is sustained: as 97 is to 3, so is the amount paid to stock or bondholders to the amount of tax due the government.

Returns and payments are to be made quarterly, commencing April 1st, 1863; but the first statement will only include such payments of interest, coupons and dividends as were due in the month of March, after the 3d inst. Blanks will be furnished from this office, which must be duly filled and returned, whether any tax has accrued or not.

It is desirable that the amount of tax should be deposited with the nearest United States Assistant Treasurer or designated depository, and the *original* certificate thereof sent with the return; but, if more convenient, payment may be made by draft, or in Treasury notes.

No. 86.—Decision Concerning Insurance Agents.—Whenever the receipts of an insurance agent, or broker, as compensation for services performed for or on account of the company, or companies, that he represents, amount to the sum of six hundred dollars in any one year, such agent, or broker, is liable to assessment for a license, under section 64 of the Excise Law, paragraph 38, as amended by the act of March 3d, 1863.

GOLD-FIELDS AND GOLD-MINERS.

From the Edinburgh Review, January, 1863.

- I. *California.* II. *Australia.* III. *British Columbia.* IV. *Victoria.*
 V. *Legislation.* VI. *Population.* VII. *Ballarat.* VIII. *Bendigo.*
 IX. *Quartz Mining.*

1. PAPERS RELATING TO THE PRESENT CONDITION AND PROSPECTS OF THE GOLD-FIELDS IN VICTORIA. PRESENTED TO BOTH HOUSES OF PARLIAMENT, APRIL, 1862.
2. PAPERS RELATING TO THE DISCOVERY OF GOLD IN BRITISH COLUMBIA. PRESENTED TO BOTH HOUSES OF PARLIAMENT, APRIL, 1862.
3. GEOLOGICAL OBSERVATIONS IN SOUTH AUSTRALIA. BY THE REV. JULIAN E. WOODS. 8VO. 1862.

Of all minerals, it might at first sight appear that man could most readily have dispensed with gold. Its comparative scarcity has rendered almost useless the intrinsic qualities which it possesses; it may even be doubted whether it is the best standard of value and instrument of exchange. Yet no other substance on the surface of the earth or underneath the surface of the earth has exercised so powerful an influence over the movements of the human race. We find it suddenly peopling continents—raising nations above surrounding nations—perhaps it is not too much to say, laying the foundations of sciences. The first principles of chemistry, of mineralogy, of metallurgy disclosed themselves in the researches of the alchemist. Gold-dust led more Spaniards to follow in the footsteps of COLUMBUS, of CORTEZ, of PIZARRO, than the spirit of adventure or the religious zeal which sought to ennoble it. Nor are there less conspicuous examples of its influence on the rise of nations. We may trace it through the commercial greatness of the Phœnicians—certainly as old as the days of ABRAHAM—when all was gold, from the earrings of the Midianites, their carriers of the desert, to the chains that were about their camels' necks; through the fleets of HIRAM, laden with the gold of Ophir; through the glory of SOLOMON; through Carthage and her hundred cities along the shores of the Mediterranean; through ancient refinement and barbaric splendor; through Jew and Gentile; through settlement by land and sea, till Spain herself, who, doubtless, had supplied much, if not most, of the golden material, came, in revolving years, to take her place at the head of nations under CHARLES V. Whenever, in the world's history, a great gold mine has come to light, there a burst of sunshine falls across the dark and troubled stream. But it is for our own times these yellow grains have reserved the chiefest exercise of their latent power, if, indeed, they are not exhausting themselves in some grand and final effort. Hugely as the shores of the Mediterranean are exceeded by the shores of the Atlantic, so are the shores of the Atlantic exceeded by those of the Pacific. Already along the vast and hitherto almost silent shores of that great ocean, from California to Australia, from New-Zealand to British

Columbia, empires are springing up, and cities grow as it were in a day. History, and now history alone, records the ancient dominion of Mediterranean empire. Its great lights have long gone out; cities built on hills are no longer visible; harbors, where rode the fleets of long dynasties, are mere salt marshes. A chance discovery within our own day—a few yellow grains found in a mill-stream—has laid the foundations of a new and immensely greater world, whose progress, if we are to form any judgment from the experience of some dozen years, promises to exceed in rapidity all that has gone before it. The gigantic growth of the United States of America had no parallel in ancient or modern times; but the State of California has grown as much in one year as many of the Atlantic States in a century. Travellers to our Antipodes have all been taken by surprise at the wonderful rapidity with which English towns, English society and English institutions had taken root on Australian soil; but Melbourne has grown more populous, more wealthy and of greater political importance in ten years than Sydney in fifty. What were absolute solitudes are being peopled by the most enormous consumers which commerce has ever had to supply. From these same solitudes flow so unexpectedly the golden streams which feed countless branches of European industry, already bending beneath their own weight.

Seeing, then, that such golden streams—whether they come from the once gold-bearing hills of Spain, or bubble up through the sands of India; whether sought by way of the desert, or by ships of Tarshish, by gold-seekers of the sixteenth, or by gold-seekers of the nineteenth century—are capable of being directed into channels, and, indeed, seem naturally inclined to run in channels fertilizing lands the most distant from their sources, it may not be uninteresting if we follow them up to these new sources on the slopes of the great Sierra Nevada and amid the ranges of Australia, and examine into the operations of the men who set their golden tides a flowing. Such an examination is, at least, not unsuited to the time. Invigorating as have hitherto been these streams, we cannot too carefully watch the rising of the waters. The series of gold discoveries which commenced with 1847 has, within these last two years, assumed gigantic proportions. Already no less than five British colonies are found to possess extensive and rich gold deposits. The Californian gold-miner has tapped reservoirs which are now found to spread downwards through Mexico, upwards through the great Oregon and Washington territories. The British Columbian gold-miner, great as are the attractions of British Columbia, has already crossed the Rocky Mountains, and is following the banks of the rivers which expand into the lake system of Canada. Nay, he is already on the banks of the rivers which branch, on one side to the Arctic Ocean, on the other to the Russian settlements around Behring Strait. The backwoodsman, advancing from the east, is met by legions of gold-miners coming from the west. The vast forests which seemed to await his more slow axe are felled for the hut and camp-fire of the gold-miner. The trapper, already driven from the shores of the Pacific, is again retiring to more quiet regions. The wonderful changes of the North Pole are repeated at the South. As the American gold-miner is advancing on eternal snows, so already the Australasian gold-miner is exploring the bounds of the great Antarctic Ocean. Armies of gold-miners

are pouring into New-Zealand. The gold-fields of New South Wales and Victoria are spreading downwards into Van Diemen's Land, upwards towards the new colony of Queensland. Explorers are discovering auriferous quartz-reefs in the heart of Australia. How all this will affect our Atlantic world is a question which concerns us most deeply. Will the stream drown the miller? It is almost unnecessary to state that the public faith of Europe, and of a rapidly increasing portion of the other quarters of the globe, is built upon the assumed limitation in the supply of gold. Hitherto, an immense increase in the supply has been productive of unmixed advantage. Millions of human beings, for whom there were but the workhouse and a pauper's grave, have escaped to happy homes in distant and previously unexplored solitudes. Distant and previously unexplored solitudes have assumed, as it were by the wand of enchantment, all the improvements of an age unexampled in its progress. The superfluous emigrant has gone to be a wealthy customer, the relieved operative remains at home to be a busy supplier. Local and temporary circumstances may have marred the result, but to such a result the golden discoveries of the present half century have persistently tended, and with a success the more wonderful as we more closely examine it. The rising of the waters has but made the miller's wheel go round more merrily. Yet it may be well to take frequent note of the change. We have built the mill where, by possibility, it may be flooded. The rapid accumulation of these discoveries has, indeed, made the subject of inquiry a wide one. Already it extends its influence over questions hitherto apparently unconnected. While boundless fields for employment have been opened for those possessed of no incomes at all, how is a danger to be met so nearly threatening those who are wholly dependent on fixed incomes? While the over-crowded centres of population are being relieved, are we not also losing much of the essential bone and muscle of the country? While the growth of these infant empires exceeds all that has gone before, are they not endangering a metallic currency on which their very existence now hangs? If, instead of endeavoring to tread so tangled a maze, we can succeed, wholly confining ourselves to this new Pacific world, in tracing out the gold-bearing tract of which California and Australia are such widely distant fragments; and if, from an examination of the results of some ten or a dozen years' gold-mining, we can gain some inkling into the future of these vast regions, perhaps we shall not offer an unimportant contribution to the solution of the whole subject.

With such a purpose we need not here enter into the early history of our modern gold-mines, or the early operations of the modern gold-miner. Indeed, the early gold discoveries in California and Australia were so fully described at the time, and these discoveries are yet so recent, that it would be needless to recount them. What took place in California and Australia in the years immediately following 1847 and 1851 is now taking place—with some better preparations, a little less novelty, and, perhaps, more fit gold-seekers—in New-Zealand, Nova Scotia, British Columbia, and probably, ere the year closes, will be taking place in some new region. Now, as then, crowds are pouring into wildernesses; producers, shippers and whole armies of distributors are following them with the necessities and even comforts of life. The forest is giving way to gold-miners'

tents, the tents to substantially built towns. The same changes are yet taking place even within the gold regions of California and Australia themselves. Fresh gold deposits are being yearly discovered therein. An auriferous "lead" is traced out into a hitherto unexplored tract of country. Or a miner, travelling from one gold-field to another, is struck by the auriferous appearance of some intermediate district, and opens a new gold-field. Again the woods give way to tents, tents to towns; absolute solitude yields to the hum of steam and the din of quartz-stamper. The Sacramento valley of 1848, the Turon of 1851, are yearly being repeated. But that the gold-seekers of 1848 and 1851 have almost wholly given place to more practiced gold-miners—to men who had qualified themselves for a pursuit not entirely new to them in the mines of Cornwall,* among our northern coal-pits, or deep in the mineral lodes of the Hartz and the Erz-Gebirge—the scenes are nearly the same over again. Leaving these, then, to their future development, we shall ask the reader to accompany us to some of the earlier gold-fields, opened at the commencement of this golden era, and to examine into their present condition, and the prospects of the new communities which they have brought about them.

The Parliamentary Papers which we have placed first at the head of this article contain the results of a visit of inspection which the Governor of the colony of Victoria has lately paid to its gold-fields. At a time when the whole colony has been rendered uneasy by the conflicting opinions of geologists as to the durability of gold deposits and the auriferous character of quartz-reefs as they are followed from the surface, he has descended to the bottom of the deepest "leads," examined the quartz-dykes at the various levels hitherto reached, and traced the rapid, and indeed wonderful, progress of the large gold-fields' towns which have replaced the tent and hut of the early gold-miner. The colony of Victoria, too, has had the aid of able geologists, who have now for some years watched the changing phases of its gold-mining. Mr. SELWYN's maps of the auriferous districts, and Professor McCOR's researches into the same subject, do honor to the scientific attainments of the University of Melbourne. Nor must we omit the great activity of its government departments in collecting and publishing gold-mining statistics, aided by a rapidly increasing newspaper press. Such assistance induces us to select the gold-fields of Victoria as furnishing a fair illustration of the general growth and tendency of the golden discoveries of these last dozen years.

California.—The gold-fields of California might, indeed, at first sight appear, from their somewhat prior discovery, entitled to the central position in our sketch. But, besides that, in the case of California, we

* In 1846, Sir R. MURDOCH, who two years earlier had compared the Eastern ridge of Australia with the Ural Mountains, and first suggested in print the auriferous character of the former, advised the Cornish tin-miners, who were then out of employment, to emigrate and dig for gold in Australia, and wash it as they did their tin ore. (See *Trans. Geol. Soc.*, of Cornwall, 1846.) In 1848 some results were in his possession, and thereon he wrote a letter to Earl GARR, then Secretary for the Colonies, indicating that the all-important question of the gold of Australia, and the laws relating thereto, should be well considered by the government; (see *Parliamentary Papers*, third series;) yet three years elapsed before the year 1851, when Mr. HARGREAVES opened the diggings.

have not access to any complete system of gold-mining statistics—nor, indeed, do we believe that it exists—the California gold-fields, though first discovered, have not yet reached that more permanent condition which now distinguishes the earlier gold-fields of Australia. The comparative abundance of water has led the Californian gold-miner to rely chiefly on the hose-pipe. The enormous slopes which descend from the snow-capped peaks of the Sierra Nevada to the shores of the Pacific always enable him to place his “water-head” over his “claim.” The mere action of the water playing on the soil, has washed away whole hills of detritus overlying the auriferous stratum, and has afterwards separated the gold from the “wash-dirt.” Hence the hose-pipe has served him for pick and shovel, bucket and windlass. While the Australian gold-miner has been busy in bringing to efficiency an enormous amount of steam machinery for boring into the solid rock, the Californian gold-miner has hastened from one gold-field to another, and confined himself chiefly to the richer deposits of the surface. In Victoria, we are dealing with a British colony, under the constitution, laws and regulations common to the various British colonies in which extensive gold-fields are now known to exist. As might naturally be expected, our wide-spread dependencies have brought the chief gold-fields of the globe under the British Crown. What the Victorian gold-mines and gold-miners have now become, after the space of ten years, may guide us in speculating on the future of our other various gold-producing dependencies. What we write of Victoria may, too, with little variation, be written of its sister colony of New South Wales. New-Zealand commences its golden career under identical circumstances. British Columbia, it is true, does not at present draw its chief population from the home country. This, however, may be but temporary, while in all other respects—in soil, climate, form of government—it closely resembles the southern portion of Australia and New-Zealand. Before, however, confining ourselves to the table-lands and slopes of the dividing range of Victoria, forming the auriferous region of that colony, it may not be an uninteresting digression, if we take a hasty glance at the geographical position of the whole series of gold operations which followed the Californian discoveries of 1847.

In September, 1847, gold was found on the banks of the Sacramento. It was the commencement of a series of gold discoveries, occurring in the following order:—1. The State of California; 2. The Colony of New South Wales; 3. The Colony of Victoria; 4. The Colony of British Columbia; 5. The Colony of Nova Scotia; 6. The South Island of New-Zealand. By more minute examination, at various succeeding periods, gold has been traced out into various neighboring colonies and districts from each of these great areas, but we take these six to be the chief central gold-bearing tracts as yet opened. Three of these auriferous regions, it will be seen, are situated in North America; three in that assemblage of island and continent known as Australia. The gold-fields of Nova Scotia are as yet so little developed that we shall not endeavor to trace their connection with any other auriferous region or parent range: New-Zealand we shall reserve. There can be little danger in reducing our four remaining auriferous regions to two. The gold-fields of New South Wales and Victoria extend, without any interruption whatever, along the

slopes of the great mountain range which separates the eastern seaboard of Australia from the interior of that island or continent. The gold-fields of California and British Columbia are, it is true, separated by the Oregon territory, but, for some years past, the gold-miners of California have been extending their searches with success into Oregon, and some of the richest deposits in British Columbia have been found on the tributaries of the great stream which gives its name to the territory. We may, therefore, regard the gold-fields of California and British Columbia as occurring without interruption along the western slopes of the Rocky Mountains and its great spurs and subordinate ranges—the Sierra Nevada, the Bald Mountains, the Peak Mountains and a system of parallel subordinate ranges entering within the Arctic Circle and as yet unexplored. We have thus two great gold-bearing regions, extending along two widely distant elevations, and probably owing their auriferous character to some influence connected with their upheaval.

Let us consider these two gold-bearing systems a little more minutely. One of them, whether passing under the name of the Chippewyan Range, the Rocky Mountains, the Mexican Alps of North America, or the Andes of South America, we may take to form the eastern seaboard of the Pacific, almost from pole to pole—from Behring Strait in the north to Cape Horn in the south. Emerging from the depths of the Southern Ocean on Terra del Fuego, and wholly composing that island, the culminating ridge of this stupendous chain stretches to within the Arctic Circle—now almost buried beneath the waters of the Pacific, and merely leaving a string of islands off the coast to mark the inroads of the ocean over its former valleys and round its high peaks; next opposing a bluff main-land barrier to its waters, and now retiring many miles inland. Throughout the whole extent of this vast elevation, from Chili in the south to the British possessions in the north, its slopes, spurs and subordinate ranges are now yielding gold. From Chili we mount through Bolivia, Peru, Equador, New-Granada, all still continuing to yield the precious metal after some three centuries of gold-mining. Thence, after we pass the Isthmus, we find the gold-miner at work through Mexico, California, Oregon, Washington, till at length we come to our own possessions stretching to the shores of the Arctic Ocean.

That the whole of this great ridge, from south to north, had once a sea slope, as broad as that now leading up from Vancouver Island to the heights of the Rocky Mountains, admits of little doubt. We may trace its fragments among the igneous and crystalline rocks of Cape Horn, granite being the axis of the elevation throughout its whole extent. We may trace it through the string of granite islets lying off the whole coast of Patagonia; and again in the string of islands extending from Vancouver Island to the Sea of Kamtschatka and the head waters of the Pacific—as Queen Charlotte Island, Pitt Island, Bank Island, Prince of Wales Island, GEORGE III. Island and a host of rocky islets, in all of which gold has been found. On the coast of California, too, “the Beach Diggings” are a well-known feature. At certain tides a bluish sand, not unlike the pipe-clay of Ballarat, is thrown up by the waves, and is found to contain gold in considerable quantities. These and other testimonies may warrant the supposition that at one period the whole Pacific seaboard of North and South America possessed

a broad auriferous slope descending from the culminating ridge of this mountain chain, running almost from pole to pole. We draw attention to these characteristics of this great auriferous system, as we shall find them repeated in a widely distant system, with which, however, it may not be impossible to establish a connection.

It becomes, we think, at once apparent that the geologists, who sought at first to restrict the deposits of gold to a narrow compass, were mistaken; and that no such Gold-field Restriction Bill, as they spoke of, exists in nature. This ground is obviously untenable. But although the range of territory in which gold has been discovered is thus extensive, it must be borne in mind that the great principle laid down by Sir RODERICK MURCHISON in his earlier researches, and repeated in the last edition of his "Siluria," has not, as far as we know, been impugned, viz., that the rocks which are the most auriferous are of the Silurian age, and that a certain geological zone only in the crust of the globe is auriferous at all. Gold has never been found in any stratified formations composed of secondary or tertiary deposits, but only in crystalline and Paleozoic rocks, or in the drift from those rocks, which is tertiary accumulation of Pliocene age. Hence, by far the largest portion of land on the face of the globe never contains gold, and it may be confidently predicted that none will be found in it. The most usual original position of the metal is in quartz-ore veinstones that traverse altered Silurian slates (chiefly lower Silurian,) frequently near their junction with eruptive rocks. Sometimes, however, it is partially diffused through the body of rocks of igneous origin. The oldest rocks—such as the gneiss of Scandinavia and Scotland, the Laurentian and Huronian of the American continent, the Cambrian of Britain—contain no gold. If these propositions are correct, the circumstance which really determines the deposit of the much-sought-for metal is the age of the rocks in which it occurs; and, curiously enough, the "age of gold" belongs to one of the earliest—though not the earliest—geological period of the globe.

Australia.—Let us now cross the Pacific to our other great gold-bearing system.

The coast range of Australia runs from the extreme northern point of that island, or continent, to its extreme southern point; overlooking, along its whole extent, the Pacific Ocean, and attaining to its greatest elevation, or culminating ridge, about 100 miles from the sea-beach. It, however, neither begins nor ends in Australia. Emerging from the Southern Ocean in Van Diemen's Land, to the south of Australia, it traverses the whole of that island from south to north; thence, plunging into the ocean, it maintains its course across Bass Strait, and lands on the Australian continent.* Traversing the whole of the eastern coast of Australia, it at length reaches York Peninsula, the extreme northern por-

* "On a fine day that course may be traced from the top of the headland, beautifully delineated by the chain of the islands of Bass Strait. These islands, whether high and crowned with peaks, or low and crested only by the white, sparkling foam of the sea, appear, in their winding and lengthened array, like the glittering snow-capped domes of the Andes, when seen above the region of the dense clouds which clothe their lower regions." (*Physical Description of New South Wales and Van Diemen's Land, by Count STRZELLECKI.*)

tion of the continent. Running down York Peninsula to a mere point, it again plunges into the waves, and struggle across Torres Strait, dotting it with a string of islets composed of the same rock, and placed so closely together that a ship can sail through but few of them. Again landing on New-Guinea, it rises to more than its former Australian grandeur, and continues its course along the Pacific Ocean through the whole of that island, sending off on its northern coast a branch to the west, whose course we may afterwards trace.* So far, it is certain that this great chain once formed a western boundary to the Pacific Ocean, running parallel with the Andes up to the Equator, though at the enormous interval of nearly half the globe. At the Equator, however, we are not stopped. All our scientific explorers of the Australasian group agree in regarding that vast collection of island and main-land as the remains of an ancient, and, for the most part, low continent, separated into fragments, not by any sudden convulsion of nature, but by the slow inroads of the ocean creeping through its valleys and lowlands, unprotected by the harder stratified rocks. All its islands, even including its countless solitary rocks, now in the midst of the ocean—excepting those of coral formation (if, indeed, these latter are not superstructures raised on submarine volcanic peaks, as is now more generally supposed)—still preserve an appearance similar to that of the peaks and ridges of the great range remaining unbroken on the continent of Australia. The rocks choking up Bass Strait and Torres Strait, which are, beyond all doubt, detached links of the Australian mountain chain, and which Count STRZALECKI likens to the domes of the Andes, are precisely similar to the countless groups of rocks and islets found off the north coast of New-Guinea. If we look at the late map of the basin of the Pacific, we shall find little difficulty in tracing a line of such links—some of them, indeed, of very considerable magnitude—until we actually reach the southern point of the Peninsula of Kamschatka, where we again strike a range running north and making for Behring Strait, the keystone of our arch. From New-Guinea we step on the Caroline Islands, a group which brings us to lat. 8° beyond the Equator. Here we meet the Ladronea, marking out a northern course up to lat. 22°. From these, by a series of stepping-stones—the Jardines, the Lobos, the Bonin group—we reach the most southern of the Japanese Islands, in lat. 29°, and again ascend the heights of a great gold-bearing range. The Japanese Islands thence stream away to lat. 45°. From lat. 45° our stepping-stones become even more frequent and regular. The Kurile Islands land us in Kamschatka almost with dry feet. From Kamschatka we can

* For the little we know of New-Guinea we are chiefly indebted to the voyages of H. M. S. "Fly." Captain BLACKWOOD traced the continuation of this great chain through the island, and fixed the heights of two of its peaks at 10,040 and 12,705 feet above sea-level. The interior, however, of New-Guinea is wholly unknown. Now that we have at length cleared up the mystery which so long hung over the interior of Australia, perhaps we may hope to hear something of the next greatest island of the globe. "I know of no part of the world," writes Mr. JUKES, the naturalist of the expedition, in his "Narrative of the Surveying Voyages of H. M. S. 'Fly,'" "the exploration of which is so flattering to the imagination, so likely to be fruitful in interesting results, whether to the naturalist, the ethnologist or the geographer, and altogether calculated to gratify the enlightened curiosity of the adventurous explorer, as the interior of New-Guinea."

again reach the Russian settlements of North America by way of the Aleutian Archipelago.

II. *Australasia*.—Or, by taking a more westerly route from New Guinea, through Malaysia and the Philippine Islands, Formosa, and a string of islets leading up to the Japanese Islands, we arrive at the same northern point without quitting volcanic ground. This latter is the route taken by HUMBOLDT as the chief “volcanic fissure of elevation,” though he does not lose sight of the former, and even draws attention to the existence of subsidiary parallel ranges. But, indeed, we are not restricted to either route. The whole of Australasia, Malaysia and the volcanic islands thence forming a broad band up to Kamschatka and the Aleutian Archipelago, exhibit, as had already been observed by MALTE-BRUN, a system of chains, for the most part running north and south, though occasionally crossed by transverse chains, in which we may trace the “cross-knots” overrunning and tying the ranges of the Andes, as described by HUMBOLDT. Thus, without assuming that any particular line of volcanic fracture once formed the culminating ridge of this former sea-board, we may readily trace from Van Diemen’s Land to Behring Strait, from the confines of south-land to the confines of north-land, a well-marked system of ridges, or elevated chains, forming parallel, transverse and subordinate groups; portions of which, of vast extent, do, indeed, remain entire, but the whole, for the most part, being broken up into detached links, by the slow action of the waves of the Pacific, or more probably by the great convulsions of nature which are indelibly marked on all the main features of the globe.

Thus, while the bed of the Pacific itself is, considering its vast magnitude, wonderfully free from any break in its crust; while “the Pacific Ocean,” as HUMBOLDT writes, “whose surface is nearly one-sixth greater than that of the whole dry land of our planet, whose breadth in the equatorial regions, from the Gallipagos to the Pelew Islands, is nearly two-fifths of the whole circumference of the globe, presents fewer smoking volcanoes, fewer openings through which the interior of the planet still maintains active communication with its atmospheric envelop, than does the single Island of Java,” on the other hand, we find this vast basin surrounded by a well-marked line of volcanic fracture, at present containing seven-eighths of the known volcanoes of the globe.* Indeed, Mr. JUKES, so early as 1844, before the new series of gold discoveries had brought into such importance the vast shores of the Pacific, traced the links of this trans-oceanic range.

Thus, “beginning from New-Zealand,” in the words of HUMBOLDT, “and proceeding first for a considerable distance in a northwest direction, we can pass through New-Guinea, the Sunda Islands, the Philippines and the east of Asia, and, ascending to the Aleutian Islands, can re-ascend to

* The laborious and careful calculations of HUMBOLDT place the number of known volcanoes at 225, of which 198 are found thus surrounding the basin of the Pacific. See, also, the new edition of Mr. SCORFF’s admirable and instructive work on “Volcanoes,” which the author has now completed, by the most recent observations on the volcanoes of the Western Pacific, (p. 460.)

the southward through the northwest portion of America, Mexico, Central and South America, to the extremity of Chili; thus making the entire circuit of the Pacific Ocean, and finding it surrounded, throughout a length of 26,400 geographical miles, by a series of recognizable monuments of volcanic activity.*

So continuous and well-marked a line of volcanic elevation has, of course, drawn the attention of geologists to the causes of its formation. HUMBOLDT's view is, perhaps, the most satisfactory, and has certainly remained undisturbed. Whatever may have been the former boundaries of the Pacific, its bed attained to its present depth at a comparatively late period. If we suppose the Pacific to have been a vast shallow lake, similar to its numerous seas and gulfs which still remain—as the Chinese Sea, Yellow Sea, Sea of Japan, Sea of Ochotsk, &c., with low continents forming its east and west boundaries—in fact, such low continents as we still find on its west side, behind the Great Range of Australia; on its east side, in Patagonia and La Plata, behind the Andes—then, a subsidence of its bed, the bed itself remaining whole, would give us such a line of fracture running all round the basin. The unbroken crust, too, composing the bed, thus pressed down on the molten mass beneath the earth's surface, would cause a quantity of it to rush towards the line of fracture, and endeavor to find vent there. Just as if, on a frozen lake, a portion of water was drawn off, or a weight, too great to be borne, was placed on the ice. In either case we should have an encircling line of fracture, through which the waters of the lake would be squeezed up. The general appearance of the Andes suggested, at an early period of geological inquiry, some such origin. It was not, however, until Count STRZEMLECKI made known the existence of a precisely similar and parallel elevation on the other side of the Pacific, which HUMBOLDT successfully traced out up to Behring Strait, and by way of the Aleutian Archipelago into North America, as we have already described, that all the links were supplied.†

III. *British Columbia*.—So far, we have been dealing with the general progress of geological inquiry before the commencement of the gold discoveries. It was known that a line of fracture might be traced all

* Narrative of Surviving Voyages of H. M. S. "Fly."

† Mr. DARWIN, however, would seem to guard us against supposing that the bed of the Pacific attained to its present depth at one single subsidence. In his "Voyage of a Naturalist," when examining the American Andes, he writes: "I believe that the solid axis of a mountain differs in its manner of formation from a volcanic hill only in the molten stone having been repeatedly injected, instead of having been repeatedly ejected. Moreover, I believe that it is impossible to explain the structure of great mountain chains, such as that of the Cordillera, where the strata, capping the injected axis of the plutonic rock, have been thrown on their edges along several parallel and neighboring lines of elevation, except on the view of the rock of the axis having been repeatedly injected, after intervals sufficiently long to allow the upper parts or wedges to cool and become solid; for if the strata had been thrown into their present highly inclined, vertical, and even inverted positions, by a single blow, the very bowels of the earth would have gushed out, and, instead of beholding abrupt mountain-axes of rock solidified under great pressure, deluges of lava would have flowed out at innumerable points of every line of elevation."

round the Pacific Ocean, from land's end to land's end. It was known that this line of fracture, marked by seven-eighths of the volcanoes of the globe, bore evident traces of a connection with the bed of the Pacific—many of the volcanoes still continuing to throw up sea-mud, and even fish. It was known that a slope at one period led up from the Pacific to the culminating ridge, or line of fracture, at least as broad as the portion of it which now remains to form the auriferous regions of California and British Columbia. The question now is, whether any scientific connection can be traced and established between the series of gold discoveries, now so rapidly spreading on either side of the Pacific, and this system of volcanic elevation, with which, to a very great extent, it coincides? It may even be conjectured that this whole volcanic belt is one vast and continuous gold-field. The late discoveries in British Columbia remove all doubt from the eastern arm. From Chili to Russian America the gold-miner is now at work upon it. Of the western arm, we have, again, the gold-miner at work, through New-Zealand, Van Diemen's Land, and along the whole of the Australian portion up to the tropic. Beyond the tropic, it is true, there remains an immense gap, till we again arrive at the Russian settlements, unknown or almost unknown to Europe. Yet, of the little we know of this gap, its auriferous character is the most conspicuous. New-Guinea, it is certain, contains gold. With the natives of the vast region of Malaysia a gold trade has long been carried on—probably needing but the introduction of such machinery as is now used on the gold-fields of Victoria and New South Wales to be immensely developed. Recent evidences would lead us to infer that the Japanese Islands contain quantities of gold incredible before the Californian and Australian discoveries. Indeed, up to a very late period, the Japanese were ready to exchange gold for its weight in silver. Of the vastness of this gold-bearing elevation, if such it be, we may form some better idea when we call to mind its breadth, and the distance to which its most highly auriferous spurs and subsidiary ranges penetrate on either side from the parent ridge or main line of fracture. The whole of the Victorian gold-fields, for instance, are on a spur penetrating some 300 miles from the principal range, while many such spurs remain totally unexplored, both on the eastern and western arm. But, on the other hand, the connection between volcanic action and auriferous deposits is by no means irrefragably established; although, no doubt, volcanic action may frequently have forced upwards to the earth's surface those crystalline veins in the Paleozoic rocks in which, as we have seen, gold has alone been discovered.

We need not, however, prolong our digression by entering into any minute examination of the *verza questio* of geology—the origin of metaliferous veins, among which mineralogists are now content to class gold-bearing quartz reefs. Of the various theories put forward, two, and but two, have survived; and each of these two hangs by an exceedingly slight thread. According to one of these theories, called the "Aqueous," the clefts or dykes in the rock were filled up by infiltration from above, and the metals, held in solution, gradually deposited on the sides of the dyke. According to the other theory, called the "Igneous," these dykes extend down to the subterranean fires of the globe, and the metals,

fused to sublimation, ascending thence in the form of vapor, have returned to their solid state on meeting the cold air in the upper portion of the dykes. Neither of these theories account, in a manner at all satisfactory, for the presence of a matrix in the dyke, among which the metal is distributed. Sir RODERICK MURCHISON maintains that, however the ore may have been originally diffused in the matrix, it was segregated from the matrix, and formed into veins, geodes and strings, at a comparatively recent (geological) period. With the practical difficulties of this subject, which have so long embarrassed the geologist and the mineralogist, we cannot pretend to grapple; but it is worth while to inquire whether a reconsideration of the igneous theory, in connection with this vast gold-bearing formation, might not be likely to afford new light, and to lead to some saving in the immense sums now expended, and in many cases lost, in tracing metalliferous veins. Auriferous quartz reefs are now admitted to be true mineral veins. So far, we have one step certain. It is also certain that gold resists almost all the influences to which the metals, *in situ*, are exposed, and which have caused so many secondary changes in baser metals after deposition in their lodes. Quartz, too, the matrix of gold, would appear to have a like exemption from such secondary changes. In the auriferous quartz reef, then, we are brought face to face with a condition unchanged since the original formation of the vein—an opportunity which may be in vain looked for among any of the baser lodes.

The latest contribution to the geology of Australia is that of Mr. JULIAN WOODS, who writes with great spirit and precision of the southern portion of the territory which he had occasion to explore. His observations on the volcanic action, which may be traced in South Australia, are extremely curious, and the following remark belongs to the inquiry on which we are now engaged:

“At about fifty miles east of Mount Gambier, on the Victoria side of the boundary, there commences an immense volcanic district, which may be traced, with very little interruption, to Geelong, (262 miles distant,) by immense masses of trap-rock and extinct craters of large dimensions. This kind of country extends considerably to the north of this line; and it is underneath the trap-rocks there found, at the junction of the Silurian slates and ancient granites, that the extensive Australian gold-fields are worked. This large tract of country has evidently belonged to one immense subterranean igneous lake, and the various craters which appear are evidences of the manner in which it has sought relief from time to time.”—(Woods' *Geology of Southern Australia*, p. 290.)

But the occasional occurrence of gold in connection with these trap-rocks and underneath basalt (the blue-stone of the diggers) is accidental. Mr. Woods thus gives the history of these formations:

“Gold veins occur in rocks of the lower Silurian age, which cropped out on the former soil of Victoria. These were decomposed by the action of water in creeks, or by weathering. The gold thus liberated became rounded by attrition into “nuggets,” and deposited in the alluvial soil formed of decomposed rock. After these operations, and in no way connected with them, the land was overflowed by lava, and many creeks which were full of nuggets were thus covered over. Miners are

sometimes much astonished at finding trees and fragments of pebble, rounded, underneath the blue-stone they have penetrated. The former existence of creeks explains the difficulty. One of the richest gold-fields, perhaps in the world, is worked in the bed of an ancient creek thus covered over. This is the Clunes Mine, at Creswick's Creek, not far from Ballarat. To look for gold, then, because trap-rock occurred, would be like searching for it in tertiary limestone." (Woods, p. 297.)

IV. *Asia*.—Leaving, then, this vast basin of the Pacific, which a chance discovery within our own day has suddenly covered with noble fleets, and lined with a hardy race, laying the foundations of empires, we shall now return to our original purpose, and, by aid of the results of some dozen years' gold-mining on its western arm, endeavor to obtain some insight into the future progress of the vast regions now being peopled. We must again ask the reader to accompany us to the great mountain chain of the Antipodes, the largest fragment now left on the Asiatic side of this gold-bearing elevation. The northern portion, however, of this range, between New-Guinea and the tropic, remains as yet wholly unexplored. On the tropic, the gold-field of Canoona was discovered in 1857, and brings evidence of gold so far to the north.* From Canoona, travelling southward along the ridge, we enter the colony of New South Wales, and pass, on our right hand and on our left, its several gold-fields. Arriving at the southern extremity of New South Wales, we stand on the boundary line of the colony of Victoria. Here, amid perpetual snow, the only great stream of Australia, the Murray takes its rise at the base of the loftiest pinnacle of the range. Even here, however, we are not above the line of gold-fields. Kiandra, or the Snowy River gold-field, attracted to this spot its thousands of gold-miners from the neighboring colonies, in 1860, and still maintains a large gold-mining population. Thence the range pursues its southern course across Bass Strait, and enters the island of Van Diemen's Land.

V. *Victoria*.—Our way, however, lies through the colony of Victoria. At the sources of the Murray, the Great Range of Australia throws off an immense spur at right angles to itself. This spur, however, does not make for the Pacific, as some of the great auriferous spurs of our eastern arm—the Sierra Nevada of California, the Peak Range of British Columbia—but tends in the opposite direction, and traverses the whole colony of Victoria, from east to west, scattering itself towards the west into the Australian Pyrenees, the Grampians, Mount Arrarat, Mount William, and other small offshoots and hills, until finally it disappears altogether. This spur bears the same relation to the colony of Victoria as the Great Coast Range to the whole of Australia, and, indeed, is known within the colony as "the Dividing Range," under which title we shall in future

* As the gold-field of Canoona, in the neighborhood of Port Curtis, lies within the new colony of Queensland, we might have added another to our list of gold-bearing British colonies. The gold deposits of Canoona, however, though exceedingly rich, were not traced to any considerable extent, and the gold-field has been since almost abandoned—the miners returning to the better known districts of New South Wales and Victoria.

speak of it. As the auriferous quartz reefs and alluvial gold deposits found along the slopes of this spur far exceed in richness any hitherto discovered on the main elevation, we shall take a hasty glance at its chief natural features before confining ourselves to the operations of the gold-miner.

The ridge of the Dividing Range of Victoria maintains a mean distance of about seventy-five miles from the sea-coast, along Bass Strait, from which there is a gentle ascent—the ridge itself, or more generally the broken, thickly-timbered table-lands which form its highest elevation, seldom rising, exclusive of a few peaks, more than 1,000 feet above sea-level. Towards the interior of the colony, the fall is even more gentle, the country opening out into wide plains and lightly-timbered park-like districts, until the River Murray, the northern boundary of the colony, is reached, at a distance of some 200 miles from the highest elevation.

Indeed, we may here observe, the whole of the vast binary system, with its subsidiary ranges and spurs, surrounding the basin of the Pacific, is throughout separable into two distinct features. We have, first, a slope on each side leading up to the culminating ridge, or line of fracture, and which we may call the auriferous regions. These slopes have little of the ordinary appearance of mountains, and seem mere crumplings and swellings of the plains at their base; their strata being upheaved into undulations probably from the motion of the molten mass beneath, without any rupture of the surface. Next, we have the culminating ridge, shot up perpendicularly through the line of fracture, and assuming all the fantastic shapes—domes, pinnacles and turrets—to be found amid the snow-capped Andes and Australian Cordillera. This latter feature appears to be wholly non-auriferous, and is entirely wanting on some of the smaller spurs, as, particularly, the Dividing Range of Victoria, where the molten mass has come to the surface only in single points, and has formed no line of fracture through the earth's crust. HUMBOLDT'S description of that portion of the American arm which traverses Mexico affords an excellent picture of the more general features of the whole system. After alluding to the prevalent idea, chiefly formed from incorrect maps, that this mighty chain runs through North and South America like "a rampart wall," he continues:

"In reality, however, the mountainous part of Mexico is a broad, mighty intumescence, which does, indeed, hold its way continuously at a height of from 3,500 to 7,400 feet in the assigned direction, between the two seas; but upon which, as in the Caucasus and Central Asia, loftier volcanic mountain systems, following partial and very different directions, rise to above 15,000 and 17,800 feet. The direction of these partial groups, which have broken forth over fissures which are also not parallel with each other, are, for the most part, independent of the ideal axes which can be drawn through the middle of the whole swelling wave of the flattened ridge. These remarkable relations in the form of the ground occasion an illusion which heightens the picturesque effect of this beautiful land. The grand mountains, clothed with perpetual snow, appear to rise as from a plain. The surface of the softly-swellling undulations on the high plain is scarcely distinguished from the plains of the lowland,

and it is only the climate, the diminished temperature under the same parallel of latitude, which reminds us that we have ascended."*

Now, if from this "broad intumescence" we wholly remove its towering "mountain system," or, at least, leave merely an isolated peak here and there, and reduce our remaining "swelling wave" to a scale of some two and a half inches to the foot, that is, from 5,300 feet of elevation to some 1,500, in changing from the main axis itself to its subsidiary spurs, we shall have an exact picture of that branch spur known as the Dividing Range of Victoria.

A spur itself, it, however, has its own spurs, which it sends to the right and left, and which penetrate to a considerable distance from the main line of intumescence. Advancing from its junction with the Great Coast Range of the continent, we pass the Dandenong Ranges, the Plenty Ranges, the Mount Alexander Ranges, the Crowland Ranges, the Pleasant Ranges—all highly auriferous, and many of them carrying far into the surrounding plain the richest gold-fields in the world, as Bendigo, the Ovens, M'Ivor, &c. The few peaks which rise above the surrounding swell along the line of the main ridge, and, more usually, on its branch ranges—as Mount Alexander, Mount Arrarat, Mount Blackwood—where the underlying granite has shot up through the sand stone strata and wholly displaced them, have, though not found auriferous, as the most distinguishing features of their districts, in many cases given their names to adjacent gold-fields. Besides these non-auriferous peaks, we occasionally find small patches of country where the granite has risen to the level of the surface without actually bursting forth, in which also the stratified rock has disappeared: "Irregular-shaped areas of various extent, exclusively occupied by granite rocks, occur at intervals throughout the gold-fields. The quartz veins are suddenly cut off on coming in contact with the granite, and no gold has ever been obtained from these granite areas at a distance from their conjunction with the stratified rocks."†

With these exceptions, the whole of the Dividing Range of Victoria, and its several branch ranges, extending sometimes for a distance of fifty and sixty miles on either side of it, may be regarded as auriferous, being traversed, from their first faint upheaval on the surrounding plain to the culminating ridge, by a system of frequent and parallel quartz reefs, and containing at present between eighty and one hundred known, and as yet isolated, alluvial gold-fields, whose boundaries are, however, daily extending and approaching toward each other, leaving little doubt but that they will ultimately unite and form one continuous network of golden "leads," with meshes, of course, more or less wide, occupied by these non-auriferous patches. The whole of this region of intumescence, including its non-auriferous patches, may be roughly set down at 30,000 square miles, the whole area of the colony itself being estimated at 86,831.

In the Dividing Range and its offshoots arise the few streams of the present day which find their way, or attempt to find their way, to the

* "Cosmos"—General SAMWELL'S Translation.

† "Report on the Quartz Reefs of Victoria, 1860," by Mr. SELWYN, the government geologist.

ocean on one side, or the Murray on the other. Scarcely any one of these streams deserves the name of river. They are, in fact, the Australian "creek;" a succession of ponds, or water holes, almost dry and totally unconnected during the six or eight summer months, and, during the remaining portion of the year, strung together by a muddy torrent. They would appear to have no influence whatever on the unsealing of the auriferous quartz reefs and the consequent deposition of gold in leads and gutters on the bed-rock, or "bottom;" though, as water is essential to the separation of alluvial gold from the "wash-dirt," or auriferous stratum, by the miner, each gold-field has generally been opened in the neighborhood, or along the course of some creek or water-channel.* The beds of the ancient streams which broke open the upper portions of the quartz reefs, and scattered their contents on the floor of the bed-rock, now lie buried beneath accumulations of non-auriferous detritus from the adjacent hills and ranges, and have long ceased their operations. These same accumulations of detritus, too, cover the remaining portions of the quartz reefs, and protect them from further injury; so that all gold-mining operations of nature, if we may so speak, throughout the whole of this auriferous region, have long ceased. To a great extent, indeed, this is true throughout the whole system encircling the Pacific, and, with even less exceptions, along the gold-bearing flanks of the Ural, as described by MURCHISON. Where, however, as in New South Wales and California, snow-capped ridges shoot high above "the broad intumescence," and send down streams so impetuous as to eat into the living rock, and to keep their beds clear of all accumulating debris, the quartz reefs are still losing their upper portions, and parting with the gold disseminated through them.

With this hasty glance at the chief natural features of that portion of the auriferous system within the colony of Victoria, we shall now confine ourselves to the operations of the gold-miner upon it.

V. *Legislation.*—"An act for the better management of the gold-fields of Victoria," passed in 1856 by the Colonial Parliament, divides the whole of this auriferous region into six mining districts, each called after its chief gold-field, or, more properly, the chief town on its chief gold-field, which does not always bear the same name. We have thus the six following mining districts: Ballarat, Castlemaine, Sandhurst, Maryborough, Beechworth, Arrarat. This division is purely arbitrary, and is unconnected with any geographical or mineralogical features. The sole connecting link between the colonial government and the gold-fields is the warden—the gold commissioner of the early "digginga." His duty is restricted to the settling of small disputes in gold-mining operations; reporting on the advisability of granting crown leases of auriferous lands to co-operative companies; and drawing up returns as to the state of his gold-

* So, too, the auriferous alluvial deposits of the Ural chain: "Varying in thickness and importance according to the original depressions, or cavities, in which they have been deposited, these materials lie at all levels, the little modern stream having had no sort of influence in accumulating them."—*Russia and the Ural Mountains*, by Sir R. MURCHISON.

field. Each gold-field, and sometimes each division of a gold-field, where it is a large one, has its own warden, whose correspondence with the government, however, passes through the hands of the chief warden of the district. With these duties their interference in the economy of the gold-fields ceases. Each mining district possesses its own mining board, composed of members, one from each of its separate gold-fields and elected—every thing being, of course, done by ballot—by its resident gold-miners, each of whom possesses a returning vote, and can also sit as a member of the board if returned. These boards arrange all gold-mining operations within their respective districts. They determine the quantity of ground to be held by each miner, or co-operative company of miners; their tenure, by lease, or actual occupation, or, in cases, by the employment of a specified number of laborers or amount of machinery; the different modes by which the various operations of quartz-mining, alluvial-mining, deep-sinking, shallow-sinking, sluicing, puddling, are to be conducted; and, in general, construct all by-laws proper for their respective districts, and consistent with the general terms of the gold-fields act. Each member receives a small allowance for his attendance on board days, and holds office during three years, with power of re-election. Within each mining district there is also established a Court of Mines, before which come all gold-mining disputes above the adjudication of the warden. The judges of the Courts of Mines, in common with the Supreme Court judges of the colony, are entirely independent of the government, and hold office *quamdiu se bene gesserint*. Matters of considerable importance, and of curious intricacy, come before them. There is, however, a power of appeal from their decision to the Supreme Court of the colony. Courts of Petty Sessions are held once a week throughout the gold-fields' towns; most of the principal storekeepers and the wealthier quartz-miners and alluvial claim-owners holding the office of Justice of the Peace. A rural police, closely resembling the Irish constabulary, are thinly distributed over the mining districts; and a visit from the judges of the Supreme Court every half-year, at a general gaol delivery, is the sole remaining trace of centralization. When it is considered to what nice questions of law mineral property of this kind must give rise, it is most creditable to the Victorian community that they have extemporized a system of jurisprudence and procedure apparently well adapted to the circumstances of the case.

Such is the simple machinery by which law and order are preserved in the gold-fields of Victoria. Nothing can well be imagined less officious or embarrassing to their occupants. Indeed, the Victorian gold-fields are at present models of industry, order, and, we may add, sobriety. The magnitude of the works into which co-operative societies of gold-miners now enter, and the many lives which depend on the punctilious discharge of the duties assigned to each member, have brought about a condition of society in strange contrast to the excitement and violence of earlier years. The immense introduction, too, of machinery has contributed to this rapid change. The individual miner possesses less and less power. The inducements to form one of a co-operative company for deep-sinking or quartz-mining become greater every day. This the Colonial Parliament has greatly assisted by its Mining Association Act—though the act

itself is capable of some further improvements. Hence, the gold-miner has strong and increasing inducements to husband his savings. Heavy and expensive machinery, too, and the works which are now undertaken, extending over a period of several years,* have obliged the gold-miner to adopt a more settled mode of life. The deep-sinker and the quartz-miner have exchanged their tents for comfortable brick cottages; if married, they have "sent home" for their wives and children, and a wealthy village, topped by the engine-house, with its tall and handsome chimney, marks the site of some "claim" which is expected to give remuneration for the capital expended on it for several years to come. The whole of the gold-fields are now being thickly studded over with such villages; while each of the larger gold-field towns is an independent municipality, under the Municipal Towns Act, passed so early as 1854, and levies its own rates for improvements, water, lighting, &c. Some of these towns contain as many as 20,000 and 30,000 inhabitants, and possess public buildings far superior to those of English towns of equal population. In the words of the parliamentary papers before us—"Their streets are well metalled and paved, lighted with gas, and supplied with water. Substantial edifices of brick or stone have replaced the original weather-board structure, and handsome buildings for all public purposes have been erected either by the government or the town council. * * *

Nor are the improvements confined to the larger or older townships, for of the dozen minor ones through which I passed—Kyneton, Malacombury, Tarradale, Chewton, Inglewood, Tarrengower, Dunolly, Carrisbrook, Maryborough, Amherst and Talbot, Clunes and Creswick—some not in existence when I last travelled that way, others not even yet incorporated—there were several quite on a par with what I recollected the chief gold-fields towns to have been."† Railways of a very superior and permanent structure are in the course of formation to connect these towns with the metropolis. That to Ballarat has been already opened. Another to Mount Alexander, and thence to Bendigo, is almost completed; and the ground for several branch lines between the gold-fields' towns themselves is already surveyed. The lines actually opened in the colony of Victoria, or on the point of being opened, amount to 351 miles. Though constructed at a heavy cost, averaging about £35,000 per mile, there is little doubt but that they will return a fair interest on the capital invested, when sufficiently completed to assist each other. In the mean time, a large and remunerative passenger traffic is conducted by fast and well-appointed American coaches throughout the whole of the mining districts.

VII. *Population.*—The total number of persons residing within these six mining districts is given as 233,501; of which 90,364 are returned as directly employed "in the extraction, by washing, crushing or other mode,

* In some cases it takes as many as four years to bore down to the auriferous stratum.

† Dispatch of Sir HENRY BARKLY, Governor of Victoria.

of gold."* These latter, then, are the actual gold-miners of Victoria, the remainder of the gold-fields' population being made up of their wives and families and the host of followers who supply their necessaries, comforts and amusements. To the operations of these 90,364 gold-miners we shall now entirely confine ourselves. For which purpose we shall select the two chief gold-fields on which the two great branches into gold-mining has now separated—quartz-mining and deep alluvial-mining—have most extensively developed themselves. All the operations carried on in gold-mining are, indeed, to be found on each gold-field, but as Bendigo is not the great seat of quartz-mining, Ballarat has, from its discovery, been of deep alluvial-mining, we shall ask the reader's attention to each in its turn.

VIII. *Ballarat.*—Ballarat, situated on the culminating ridge of the main line of elevation, was the first gold-field opened within the colony of Victoria, and it cannot be without interest to examine the changes which eleven years of uninterrupted gold-mining has had upon it and its surrounding district. The gold-field of Ballarat is the largest gold-field within the mining district of Ballarat, to which it gives its name, and is itself the centre of a cluster of outlying gold-fields—as Creswick, Smythe's, Egerton, Cordon, Steiglitz, Clunes, Minton's, Carnham, &c., destined, doubtless, in the course of time, to merge into the gold-field of Ballarat. Its chief town, also called Ballarat, occupies the centre of the gold-field, and gold workings are actually conducted some 300 or 400 feet beneath its surface. Indeed, the gold workings of Ballarat interfere but little with the surface, and throughout the whole district cattle graze, and agricultural produce is grown over its most valuable and active gold-mines.

The town of Ballarat is, with the exception of Sandhurst, (the chief town of Bendigo Mining District,) and perhaps, we might say, of Castlemaine, (the chief town of the Castlemaine, or Mount Alexander Mining District,) with which it contests the palm, the largest town within the six mining districts. It has, of course, wholly sprung up within the last five or six years, the site of the Ballarat gold-field being at the discovery of gold an unexplored forest. It now contains some 5,000 stone, brick and wooden houses, and several very superior public buildings. There are nine banks, all handsome stone buildings; upwards of a dozen places of public worship; a large and most excellently conducted public hospital, of immense importance where mining accidents are of such frequent occurrence; a very fine Mechanics' Institute and reading-room; a handsome and excellently arranged gaol and court-house; a town-hall, three theatres—one a very handsome and commodious building, with a good front to the main-street, and an abundance of hotels. All the houses are supplied with gas and water, and rows of English cabs stand in the leading streets.

* "Gold-field Statistics," issued from Mining Department of Victoria, 1862. By general census taken in April, 1861, we see the total population of the colony of Victoria amounts to 540,322 souls. The population, therefore, is pretty evenly divided between the mining districts and the remainder of the colony.

Ballarat publishes two daily newspapers, which have a large circulation over the surrounding district. But the feature which particularly strikes the traveller on approaching the town is the number of pretty brick three-roomed and four-roomed cottages, with their neat gardens of clustering vines and roses, which absolutely luxuriate here, forming the outskirts of the town. Though distinct from the surrounding gold-mines, the inhabitants of the town are deeply interested in gold-mining speculations. The preliminary operations before the auriferous stratum can be reached and gold obtained, are tedious and expensive, requiring in most cases the erection of powerful and costly steam-machinery. Many of these works are commenced by companies of gold-miners possessed of little capital. The excellent mining regulations of the district, to which we shall presently ask attention, have, however, given considerable security to such operations. A company in possession of a "claim" on an established "lead" is readily assisted by private individuals, and even by the banks, at the current rate of interest on good security. The store-keepers, too, are not unwilling to give credit for a year, and even longer, to shareholders in such co-operative companies. In this manner the inhabitants of the town of Ballarat—and, indeed, of all the gold-fields' towns—though taking no active part in gold-mining operations, are closely associated with the surrounding actual gold-mining population, whom, in their turn, they find to be liberal customers.*

IX. *Ballarat Gold-fields.*—Mining operations on the Ballarat gold-fields are carried on entirely by "deep-sinking"—the auriferous stratum being seldom found at a less distance than 300 or 400 feet below the present surface. What was the surface of the earth when the auriferous quartz reefs were broken open and their contents distributed anew by ancient streams and water-courses, is known to the gold-miners as "the bottom," or bed-rock—a soft argillaceous schist, or pipe-clay, the washings, doubtless, from the stratified rock, carried on for ages before gaps began to be formed in the quartz reef. Over this floor the auriferous stratum, or "wash-dirt" of the gold-miner, is not distributed equably, nor in patches, as on shallower gold-fields, but in continuous channels, or "leads." Thus, while there are fair grounds for supposing that the shallower gold-fields of the colony are the sites of ancient lakes, the slow action of whose waters, aided probably by atmospheric influence during seasons of drought, had disintegrated the upper parts of the quartz reefs and deposited their auriferous detritus in the deeper portions of their beds—in a manner similar to the lacustrine deposits of the Ural, as described by МУСЧИНСОУ—there is little doubt but that Ballarat and other deep gold-fields owe their alluvial deposits to broad and powerful streams, whose beds, for

* This gold-field produces about 8,000 ounces of gold per week, value, £32,000,¹ most of which passes through the hands of the storekeepers. This is, of course, exclusive of large and increasing agricultural and horticultural operations growing up around the gold-field, the soil being found of the most excellent quality.

¹ Ballarat gold is reckoned the purest in the colony. At £8 17s. 10½d. per ounce for standard gold, Ballarat gold is worth, in reality, about four guineas per ounce. There is, however, an export duty of half a crown, and freight and insurance further reduces it to £4 per ounce.

tuons, meandering, continually breaking off into new directions and returning into themselves, even sending off branches which again return*—like nothing save an Australian river of the present day—and now long buried beneath accumulating detritus, form the present “leads.” When, however, the disintegration of the quartz reefs had ceased, and their gaps, in common with the whole of the auriferous stratum now deposited, had become covered and protected from further change, by overwhelming accumulations of non-auriferous detritus from neighboring heights and slopes, other operations of nature began. From various centres, reservoirs of molten basalt burst forth, spreading in wide floods over these leads, sometimes within a few inches of the top of the auriferous stratum—on Ballarat generally from six to ten feet thick—though never disturbing it, and sometimes one or two hundred feet above it, and separated from it by non-auriferous accumulations of sand, gravel, pebbles and fragments of rocks.

When these floods cooled into an exceedingly compact and hard stone—known as “blue-stone,” and extensively used for building purposes throughout the colony—they, in their turn, became covered by non-auriferous accumulations from the surrounding heights and slopes, to be again overwhelmed by new floods of basalt bursting forth at new periods. In this manner we find auriferous leads, once broad and deep channels cut in the living rock, now buried beneath four and even six layers of basalt, with their intermediate accumulations of non-auriferous detritus, and all trace of their course obliterated from the present surface of the soil. To add to these difficulties in “striking a lead,” the gold-miner has also to contend with immense bodies of water which have percolated through the loose sand and gravel from the surrounding heights, and now lie stored between these alternate layers of basalt, and which pour in from all sides when a shaft reaches a water-level.

Under these circumstances, “deep-sinking” would be the most insecure of all mining speculations, but for a regulation which has gradually extended over all the gold-fields, and is now embodied in an act of the Colonial Parliament, known as the Frontage Act. The Frontage system may be thus briefly described. A lead being discovered, of which the discoverers are bound to give notice, or forfeit their right to an “extended claim,” the Mining Surveyor, an officer under the Mining Board, records the name of the lead, and apportions their claim to the discoverers; its area depending on the depth of the lead from the surface and the number of associated miners in the party. The next associated company which applies for “registration” is entitled to Claim No. 2, and to no other. And so with Claim No. 3. In this manner some 50 or 100 claims are “registered,” extending over several miles, before the holders of Claim No. 2, have begun to remove the first sod, or the future course of the lead is determined, save by the merest conjecture. These registered claims, therefore, have an existence merely on paper. And here the Frontage Act comes in. A claim under the Frontage system is bounded on two

* The “ana-branch” is still a characteristic of the Australian river of the present day. A branch starts from the main channel without any assignable cause, traverses a large district, and again joins the stream at a lower portion of its course.

sides only—by two parallel straight lines distant from each other by the number of lineal feet allowed to the registered claim-holders—on the other two sides the claims being left boundless until the lead is crossed. In this manner, wherever a registered company may choose to commence their shaft, no new company can come between them and cut them off from the portion of lead to which they are entitled. Great care is taken to commence the shaft as near as possible to the actual course of the lead; the process of “driving for the lead” being the most tedious and expensive to which the gold-miner is subject; but however great be the error, the intervening space is secured from all trespass. Such is the main feature of the Frontage system. Though exceedingly simple, it has, however, led to frequent and harassing litigation, and has, more than once, been sought to be upset altogether; it being denied that a boundless “claim” was any “claim” at all. The frequent crossing, branching and junction, too, of leads, have led to further confusion.

Having registered a claim, its holders generally wait until the lead has been traced up to within a short distance of them—the discovery of gold in each successive claim being announced by a flag placed over the mouth of the shaft. Having determined “to commence sinking,” the claim-holders choose a site for their shaft. A previous course of boring by means of iron rods generally affords some tolerable clue to a selection. The ancient streams, now known as leads, which hollowed out channels for themselves in the living rock, left banks composed of the same rock on each side of them. It is between these banks that the floods of basalt have, for the most part, flowed and hardened into solid beds; and though banks, basalt and channels are now levelled over by later debris, the presence of a deep bed of basalt, ascertained by boring, is usually taken as a fair indication that the lead is not far off. A strong scaffold, some eight or ten feet high, is erected over the site of the shaft, to save the labor of carting the soil to a distance from the pit’s mouth, and the sinking is begun. A rope and a bucket, a rude windlass, and the ordinary miners’ pick and shovel, suffice until a layer of basalt is met. Then the pick and shovel are exchanged for blasting powder and the “jumper.” When the layer of basalt, from ten to one hundred feet thick, is penetrated, the great expense begins. Torrents of water inundate the shaft. Steam machinery and powerful pumping apparatus have now to be erected. The various foundries established at Melbourne, and even on the gold-fields, are, however, generally found willing enough to assist the holders of a well-situated claim on an established lead. The whole shaft must now be “boxed,” to keep out the water. Strong planks of the blue gum—a wood almost as heavy as iron—some six inches thick, are formed into a water-tight frame all down the shaft, as the miner descends. The “engine” is, however, the miners’ great friend, and scarcely any deep-sinking is now ever attempted without a powerful steam-engine. It keeps down the water, hauls up the buckets of soil and rock taken from the shaft, lowers down the timber used for boxing, supplies the shaft and “drives” with fresh air, and, when the auriferous stratum is reached, puddles, washes and separates the gold from the wash dirt.* It some-

* “Gold-field Statistics,” for the year ending 1861, set down the total value of steam machinery on the Victoria gold-fields at £1,411,012.

times takes three, four and even five years before the miner descends to the level of the lead, and, not seldom, overpowered by water, he is obliged to abandon his claim altogether.

When the level of the lead is reached, the great question is to determine in what direction the lead is. It may be north, south, east or west of the shaft. Tunnels, or "drives," are, therefore, formed in various directions, all of which must be boxed, and supported by strong wooden pillars, fitting close to each other, along the sides and roof of the drive, as well to keep out the water as to prevent the loose gravelly stratum from falling in.

Of the rapid extension of this description of gold-mining, we find further and interesting particulars in the Parliamentary papers before us. Alluding to the geological researches of Mr. SELWYN, the Governor of Victoria writes :

"In one class of alluvial digging, indeed, to which he was, I believe, the first to direct attention—the sinking through the trap-rock to the ancient water-courses, which were covered late in the tertiary period by that volcanic eruption—I found the most extraordinary progress had been made since my former tour. It was then confined exclusively to Ballarat, except in a few instances, where hill-sides had been tunnelled on the Loddon and some of its tributaries, (in the Castlemaine, or Mount Alexander Mining District,) though it was predicted by the Mining Commission that gold would be found all the way to the Pyrenees, though it might be at a depth of several hundred feet. This is slowly being proved in the direction of Creswick and Clunes up to two remarkable volcanic hills, Mounts Greenock and Glasgow; but the operation of deep-sinking is tedious, and requires a large capital, and it is only in the immediate vicinity of Ballarat that the results can be seen to advantage.

"As an example of what has been there accomplished, I may cite the case of the Great Extended Company on the Redan Lead, whose shaft I, at the invitation of the shareholders, all working miners, descended. It was begun in 1857, and before the solid rock was pierced to the depth of 350 feet, three years and a half expired, and nearly £20,000 had been spent in pumping-engines, timbering, &c., without reckoning the value of the labor of the eighty shareholders, worth at least as much more. This outlay, great as it was, has been richly rewarded, for in fifteen months from June, 1860, when they "bottomed," as it is called, on the gold drift, 17,610 ounces of the precious metal had been raised, valued at £70,442; and this, too, while they have been merely engaged in tracing the course of the "gutter," or bed of the former stream, which has been found as wide as 200 feet in the extreme point to which they have driven, which is about 1,500 feet from the base of the shaft. As each man, by the mining regulations, was allowed fifty feet along the supposed lead, the company has 4,000 feet to drive before they reach their next neighbor's boundaries; and it is supposed, therefore, that the claim will yield as well as hitherto for ten years to come. * * * *
When it is considered that this company is but one of scores around it, all in different stages of progress—some down 500 feet, and not yet at the bottom—and that this underground treasury extends, in one direc-

tion alone, seventy or eighty miles, it will be clearly seen, that however rapidly the surface diggings may be exhausted, these buried drifts will afford work for generations yet unborn."

X. Bendigo.—We shall now ask our readers to accompany us to the Bendigo gold-field.

Here we arrive at a totally new order of gold-mining. Bendigo, the central and largest gold-field of the Sandhurst mining district—its chief town, Sandhurst, being marked by the same rapid progress as the town of Ballarat—is about seventy miles from Ballarat, on the north side of the Dividing Range, a line thither cutting the main axis of elevation at right angles. We pass, however, through numerous gold-fields on our way, as Creswick, Yandoit, Crowlands, Fryer's Creek, and through the whole mining district of Castlemaine. After which, we come to the borders of a large granite area, stretching for twenty-five miles to the commencement of the Bendigo gold-field. The granite, however, barely comes to the surface, though the stratified rock has wholly disappeared, and the whole area is not higher than the surrounding country. The soil, chiefly formed from decomposed granite, is light and sandy, but forms good pasture land. Bendigo is, or was, a shallow gold-field. Its famous gullies, which yielded so many pounds' weight of gold to the tub, were scarcely a yard deep. The soil from these, however, has been literally cleared away—leaving the bed-rock exposed—and passed through puddling machines; whence it has issued in the form of "sludge," or liquid mud, large lakes of which may be seen in all directions, overwhelming gardens and cottages, and, though restrained by numerous acts of the Colonial Parliament, threatening at several times to put a stop to all operations.

Within these last few years, however, works in alluvial-mining have extended considerably on the north side of the gold-field, where the bed-rock was found to descend rapidly from the surface. Here, for twenty or thirty miles, this extension of the Bendigo gold-field is now being worked on a plan similar to that we have already described on Ballarat—the patchy, irregular and unconnected auriferous stratum of Old Bendigo, which we must undoubtedly attribute to lacustrine deposits, here forming itself into distinct and continuous "leads." But it is on the Old Bendigo of 1851 that the chief gold-mining activity is now concentrated. Here, on an area of some forty square miles, the solid rock is being burrowed like a rabbit-warren, and a thousand steam engines, with their ponderous deafening quartz-stampers, ply incessantly, day and night. There seems no reason to suppose that the auriferous quartz reefs which traverse the stratified rock occur more frequently on Bendigo than on the other Victorian gold-fields. More rich in the precious metal they certainly are not. But the very slight depth of the bed-rock from the surface, and the exposure, by the entire removal of the surface soil in alluvial-mining, of the gaps worn by disintegration in the quartz reef, and its enclosing sandstone, led to the introduction of quartz-mining at an early period on this gold field; and though this branch of gold-mining is now rapidly extending over the whole of the auriferous region of Victoria and New South Wales, Bendigo still maintains its preëminence for quartz-mining.

XI. *Quartz*.—At first, detached fragments of quartz lying about these gaps and on the surrounding heights, where the reefs “cropped out,” and were exposed to disintegration from atmospheric action, were collected by the miner, and pounded by hammer. The great richness of these fragments soon led him to penetrate the reefs at these points, where it was found to descend, almost vertically, parallel with the stratification of the enclosing schists and sandstones. These researches soon led to the discovery that the reef also extended indefinitely on each side, though there might be no appearance of quartz on the surface, and though the exposed portion of the schist or sandstone might exhibit no trace of containing a quartz reef. These quartz reefs were found of all thickness, from a mere film to thirty and even fifty feet. In a vertical direction, their depth has hitherto been unascertained, and they would appear to descend without limit into the earth’s crust. The length, in a horizontal direction, is stated to be within more definite limits; though, as the top ridge of the reef descends rapidly from the surface, and “claims” are seldom taken up on a reef after it has sunk a couple of hundred feet from view—from the great expense of boring down through the solid sandstone rock—the evidence on this point is unsatisfactory, and it has been even doubted whether a reef tops at all within the bounds of auriferous elevation. Up to the present, six or eight miles is the longest distance to which a reef has been traced along the surface.

The richness of these quartz reefs is of the wildest and most uncertain character. Sometimes their upper portions only are found to be auriferous. Sometimes the miner meets no gold until he has removed one or two hundred feet of reef. The owners of one claim find a sudden fortune, while their neighbors on each side of them, on the same reef, are unable to meet a particle of gold. Sometimes a reef along its whole extent is remarkable for its richness. More often, a whole reef contains no gold at all. Yet, notwithstanding these extreme uncertainties, the immense and rapid fortunes obtained by individual quartz-miners threw the whole of the colony, some five years ago, into an excitement fully as intense as that arising from the early discovery of its alluvial gold deposits. Melbourne did not, it is true, rush off to quartz-mining, but quartz-mining came down to Melbourne, and was virtually carried on in the offices of the Melbourne brokers and share-agents. Such a speculation, requiring the aid of powerful and expensive machinery, and where no gold could be secreted until it had passed through the stamping-mill and the furnace, seemed the most legitimate of all undertakings for large public companies employing hired labor. Dozens of growing prospectuses issued daily from the brokers’ offices; and, at one time, no less than two hundred large public companies, representing a capital of over one million of money, might be counted in a colony then numbering less than half a million of souls. Doubtless, a good deal of this existed merely on paper; yet it is certain that no less than three-quarters of this sum, or £760,000, were actually paid up. Almost every man in the colony was a shareholder in some half dozen quartz-crushing companies, and numberless were the instances where he had laid out all his spare cash in the purchase of shares for his children.

XII. Quartz-Mining.—Quartz-mining speculation was at its height when the publication of a new edition of Sir R. MURCHISON'S "*Siberia*" again drew attention to the important question of the durability of these auriferous quartz reefs, and induced a reconsideration of the subject. From that reconsideration, quartz-mining by means of large public companies never recovered. Hitherto it had been assumed that a quartz-mine would be found to be inexhaustible; that it would preserve its auriferous character as it descended from the surface. But sufficient doubt has been thrown on the subject to deter the non-mining portion of the community from further speculation. Sir RODERICK, who had long entertained and expressed the conviction that the yield of gold invariably decreases with the depth of mines, has candidly acknowledged, in his last edition of "*Siberia*," (p. 495,) that if the quartz reefs yet untouched in Victoria prove as rich as several now worked with good profit, the future supply of gold from them will continue to be very large. We are informed that from the machinery now applied to these operations, gold crushing is found to be profitable in California, though no more than one *four-millionth* portion of the precious metal is obtained from the quartz.

In the mean time, the question which has at least hastened this reaction—for a reaction would certainly have come—remains unsolved. That the Australian quartz reefs lose their auriferous character as they descend from the surface has not been demonstrated, though in many instances it has certainly proved to be the case. To the statement that quartz reefs in other parts of the world have been abandoned, it is readily answered that nothing like efficient machinery has ever been brought to bear upon them.* The scientific men of the colony almost unanimously agreed from the beginning with the view put forward by Sir RODERICK MURCHISON. The practical quartz-miners, who have expended upwards of a million of money in expensive machinery, indignantly oppose it up to the present moment. Mr. SELWYN, indeed, the government geologist

* "No shaft has been sunk lower than 28 fathoms, and no perceptible change was observed in the nature of the mineral substance at that depth; but owing to the influx of water and the want of steam, the works, at the period of our visit, were only carried on at a level of sixteen fathoms."—Sir R. MURCHISON'S *Russia and the Ural*.

What a contrast is here presented to the mining activity of Victoria, where a region as large as Scotland contains many thousands of shafts sunk to fifty and sixty fathoms in the solid rock, and all at present worked by steam machinery, performing all mining operations save the mere detaching of the "stone" from the reef. Of if contrast could be more marked, we may behold it in the rude, barbarous system of gold-mining carried on among the quartz reefs in that portion of our vast gold-bearing system traversing South America, as described by Mr. DARWIN, in his "*Voyage of a Naturalist*:"—"The mine is 450 feet deep, and each man brings up about 200 pounds weight of stone. With this load they have to climb up the alternate notches cut in the trunks of trees, placed in a zig-zag line up the shaft. Even beardless young men, eighteen and twenty years old, with little muscular development of their bodies, (they are quite naked, excepting drawers,) ascend with this great load from nearly the same depth. A strong man, who is not accustomed to this labor, perspires most profusely with merely carrying up his own body. With this very severe labor, they live entirely on boiled beans and bread. They would prefer bread alone, but their masters, finding that they cannot work so hard upon this, treat them like horses, and make them eat the beans."

whose duties led him to a more practical examination of the whole Victorian gold region, and who was inclined to take the same favorable view as the quartz-miners, has since somewhat modified his opinion. He is now willing to grant that there will be found a gradual decrease in richness with their descent from the surface. Mr. BELT, however, goes much further:

"In South America it has long been known that the upper parts of auriferous lodes are much richer than the lower. Many mines, once worked with great profit near the surface, are now abandoned as worthless. In Victoria, although a few mines might be pointed out, such as the 'Mariner's Reef' on Maryborough, and 'Poverty Reef' at Sandy Creek, where rich deposits of ore have been found at a depth of from 200 to 400 feet, yet the general experience of mining enterprise must lead to the same conclusion. The opposite opinion, which was long held and encouraged in Victoria, led to the most mischievous results. Thousands of pounds were expended on lodes that had been rich at the surface, in the expectation that as rich, or richer, deposits would be met with at a greater depth. In nearly every instance the adventurers met with disappointment. Instances are innumerable of veins of quartz, highly auriferous in their upper parts, containing none of the precious metal below."—*Mineral Veins*, p. 24.

To these statements of Mr. BELT, Sir HENRY BARKLY, in the papers before us, thus replies:

"That this condemnation is not always just, I had several opportunities of seeing; of which I will cite the first and most striking, which occurred at Castlemaine, where I descended the shaft of the 'Ajax Mining Association,' and, at a depth of 150 feet, found the reef of very great richness, as the fragments which I knocked off proved. Now this was, a few weeks before, one of the most conspicuous failures under its then title of the Bolivia Reef Company; and, after a capital of some £12,000 had been sunk, the whole plant and machinery were sold to a Melbourne firm for £1,500. By them it was let, upon a tribute of 25 per cent. of the gold raised to the actual workers, who had, when I visited it, taken out £10,000 worth of gold, exclusive of their then week's work, which was nearly 500 ounces more. This mine was the first in the colony to be worked on the tribute system, which is, I believe, common in Cornwall; and I do not doubt that the result will be that the greater number of the abandoned or insolvent companies will yet be carried on to the benefit of the community, if not of the original shareholders.

"In fact, the Mariner's Reef, which he cites as an exception, was, for three years at least, closed from the second cause (influx of water.) Whilst the Poverty Reef had, so far back as 1858, been suspected of declining, when only 170 feet had been reached. Yet I saw, the other day, with my own eyes, stone raised from a depth of 500 feet on the former which yielded six ounces to the ton; and, on the latter, at double its former depth, I found the mouth of the shaft surrounded by a glittering heap of apparently far greater intrinsic value."

But, whatever may be the durability of this auriferous region of Victoria, and whatever ultimate form its gold-mining operations may assume, we have endeavored to show that it is but a mere spur in a vast system

of far greater magnitude; and it is not unreasonable to infer from the prodigious discoveries of gold in the last few years, that the true extent of the deposits of that metal are still very imperfectly known. A more minute examination into the progress which has been made since the Californian discoveries of 1847, can scarcely fail to show that the new dwellers on and around these auriferous regions are neglecting none of the more lasting bounties of nature in their search for gold, but are laying—rapidly indeed, but not the less solidly—the foundations of great and prosperous empires. And whatever may be the ulterior consequences of the enormous increase of gold on the uses to which that metal has hitherto been applied, it cannot be doubted that this powerful agent is rapidly contributing to the diffusion of civilization, knowledge, wealth and population over the globe.

GOVERNMENT LOANS.

THE following letter was addressed by a capitalist of Berks County, Pa., to JAY COOKE, Esq., subscription agent of the Treasury for the new loan. His reply is annexed, and fully explains the features of the loan act:

—, BERKS COUNTY, PA., *March 20th, 1863.*

JAY COOKE, Esq.,

United States Loan Agent, 114 South Third-street, Philadelphia :

Dear Sir,—I see by our papers that you are selling for the government a new loan called “five-twenties.” I expect to have shortly a few thousand dollars to spare, and as I have made up my mind that the government loans are safe and good, and that it is my duty and interest at this time to put my money into them in preference over any other loans or stocks, I write to get information of you as follows:

- 1st. Why are they called “five-twenties?”
- 2d. Do you take country money or only legal tender notes, or will a check on Philadelphia or New-York answer for subscriptions?
- 3d. Do you sell the bonds at par?
- 4th. As I cannot come to Philadelphia, how am I to get the bonds?
- 5th. What interest do they pay, and how and where and when is it paid, and is it paid in gold or legal tenders?
- 6th. How does Secretary CHASE get enough gold to pay this interest?
- 7th. Will the face of the bond be paid in gold when due?
- 8th. Can I have the bonds payable to bearer with coupons, or registered and payable to my order?
- 9th. What sizes are the bonds?
- 10th. Will I have to pay the same tax on them as I now pay on my rail-road or other bonds?
- 11th. What is the present debt of the government, and what amount is it likely to reach if the rebellion should last a year or two longer?

12th. Will Secretary CHASE get enough from Custom-House duties and internal revenue, income taxes, &c., &c., to make it certain that he can pay the interest punctually ?

I have no doubt that a good many of my neighbors would like to take these bonds, and if you will answer my questions, I will show the letter to them.

Very respectfully, S— M— F—.

Office of JAY COOKE, Subscription Agent, }
114 S. Third-st., Philadelphia, March 23, 1863. }

Dear Sir,—Your letter of the 20th inst. is received, and I will cheerfully give you the information desired by answering your questions in due order.

1st. These bonds are called "five-twenties," because, while they are twenty year bonds, they may be redeemed by the government in gold at any time after five years. Many people suppose that the interest is only 5 20-100 per cent. This is a mistake ; they pay six per cent interest.

2d. Legal tender notes, or checks upon Philadelphia or New-York, that will bring legal tenders, are what the Secretary allows me to receive. No doubt your nearest bank will give a check, or legal tenders for your country funds.

3d. The bonds are sold at par—the interest to commence the day you pay the money.

4th. I have made arrangements with your nearest bank or banker who will generally have the bonds on hand. If not, you can send the money to me by express, and I will send back the bonds free of cost.

5th. The bonds pay six per cent. interest in gold—three per cent. every six months—on the first day of May and November, at the Mint in Philadelphia, or at any Sub-Treasury in New-York or elsewhere. If you have coupon bonds, all you have to do is to cut the proper coupon off each six months, and collect it yourself, or give it to your bank for collection. If you have registered bonds, you can give your bank a power of attorney to collect the interest for you.

6th. The duties on imports of all articles from abroad must be paid in gold, and this is the way Secretary CHASE gets his gold. It is now being paid into the Treasury at the rate of two hundred thousand dollars each day, which is twice as much as he needs to pay the interest in gold.

7th. Congress has provided that the bonds shall be paid in gold, when due.

8th. You can have either coupon bonds, payable to the bearer, or registered bonds, payable to your order.

9th. The former are in fifties, one hundreds, five hundreds and one thousands; the latter in same amounts, also five thousands and ten thousands.

10th. No ; you will not have to pay any taxes on these bonds, if your income from them does not exceed \$600 ; and, on all above \$600, you will only have to pay one-half as much income tax as if your money was invested in mortgages or other securities. I consider the government bonds

as first of all. All other bonds are taxed one-quarter per cent. to pay the interest on the government bonds; and the Supreme Court of the United States has just decided that no State, or city or county, can tax government bonds.

11th. The present bonded debt of the United States is less than three hundred millions, including the seven and three-tenths Treasury notes; but the government owes enough more, in the shape of legal tenders, deposits in the Sub-Treasuries, certificates of indebtedness, &c., to increase the debt to about eight or nine hundred millions. Secretary CHASE has calculated that the debt may reach one thousand seven hundred millions, if the rebellion lasts eighteen months longer. It is, however, believed now that it will not last six months longer; but even if it does, our national debt will be small compared with that of Great Britain or France, whilst our resources are vastly greater.

12th. I have no doubt that the revenue will not only be ample to pay the ordinary expenses of the government, and all interest on the debt, but leave at least one hundred millions annually towards paying off the debt, and that the government will be able to get out of debt again, as it has twice before, in a few years after the close of the war.

I hope that all who have idle money will at once purchase these five-twenty year bonds. The right to demand them for legal tenders will end on the first day of July, 1863, as per the following authorized notice:

Special Notice.—On and after July 1st, 1863, the privilege of converting the present issue of legal tender notes into the national six per cent. loan (commonly called “five-twenties”) will cease. All who wish to invest in the five-twenty loan must, therefore, apply before the first of July next.

JAY COOKE, *Subscription Agent*, 114 S. Third-st., Phila.

In some quarters the misapprehension has prevailed that seven-thirty Treasury notes might be deposited, instead of United States bonds, by the numerous banks organizing under the new law. The following letter puts an end to all doubt on the question:

TREASURY DEPARTMENT, }
Washington, April 8th, 1863. }

“Sir,—Your letter of the 1st inst. is received. The three year seven-thirty bonds I do not consider as securities contemplated by the act to authorize a national currency to be deposited for circulation, until they are converted into bonds of 1881, which may be done at any time. Enclosed are blanks for the guidance of parties in preparing preliminary certificates for national banking associations. Very respectfully yours,

“S. P. CHASE, *Secretary of the Treasury.*”

The following list, then, embraces the stocks that are receivable as security for national currency:

\$9,415,250 sixes of 1867, interest payable January and July.

8,908,341 “ 1868, “ “ “ “

7,022,000 fives of 1871, “ “ “ “

20,000,000 “ 1874, “ “ “ “

68,417,000 sixes of 1881, “ “ “ “

Any amount of five-twenty sixes, interest payable May and November.

THE SAVINGS BANKS OF NEW-YORK.

COMPARATIVE VIEW OF THE SAVINGS BANKS OF THE CITY AND STATE OF NEW-YORK,
ON THE 1ST OF JANUARY, 1859—1863.

Of the twenty-one savings banks of this city, the changes between 1st of January, 1862, and 1st of January, 1863, are shown in the annexed table :

New-York City.	JANUARY, 1862.				No. of De- positors.
	Jan., 1859.	Jan., 1860.	Jan., 1861.	Jan., 1862.	
Bowery Savings,.....	\$ 7,818,148	\$ 9,573,400	\$ 10,294,995	\$ 9,173,088	\$ 10,342,494 .. 43,476
Bank for Savings,.....	8,701,923 ..	9,544,479 ..	10,062,616 ..	8,831,750 ..	9,587,112 .. 50,573
Seamen's Bank,.....	7,849,474 ..	8,188,715 ..	8,922,684 ..	8,315,066 ..	8,704,377 .. 27,744
Greenwich Savings,.....	3,523,851 ..	3,784,125 ..	3,608,889 ..	3,402,410 ..	3,576,105 .. 16,474
Manhattan Savings,.....	1,783,067 ..	2,278,609 ..	2,794,384 ..	2,676,907 ..	3,175,907 .. 12,683
Emigrant Industrial,....	1,623,754 ..	2,120,505 ..	2,568,475 ..	2,425,170 ..	2,823,011 .. 11,041
Dry Dock Savings,.....	1,118,876 ..	1,527,573 ..	1,976,044 ..	2,110,890 ..	2,662,988 .. 9,802
Merchants' Clerks,.....	1,505,889 ..	1,826,776 ..	2,103,235 ..	1,896,247 ..	1,886,005 .. 7,708
East River Savings,.....	785,789 ..	979,451 ..	1,161,234 ..	1,068,244 ..	1,220,253 .. 5,489
Irving Savings,.....	719,498 ..	894,898 ..	1,066,547 ..	1,064,209 ..	1,244,091 .. 5,016
Broadway Savings,.....	841,346 ..	978,478 ..	1,102,794 ..	1,010,737 ..	1,123,977 .. 3,966
Mariners' Savings,.....	419,639 ..	508,794 ..	768,805 ..	731,566 ..	907,681 .. 3,741
Sixpenny Savings,.....	112,861 ..	146,294 ..	176,832 ..	167,451 ..	193,235 .. 9,450
Rose Hill Savings,.....	71,854 ..	105,527 ..	119,019 ..	111,286 ..	153,486 .. 980
Bloomington Savings,...	56,800 ..	125,062 ..	1,005 ..	.....	.....
Mechanics and Traders'..	861,619 ..	433,473 ..	532,933 ..	452,082 ..	590,047 .. 2,326
German Savings,.....	.....	289,912 ..	759,267 ..	889,043 ..	1,468,675 .. 7,908
Union Dime,.....	.....	*62,018 ..	254,244 ..	320,007 ..	545,541 .. 5,508
Atlantic Savings,.....	.....	.....	*50,374 ..	123,216 ..	261,036 .. 1,880
Citizens' Savings,.....	.....	.....	*27,767 ..	55,166 ..	251,229 .. 1,533
Third Avenue Savings,...	.....	.....	*302,073 ..	868,826 ..	573,750 .. 2,532
Franklin Savings,.....	.....	.....	.....	*6,140 ..	14,328 .. 171
New-York City,.....	\$ 84,806,420	\$ 43,410,083	\$ 48,968,826	\$ 45,085,025	\$ 51,235,225 .. 229,468
Brooklyn Savings,.....	2,660,981 ..	3,222,726 ..	3,631,839 ..	3,518,250 ..	4,111,595 .. 16,566
Williamsburgh Savings,.	1,086,832 ..	1,569,551 ..	1,905,761 ..	1,916,041 ..	2,546,823 .. 12,125
South Brooklyn Savings,	522,850 ..	751,819 ..	923,953 ..	920,775 ..	1,106,188 .. 5,971
Brooklyn Dime,.....	.....	79,954 ..	275,693 ..	356,676 ..	537,154 .. 3,025
East Brooklyn Savings,.	.....	.....	.....	*14,133 ..	45,322 .. 639
Kings County Sav. Inst.,	.....	.....	.....	*55,698 ..	104,875 .. 737
New-York and Brooklyn,	\$ 41,076,633	\$ 49,084,133	\$ 55,780,573	\$ 51,861,648	\$ 59,697,187 .. 273,581
Interior towns,.....	7,118,214 ..	9,144,027 ..	11,669,825 ..	12,221,502 ..	16,850,996 .. 73,653
Total State of New-York,	\$ 48,194,647	\$ 58,178,160	\$ 67,450,397	\$ 64,083,150	\$ 76,538,183 .. 347,134

* Those with a star were new at the dates mentioned.

New Savings Banks.—The legislature of the State of New-York has chartered, at its present session, four additional savings banks, viz.: I. The Emigrants' Savings Bank of Brooklyn; II. The People's Savings Bank of New-York; III. The Harlem Savings Bank, and IV. The Ithaca Savings Bank; also, incorporating the Union Trust Company of New-York.

Last year a special committee was appointed by the House, with full power to examine any of the courts of record, savings banks, or other moneyed institutions in the State, having any of the unclaimed dividends and deposits lying in the various banks, and represented as being used for the benefit of individuals having the control thereof. WILLIAM D. MURPHY, Esq., of Albany, was appointed the attorney of the committee, and had prepared a very lengthy and able report.

The investigation was confined chiefly to savings banks, as the most important branch of investigation, such institutions holding nearly all the unclaimed moneys.

The report suggests that our national and financial difficulties will render it necessary to thoroughly remodel our entire savings bank system, by the action of a general law for its government. The policy of this course was suggested by many eminent citizens.

The amounts unclaimed in the New-York and Brooklyn savings banks, over five years and under ten years, are as follows:

Bank for Savings,	\$ 181,791	Irving Savings Institution,	\$ 19,723
Bowery Savings Bank,	82,911	Mech. and Traders' Sav. Inst., .	11,958
Broadway Savings Institution, .	12,651	Manhattan Savings Institution, .	31,674
Brooklyn Savings Bank,	35,952	Mariners' Savings Institution, .	31
Dry Dock Savings Bank,	<i>None</i>	New-York Savings Bank,	1,557
East River Savings Institution, .	5,939	Seamen's Bank for Savings,	156,671
Emigrants' Indust'l Sav. Inst., .	16,094	South Brooklyn Savings Inst., .	3,230
Greenwich Savings Bank,	42,594	Third Avenue Savings Bank, . . .	275
Merchants' Clerks Institution, . .	35,884	Williamsburgh Savings Bank, . . .	3,672

In the New-York Life Insurance and Trust Company, the total amount unclaimed is \$120,543.

The total amount of all these unclaimed moneys, for five years, in the State, on July 1st, 1862, was \$906,646.

It is proper to say, however, that quite a large proportion of these unclaimed moneys are as much claimed as any other, the duty of a savings bank being to save the money of its depositors. The committee are of opinion that, after the lapse of twenty years, the State should take the unclaimed deposits and reap the benefits, holding itself responsible for their return in case of the appearance of an owner. Of the unclaimed amounts, \$113,406 have laid over that period.

The report adds: "The surplus moneys of savings banks are the aggregate amount of a certain per centage, reserved from their gross earnings, for the purpose of preventing or making good to the depositors any loss resulting from a reduction in the market price of the public stocks and securities held by them below the par value thereof. The first legislation on this subject in our State took place in 1831, when the 'Bank for Savings in the city of New-York' was authorized to accumulate a fund of that kind, at the rate of three per cent. on the amount of its deposits."

SAVINGS DEPOSITS OF THE INTERIOR CITIES AND TOWNS OF THE STATE
OF NEW-YORK, JANUARY, 1862 AND 1863.

PLACE.	NAME.	January 1st. 1862.	JANUARY 1st, 1863.	
			Deposits.	No. of Depos.
Albany,.....	Albany Savings Bank,.....	\$ 1,199,628	\$ 1,493,977	5,232
"	City Savings Institution,.....	206,676	280,538	784
"	Exchange Savings Bank,.....	47,114	70,149	196
"	Mechanics and Farmers' Savings, Sixpenny Savings Bank,.....	542,977	874,857	2,350
"	Union Savings Bank,.....	13,615	.....	.....
"	Union Savings Bank,.....	16,065	14,244	97
Auburn,.....	Auburn Savings Institution,....	175,708	452,247	2,175
Brockport,...	Brockport Savings Bank,.....	3,082	.....	.....
Buffalo,.....	Buffalo Savings Bank,.....	1,219,784	1,422,711	9,761
"	Emigrant Savings Bank,.....	24,208	43,287	302
"	Erle County Savings Bank,.....	1,037,891	1,698,968	8,354
"	Western Savings Bank,.....	166,852	252,028	856
Cohoes,.....	Cohoes Savings Institution,....	66,830	102,700	589
Corning,.....	Corning Savings Bank,.....	436	1,293	32
Elmira,.....	Elmira Savings Bank,.....	4,570	6,657	45
Fishkill,.....	Fishkill Savings Bank,.....	52,218	70,724	370
Flushing,....	Queens County Savings Bank,...	28,587	40,020	811
Hudson,.....	Hudson City Savings Institution,	89,110	106,005	698
Kingston,....	Ulster County Savings Inst.,...	178,896	280,290	893
Lockport,...	Niagara County Savings Bank,...	2,897	3,656	44
Newburgh,...	Newburgh Savings Bank,.....	250,604	339,646	2,060
Norwich,....	Chenango County Savings Bank,	8,435	47,590	166
Oswego,.....	Oswego City Savings Bank,.....	40,932	108,148	709
Peekskill,....	Peekskill Savings Bank,.....	22,480	61,281	511
Poughkeepsie,	Poughkeepsie Savings Bank,....	446,119	606,339	3,225
Piermont,....	Rockland County Savings Bank,	28	.....	.....
Rhinebeck,...	Rhinebeck Savings Bank,.....	7,047	16,108	166
Rochester,...	Monroe County Savings Inst.,...	628,778	1,037,345	2,600
"	Rochester Savings Bank,.....	2,096,800	2,569,845	8,497
Rome,.....	Rome Savings Bank,.....	69,472	188,510	547
Sag Harbor,...	Sag Harbor Savings Bank,.....	40,504	65,311	642
Schenectady,...	Schenectady Savings Bank,.....	315,941	338,002	1,275
Sing Sing,...	Sing Sing Savings Bank,.....	42,259	55,588	349
Southold,....	Southold Savings Bank,.....	63,484	111,660	572
Syracuse,....	Syracuse Savings Institution,...	552,722	765,296	2,873
"	Onondaga County Savings Bank,	438,474	794,165	4,039
Tarrytown,...	Westchester Savings Bank,.....	181,780	220,323	1,156
Troy,.....	Central Savings Bank,.....	39,109	94,670	318
"	Commercial Savings Bank,.....	170,155	22,876	135
"	Manufacturers' Savings Bank,...	122,369	122,628	489
"	Mutual Savings Bank,.....	42,572	69,324	330
"	State Savings Bank,.....	85,474	101,665	580
"	Troy Savings Bank,.....	796,268	1,087,286	3,891
Utica,.....	Central City Savings Bank,....	9,518	25,970	159
"	Savings Bank of Utica,.....	555,436	714,490	3,577
Watertown,...	Jefferson County Savings Bank,...	38,160	69,584	478
Yonkers,.....	Yonkers Savings Bank,.....	78,343	103,000	770
Totals, 1862 and 1863,.....		\$12,221,503	\$ 16,850,996	73,653
N. York City, Twenty-one Savings Banks,....		45,085,025	51,285,225	229,468
Brooklyn,.... Six Savings Banks,.....		6,776,623	8,451,962	44,063
Grand total,.....		\$64,083,150	\$ 76,588,183	347,184

RULES FOR REDEMPTION OF POSTAGE CURRENCY.

1. **POSTAGE** currency, *not mutilated*, when presented to an assistant-treasurer, or designated depository of the United States for redemption, must have been assorted by the holder, according to denominations, with the faces and upper sides in corresponding order in the packages.

2. When presented in sufficient numbers, each package must contain one hundred pieces; it must be securely pinned with a paper strap at least one inch wide, and on the strap must be written, in ink, the number of pieces, denomination, date of deposit, and the name of the owner.

3. The entire deposit must be securely done up in one package, and upon the wrapper, endorsed with ink, the date of deposit, the amount contained, and the name and residence of the owner.

4. No sum less than five dollars will be redeemed, and packages will be paid for in lawful money of the United States, in the order as to time in which they shall have been received, so soon as the currency can be counted and passed upon.

RULES FOR REDEMPTION OF MUTILATED POSTAGE CURRENCY.

FRACTIONAL notes, commonly known as postage currency, can be exchanged, if not mutilated, with any assistant-treasurer, or designated depository of the United States, in sums not less five dollars. Defaced notes, if whole, are not considered as mutilated; nor is an evidently accidental injury, not reducing the note by more than one-tenth its original size, regarded as a mutilation. Mutilated fractional notes will be redeemed at the Treasury of the United States, at the city of Washington, under the following regulations, established as necessary guards against fraud, and for the protection of the community:

1. Fragments of a note will not be redeemed unless it shall be clearly evident that they constitute one-half or more of one original note; in which case, notes, however mutilated, will be redeemed in proportion to the whole note, reckoning by fifths.

2. Mutilations less than one-tenth will be disregarded, unless fraudulent; but any mutilation which destroys more than one-tenth the original note, will reduce the redemption value of the note by one-fifth its face value.

3. Mutilated notes presented for redemption must be in sums not less than three dollars of the original full face value.

F. E. SPINNER, *Treasurer of the United States.*

Office Treasurer United States, Washington, D. C., April 1, 1863.

BANK STATISTICS.

COMPARATIVE TABLE OF THE BANKS OF THE STATE OF NEW-YORK,
DURING THE YEARS 1860, 1861, 1862 and 1863.

RESOURCES.	Sept., 1860.	Dec., 1861.	Sept. 27, '62.	Dec. 27, '62.	Mar. 23, '63.
Loans,.....	\$ 200,112,824	\$ 191,088,141	\$ 165,538,063	\$ 178,922,586	\$ 188,864,069
Overdrafts,.....	422,399	268,866	507,511	508,521	519,480
Due from banks,.....	17,167,040	18,798,709	24,071,691	27,882,461	26,764,968
Real estate,.....	8,865,800	9,218,788	9,592,765	9,608,672	9,200,498
Specie on hand,.....	21,710,828	29,102,715	89,283,931	87,908,047	86,802,488
Cash items,.....	22,912,841	18,996,778	88,191,186	83,108,776	80,181,945
Stocks and mortgages,.....	26,609,787	63,358,884	112,753,710	118,860,790	110,810,861
Bills of other banks,.....	2,509,601	2,121,785	25,178,642	17,041,535	25,778,820
Expense account,.....	981,482	1,811,547	909,594	1,585,814	976,285
Total resources,.....	\$ 811,245,555	\$ 834,755,658	\$ 416,990,142	\$ 425,112,082	\$ 444,594,124
LIABILITIES.	Sept., 1860.	Dec., 1861.	Sept., 1862.	Dec. 27, '62.	Mar. 23, '63.
Capital paid in,.....	\$ 111,824,247	\$ 109,408,879	\$ 108,606,062	\$ 108,668,297	\$ 108,148,202
Circulation,.....	81,759,127	80,558,020	87,537,878	89,189,519	85,506,806
Profits undivided,.....	13,516,468	14,159,157	14,288,874	17,109,000	15,752,906
Due banks and bank'rs,	29,706,806	34,481,615	60,421,947	57,839,106	58,601,882
Due other than bank's,.....	2,252,961	2,501,299	1,800,116	1,661,401	2,171,144
Treasurer of the State,.....	3,569,907	3,915,976	5,845,681	7,025,473	5,855,990
Due depositors,.....	118,190,466	125,178,964	186,890,795	191,587,997	221,544,247
Miscellaneous,.....	2,615,678	14,619,378	2,079,995	1,945,084	2,814,237
Total liabilities,.....	\$ 811,245,555	\$ 834,755,658	\$ 416,990,142	\$ 425,112,082	\$ 444,594,124

The statement for March, 1863, embraces the returns of 307 banks, viz :

	Capital
3 chartered banks of the city of New-York,.....	\$ 4,250,000
81 banking associations of the city of New-York,.....	64,906,555
9 chartered country banks,.....	2,900,000
208 country banking associations,.....	84,885,477
41 individual banks,.....	1,706,170
307	\$ 108,148,202

Since the suspension of specie payments at the close of the year 1861, the circulation of the banks of the State of New-York has increased \$4,953,586; profits undivided, \$1,800,049; balances due to other banks and bankers, \$19,169,717; individual deposits, \$96,365,413. Of the balances due to other banks at the last quarterly report, (\$53,601,332,) the banks of the city of New-York alone owe \$44,674,237, or about eighty-three per cent. of the whole.

The city banks have an average capital of \$1,280,000; those of the country, about \$154,000. Of the individual deposits, (being one hundred per cent. in excess of capital,) the city banks have 75 per cent.; loans, 60 per cent.; specie, 94 per cent.; notes of other banks, 82 per cent. These proportions are illustrated in the annexed tabular statements.

ABSTRACT OF THE CONDITION OF THE BANKS OF THE CITY AND INTERIOR OF THE
STATE OF NEW-YORK, MARCH 28TH, 1868.

LIABILITIES.	54 Banks N. Y. City.	258 Country Banks.	Total State of N. Y.	PER CENTAGE.	
				City Banks.	Country Banks.
Capital,.....	\$ 69,156,555 ..	\$ 88,991,647 ..	\$ 108,143,202 ..	63.94 ..	36.06
Circulation,.....	8,472,864 ..	27,033,743 ..	35,506,606 ..	23.96 ..	76.14
Profits,.....	9,848,811 ..	5,908,895 ..	15,757,706 ..	62.52 ..	37.48
Due other banks,.....	44,674,237 ..	8,927,095 ..	53,601,332 ..	58.34 ..	16.66
Due other institutions,.....	1,915,295 ..	935,849 ..	2,171,144 ..	55.97 ..	44.03
Treasurer of the State,.....	844,884 ..	5,511,106 ..	5,955,990 ..	5.38 ..	94.12
Individual deposits,.....	167,904,358 ..	58,689,989 ..	221,544,347 ..	75.78 ..	24.22
Miscellaneous,.....	592,681 ..	1,791,666 ..	2,314,297 ..	25.60 ..	74.40
Totals,.....	\$ 302,209,135 ..	\$ 142,684,969 ..	\$ 444,894,124 ..	67.92 ..	32.08
RESOURCES.	City Banks.	Country Bks.	Total State.	City.	Country.
Loans,.....	\$ 111,126,943 ..	\$ 73,787,147 ..	\$ 189,964,099 ..	60.48 ..	39.57
Overdrafts,.....	45,861 ..	474,069 ..	519,480 ..	8.78 ..	91.27
Due from banks,.....	6,224,578 ..	20,540,280 ..	26,764,858 ..	28.25 ..	71.75
Real estate,.....	6,468,217 ..	2,732,261 ..	9,200,498 ..	70.20 ..	29.70
Specie on hand,.....	84,584,461 ..	1,947,977 ..	86,502,438 ..	94.70 ..	5.30
Cash items,.....	47,869,826 ..	2,222,019 ..	50,181,845 ..	95.57 ..	4.43
Stocks and mortgages,.....	73,808,698 ..	37,002,166 ..	110,810,861 ..	66.60 ..	33.40
Notes of other banks,.....	21,809,207 ..	4,464,618 ..	25,773,820 ..	82.67 ..	17.33
Expense account, &c.,.....	411,848 ..	564,437 ..	976,285 ..	42.18 ..	57.82
Totals,.....	\$ 302,209,135 ..	\$ 142,684,969 ..	\$ 444,894,124 ..	67.92 ..	32.08

NEW-YORK.

The loans, specie, circulation, net deposits and exchanges of the current year, at New-York, have been as follows, at the dates mentioned, with a present capital of \$69,494,577 :

1868.	Loans.	Specie.	Circulation.	Deposits.	Exchanges.
Jan. 2,....	\$ 178,810,009 ..	\$ 85,954,550 ..	\$ 9,754,255 ..	\$ 159,163,246 ..	\$ 196,961,763
" 10,....	176,816,010 ..	86,770,746 ..	9,551,563 ..	162,878,249 ..	249,796,489
" 17,....	176,606,558 ..	87,531,465 ..	9,241,670 ..	164,666,008 ..	314,471,457
" 24,....	179,288,000 ..	88,599,000 ..	9,088,000 ..	165,260,000 ..	298,861,600
" 31,....	179,828,501 ..	88,894,840 ..	8,906,110 ..	166,961,876 ..	298,076,679
Feb. 7,....	179,892,161 ..	88,248,889 ..	8,780,154 ..	166,842,777 ..	302,202,571
" 14,....	178,108,592 ..	88,426,460 ..	8,756,217 ..	167,730,890 ..	265,139,104
" 21,....	178,385,880 ..	87,961,810 ..	8,752,586 ..	170,108,758 ..	291,242,900
" 28,....	179,953,842 ..	89,512,256 ..	8,789,969 ..	173,912,695 ..	340,514,444
Mar. 7,....	181,098,229 ..	89,705,089 ..	8,698,175 ..	175,689,212 ..	344,484,442
" 14,....	177,875,949 ..	86,110,085 ..	8,657,016 ..	172,944,024 ..	307,870,818
" 21,....	178,890,479 ..	88,955,123 ..	8,609,723 ..	167,004,466 ..	277,581,321
" 28,....	173,448,526 ..	84,817,691 ..	8,560,602 ..	158,868,946 ..	251,226,256
April 4,....	178,083,019 ..	84,237,121 ..	8,848,024 ..	160,216,418 ..	287,247,704
" 11,....	179,845,288 ..	85,406,145 ..	8,173,091 ..	159,294,781 ..	284,468,969
" 18,....	169,122,822 ..	86,761,696 ..	8,089,558 ..	164,109,201 ..	269,417,565
" 25,....	171,079,822 ..	87,175,067 ..	7,555,549 ..	167,863,999 ..	268,654,781
May 2,....	180,114,968 ..	86,846,528 ..	7,201,169 ..	167,696,916 ..	297,817,263
" 9,....	180,114,968 ..	88,102,683 ..	7,080,565 ..	168,656,518 ..	.....
" 16,....	180,711,073 ..	88,556,642 ..	6,901,700 ..	168,879,180 ..	.....

The above items, under the head of deposits, include balances due to banks and bankers out of the city, which, at the last quarterly report, formed about \$47,197,000 of the aggregate deposits.

BANK LAWS OF NEW-YORK, 1863.

THE ACT TAXING MONEYED CORPORATIONS.

An Act in Relation to the Taxation of Moneyed Corporations and Associations, passed April 29, 1863, three-fifths being present.

The People of the State of New-York, represented in Senate and Assembly, do enact as follows :

SECTION 1. All banks, banking associations, and other moneyed corporations and associations, shall be liable to taxation on a valuation equal to the amount of their capital stock paid in or secured to be paid in, and their surplus earnings (less ten per cent. of such surplus) in the manner now provided by law, deducting the value of the real estate held by such corporations or association, and taxable as real estate.

SEC. 2. This act shall take effect immediately.

UNITED STATES STOCKS FOR BANKING.

An Act to amend the Banking Laws of this State, passed April 29, 1863, three-fifths being present.

The People of the State of New-York, represented in Senate and Assembly, do enact as follows :

SECTION 1. From and after the passage of this act, the securities hereafter to be deposited with the Superintendent of the Banking Department for notes for circulation to be issued to any corporation or joint-stock association for banking purposes, or individual bankers, shall be stocks of this State and of the United States, in the following proportions, that is to say, not to exceed two-thirds per centum in United States stocks, and not less than one-third per centum in stocks of this State; both stocks to be equal to, or to be made equal to, stocks yielding interest at the rate of six per centum per annum; and the securities now held by the Bank Department, so far as the same consists of United States stocks and stocks of this State, may be adjusted on the application of any party concerned, so as to be in accordance with the provisions of this section.

SEC. 2. This act shall take effect immediately.

Albany Savings Bank.—At a meeting of the trustees of the Albany Savings Bank, held at the banking house of the Commercial Bank of Albany, on Saturday, February 21st, 1863, it was *Resolved*, That on and after the 1st day of April next, the rates of interest to be paid by this institution be, and they are hereby modified and established as follows, viz.: On all balances and deposits amounting to less than (\$2,000) two thousand dollars, five per cent. (5 per cent.) per annum. On all balances and deposits amounting to (\$2,000) two thousand dollars and upwards to (\$5,000) five thousand dollars, four per cent. (4 per cent.) per annum. On all balances and deposits amounting to upwards of (\$5,000) five thousand dollars, three and one-half per cent. (8½ per cent.) per annum. And the same is hereby published in accordance with the requirements of the charter and by-laws of this institution.

NEW BANK LAWS OF MASSACHUSETTS, 1863.

BILLS IN MASSACHUSETTS.

Chapter 102 of the Laws of 1863, approved March 18th, provides as follows:

SECTION 1. No bank shall hereafter procure any bills to be printed except in pursuance of a vote of the directors, passed at a regular meeting of the board, and a copy of such vote, duly certified by the cashier or clerk of the board, shall be forthwith transmitted to the office of the bank commissioners. Whenever any bills, so ordered, shall have been printed, and shall be delivered to said bank, they shall be accompanied by duplicate certificate, signed by the printer or other proper officer on his behalf, stating the number and denominations of the bills so delivered, one of which certificates shall be retained by the bank, and the other forthwith transmitted to the office of the bank commissioners.

SEC. 2. This act shall not apply to banks organized under the general laws.

Acts were passed—I. To reduce the capital stock of the Rockport Bank; the Merchants' Bank of Newburyport; the Fairhaven Bank; the Marblehead Bank; the Lee Bank; the Wrentham Bank; the Waltham Bank; the South Boston Savings Bank.

II. And to incorporate the Wellfleet Savings Bank.

III. To authorize banks to receive and circulate United States circulating notes.

IV. In relation to savings banks and institutions for savings holding bank stock.

V. Concerning usury.

VI. In relation to banks surrendering their charters upon becoming banking associations under the laws of the United States.

VII. In relation to banks organized under general laws.

VIII. Relating to the Boston Penny Savings Bank.

IX. To incorporate the United States Steamship Company.

X. To enable banks to sell stock in which they have a lien.

XI. Extending the powers of savings banks in relating to investments.

XII. To extend the time within which to locate and construct the New-York and Boston Rail-Road.

XIII. To incorporate the Baltic Marine and Fire Insurance Company.

XIV. In relation to contracts for the payment of money without the limits of the United States.

XV. To incorporate the Ocean Mutual Insurance Company.

XVI. To incorporate the South American Steamship Company.

XVII. Relating to bills of exchange and other contracts.

THE PRICE OF GOLD,

MAY, 1863, AT THE NEW-YORK STOCK BOARD.

(Continued from May No., p. 912.)

April 1,... 156 @ 157½ ..	April 17,.. 153½ @ 153¾ ..	May 5,... 148½ @ 151½
2,... 153½ @ 157 ..	18,.. 151½ @ 152¾ ..	6,... 152½ @ 154
3,... 153 @ 153½ ..	20,.. 148¾ @ 150¾ ..	7,... 154½ @ 155¾
4,... 154½ @ 155½ ..	21,.. 146 @ 147 ..	8,... 152¾ @ 154½
6,... 151 @ 152½ ..	22,.. 146½ @ 147½ ..	9,... 149 @ 150½
7,... 150 @ 152½ ..	23,.. 148¾ @ 150 ..	11,... 148½ @ 149
8,... 145½ @ 147 ..	24,.. 151½ @ 152 ..	12,... 148½ @ 149½
9,... 146½ @ 148 ..	25,.. 152 @ 154 ..	13,... 149½ @ 149½
10,... 146½ @ 149 ..	27,.. 150 @ 153¾ ..	14,... 149½ @ 150½
11,... 150½ @ 152½ ..	28,.. 149¾ @ 150¾ ..	15,... 149½ @ 150
13,... 157 @ 157½ ..	29,.. 150 @ 150¾ ..	16,... 149½ @ 150
14,... 155 @ 155½ ..	May 1,.. 150½ @ 151½ ..	18,... 149½ @ 150
15,... 152 @ 154 ..	2,.. 149¾ @ 150½ ..	19,... 148½ @ 149½
16,... 152 @ 153½ ..	4,.. 148½ @ 150 ..	20,... 148¾ @ 149

THE BANK OF ENGLAND.

The following is the list of governors and directors of the Bank of England, for the year ending April, 1864 :

Governors, elected April 7, 1863.

KIRKMAN DANIEL HODGSON, Esq., *Governor.*
HENRY LANCELOT HOLLAND, Esq., *Deputy-Governor.*

Twenty-four Directors, elected April 8, 1863.

THOMAS BARING, Esq.,
HENRY WOLLASTON BLAKE, Esq.,
JOHN WILLIAM BIRCH, Esq.,
TRAVERS BUXTON, Esq.,
STEVEN CAVE, Esq.,
EDWARD HENRY CHAPMAN, Esq.,
*ROBERT WIGRAM CRAWFORD, Esq.,
*WILLIAM COTTON, Esq., †
*BONAMY DOBREE, Esq., †
*CHARLES PASCOE GRENFELL, Esq.,
HENRY HUCKS GIBBS, Esq.,
*JOHN SAUNDERS GILLIAT, Esq.,

*THOMAS HANKEY, Esq., †
*JOHN BENJAMIN HEATH, Esq., †
*JOHN GELLIBRAND HUBBARD, Esq., †
*CHARLES FREDERICK HUTH, Esq.,
ALFRED LATHAM, Esq.,
GEORGE LYALL, Esq.,
THOMAS MASTERMAN, Esq.,
ALEXANDER MATHESON, Esq.,
*JAMES MORRIS, Esq., †
*SHEFFIELD NEAVE, Esq.,
*GEORGE WARDE NORMAN, Esq.,
*CLIFFORD WIGRAM, Esq.

The election for governor and deputy-governor was held at the bank on Tuesday, the 7th April, and for directors on Wednesday, the 8th April, from ten o'clock in the forenoon till four in the afternoon.

Mr. HODGSON, now governor of the Bank of England, is M. P. for Poole.

* Directors for the preceding year, 1861-1862.
† Formerly deputy-governor and governor.
‡ Formerly governor of the bank.

NEW-YORK STOCK BOARDS.	YEAR 1860.		YEAR 1861.		DEC., 1860.		YEAR 1862.		JAN., 1862.		FEB., 1862.		MAR., 1862.		APRIL, 1862.		FOUR MONTHS.	
	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.	Low-est.	High-est.
United States six per cent, 1868....	95	100%	98	100	108	..	85	107%	98	99	94%	108	107	108	105	107	94%	108
U. S. five per cent, 1874, coupon....	85	104%	75	97	91%	92%	87%	107%	91%	99	96%	109%	100%	103%	104%	106%	91%	106%
Indiana State five per cent.....	88	98	75	98	..	..	75	94%	86	90	86%	97%	94	96%	95%	96%	86%	96%
Virginia six per cent, bonds.....	72	95	86	81	60	69	49	84%	68	73%	66	75	68	69%	63	66	68	75
Tennessee six per cent, bonds.....	64	96	84%	77	59%	55%	43	61	53	64	61	66	60%	63	59	60%	53	64
Georgia six per cent, bonds.....	109	105	58	94	60	..	64%	89	..	..	..	..	..	..	..	..	..	..
North Carolina six per cent, bonds....	76	100	44	83%	68	79	60	74	69%	75	74	73	75	80	73	75	69%	80
California seven per cent, bonds....	88	95	71%	88	111%	119	76%	119	115	133	180	187	190	139	125	130	115	139
Miscellaneous six per cent, bonds....	61	84%	35	73%	61%	53%	40	55	59%	63%	66	65%	60	64%	60	63%	59%	63%
Cumberland Coal Co., preferred.....	8	17%	4	9%	13	14%	5	17	14%	30	19	30%	16	30	17	27	14%	31
Pacific Mail Steamship Company.....	70	107%	50	100	119	131	91	137	130%	178	154	171	164%	186	186%	186%	184%	186
New-York Central Rail-Road.....	70	93%	66	88%	101%	104%	79%	107%	107	124%	119%	130	107	113%	113%	117%	107	124%
Erie Rail-Road shares.....	5%	65	17	40%	60	65%	31%	65%	65	85%	79	80%	74%	80%	76	84%	65	85%
Hudson River Rail-Road.....	86	66	31%	49%	73%	74%	79%	83%	79%	83%	91%	99	85	108	102%	117	89%	117
Hartford Rail-Road shares.....	8	24	8%	16%	21	26%	11%	26%	25	49	23	27%	25	47%	49%	76%	25	76%
Hartford Rail-Road, preferred.....	27	55	20%	43	50	57%	25%	57%	57	87	68%	73	76%	86	81	94	57	94
Reading Rail-Road shares.....	30	49%	39%	49%	74%	77%	86	79	71%	96	89%	97%	90%	99	88	95	77%	96
Michigan Central Rail-Road.....	84%	73%	39%	61%	83%	83	47	83	91%	98%	95	98%	97	104%	99	105	91%	105
Michigan S. & N. Indiana R.R.....	5	26	10%	20%	26%	41%	19	47	45%	65%	55	68%	58%	61%	55%	67%	45%	67%
Panama Rail-Road shares.....	15%	50%	27%	41%	88	85	39%	85%	84%	104%	103	106%	94%	100	93	110	86%	110
Illinois Central Rail-Road shares.....	106	146%	97%	131	159	170	110	171	187	187	192	188	192	183%	187%	171	193	193
Galena and Chicago Rail-Road.....	51%	69%	55%	68%	70%	81	58%	84%	81%	97%	89%	95	85	93%	87%	90	81%	97%
Cleveland and Toledo Rail-Road....	56	98%	56	74%	80	83%	60	83%	83%	94%	89%	95	85	95	91%	97	89%	97
Chicago & Rock Island Rail-Road....	49%	54%	30%	60	71%	82%	50	60%	69%	84%	87%	86	89	95	85	89	85	90
Illinois Central Construction bonds....	81	100%	84%	109%	107	113	84%	119	113%	135	124	138	139	130%	130	131%	119%	130%
Pennsylvania Coal Company.....	79%	87	73	81	119%	119	79%	119	130	123	126	123%	114	136	114	136	110	135%
Delaware and Hudson Canal Co.....	80	101%	79	99	119	119	84%	119	118%	133	128	133%	130	130%	134%	134	118%	134
Premium on gold.....	..	..	..	..	35%	35%	3%	37%	37%	69%	69%	69%	69%	69%	69%	69%	69%	69%
Chicago, Burlington and Quincy....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Demand Notes.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
U. S. Treasury Notes, 7.30 per cent.,	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

THE CREDIT MOBILIER OF PARIS.

In the Annual Report for 1862, the President says:

"After ten years existence, ten years passed in struggle and efforts to surmount obstacles of all descriptions, we may cast our eye upon the past with a look of tranquillity, and face the future with confidence and security.

"Stupendous works have been accomplished by us, both in France and in other countries; and none of our undertakings have remained unfinished. All are in a prosperous condition, or in a state of improvement.

"After having distributed dividends on an average of 16 per cent. during the last ten years, we can present a capital considerably improved and entirely at our command.

"Independently of the profits we are about to distribute, those which are already realized, or may be realized with facility, independently of those which we may be allowed to hope for from fresh operations, already promise us a perspective no less advantageous. We are in a position, in fact, to appropriate our means of action in harmony with the growing importance of our operations."

SYNOPSIS OF THE "CREDIT MOBILIER," 1863.

<i>Assets.</i>	<i>Francs.</i>	<i>Dollars.</i>
Stocks, shares and bonds,	147,900,116	.. 29,580,000
Bills receivable, discounted,	11,887,212	.. 2,377,440
Reports,	17,478,037	.. 3,495,600
Advances to various companies,	17,441,942	.. 3,438,360
The Company's hotel and furniture,	1,449,580	.. 289,900
Cash in the bank, and dividends to be received,	17,238,644	.. 3,447,700
	<hr/>	<hr/>
Total assets,	Francs, 218,395,535	\$ 42,679,000
<i>LIABILITIES.</i>	<i>Francs.</i>	<i>Dollars.</i>
Capital paid in,	60,000,000	.. 12,000,000
Accounts current and divers credits,	101,811,890	.. 20,862,350
Bills payable,	16,824,300	.. 3,864,850
Reserve fund,	2,000,000	.. 400,000
Balance of profit and loss account realized,	18,559,623	.. 3,711,900
Balance of profit and loss to be received,	14,199,720	.. 2,839,900
	<hr/>	<hr/>
Total Liabilities,	Francs, 218,395,535	\$ 42,679,000

The board proposed a dividend of 12 million francs to stockholders, (twenty per cent., or 100 francs per share,) and 1,333,333 to the directors, as a reward for their services.

SALES OF BANK STOCKS IN MARCH, APRIL AND MAY, 1863,

COMPARED WITH QUOTATIONS AT THE DATE OF SUSPENSION, DEC., 1861.

NAME OF BANK.	Dec. 28, 1861.	March, 1863.	April, 1863.	May 1st to 20th, 1863.
American Exchange Bk.,	76 @ 78 ..	98 @ 102 ..	101½ @ 104 ..	103 @ 110½
Atlantic Bank,.....	60 @ 65 ..	@ ..	70 @ 70 ..	70 @ 73
Bank of America,.....	97 @ 100 ..	118½ @ 115 ..	118 @ 120 ..	115 @ 122
Bank of Commerce,	75 @ 78 ..	92½ @ 98 ..	96½ @ 100½ ..	100 @ 107
Bank of New-York,.....	80 @ 85 ..	112½ @ 112½ ..	111½ @ 111½ ..	112 @ 112
Bank of North America,	78 @ 85 ..	100½ @ 102 ..	103 @ 103 ..	102½ @ 105
Bank of Commonwealth,	70 @ 72 ..	85 @ 91 ..	91 @ 92 ..	97½ @ 100
Bank of Republic,.....	80 @ 88 ..	103½ @ 106 ..	105 @ 105 ..	108 @ 108
Bk. of State of New-York,	75 @ 77 ..	95 @ 98 ..	98 @ 102 ..	102 @ 102½
Broadway Bank,.....	115 @ 120 ..	@ ..	150 @ 150 ..	150* @ ..
Bull's Head Bank,.....	95 @ 100 ..	@ ..	@ ..	103* @ 104*
Butchers and Drov. Bk.,	100 @ 105 ..	119 @ 119 ..	@ ..	123 @ 122
Chatham Bank,.....	70 @ 80 ..	@ ..	90 @ 90 ..	98 @ 99
Chemical Bank,.....	400 @ ..	@ ..	@ ..	500* @ ..
Citizens' Bank,.....	88 @ 90 ..	101 @ 102 ..	@ ..	100* @ 101
City Bank,.....	100 @ 106 ..	@ ..	@ ..	135* @ ..
Continental Bank,.....	72 @ 75 ..	90 @ 90 ..	92 @ 93 ..	94 @ 101
Corn Exchange Bank,..	84 @ 86 ..	@ ..	103 @ 103 ..	107½ @ 107½
East River Bank,.....	80 @ 82 ..	@ ..	92 @ 92 ..	100* @ 102
Fulton Bank,.....	115 @ 130 ..	@ ..	@ ..	155* @ ..
Greenwich Bank,.....	@ ..	@ ..	@ ..	@ ..
Grocers' Bank,.....	70 @ 80 ..	95 @ 97 ..	@ ..	100 @ 100
Hanover Bank,.....	65 @ 68 ..	88 @ 88 ..	90 @ 90 ..	92½ @ 100
Importers and Trad. Bk.,	90 @ 92 ..	100 @ 106 ..	105 @ 105 ..	106* @ 106½
Irving Bank,.....	65 @ 72 ..	@ ..	@ ..	83* @ 86
Leather Manufacturers' Bk.,	125 @ 130 ..	@ ..	@ ..	150* @ ..
Manhattan Bank,.....	115 @ 120 ..	135 @ 135 ..	@ ..	131½ @ ..
Manuf. and Merch. Bk.,	@ 86 ..	@ ..	@ ..	95 @ 96
Marine Bank,.....	85 @ 90 ..	@ ..	@ ..	138* @ ..
Market Bank,.....	80 @ 85 ..	92 @ 94 ..	95 @ 100 ..	100 @ 100
Mechanics' Bank,.....	84 @ 87 ..	107 @ 108 ..	107½ @ 107½ ..	113 @ 113
Mechanics' Bank'g Assn.,	70 @ 80 ..	@ ..	@ ..	85* @ 95
Mechanics and Trad. Bk.,	108 @ 110 ..	@ ..	@ ..	110* @ 115
Mercantile Bank,.....	98 @ 103 ..	@ ..	@ ..	125* @ 135
Merchants' Bank,.....	80 @ 82 ..	101 @ 102½ ..	93 @ 110 ..	110 @ 110½
Merchants' Exch'ge Bk.,	78 @ 80 ..	87 @ 90 ..	91 @ 91 ..	96 @ 100
Metropolitan Bank,....	84 @ 87 ..	103 @ 105 ..	105½ @ 106 ..	110 @ 115½
Nassau Bank,.....	81 @ 84 ..	@ ..	@ ..	104* @ 105
National Bank,.....	86 @ 88 ..	104 @ 104 ..	100 @ 102 ..	104 @ 106
New-York County Bank,	80 @ 100 ..	106 @ 106 ..	@ ..	115* @ ..
New-York Exchange Bk.,	88 @ 90 ..	@ ..	@ ..	110* @ 112
North River Bank,.....	70 @ 78 ..	95 @ 98 ..	99 @ 100½ ..	100* @ 100½
New-York Dry Dock Bk.,	100 @ 108 ..	@ ..	@ ..	120* @ 122
Ocean Bank,.....	@ 70 ..	81 @ 87 ..	87 @ 89 ..	83½ @ 96
Oriental Bank,.....	68 @ 90 ..	@ ..	@ ..	95* @ ..
Pacific Bank,.....	100 @ 110 ..	@ ..	@ ..	140* @ ..
Park Bank,.....	90 @ 95 ..	115 @ 120 ..	119 @ 125 ..	125 @ 135
People's Bank,.....	75 @ 76 ..	@ ..	@ ..	100* @ 102
Phenix Bank,.....	85 @ 90 ..	105 @ 106 ..	105 @ 106 ..	108 @ 108
St. Nicholas Bank,....	70 @ 75 ..	93 @ 93 ..	@ ..	93 @ 93
Seventh Ward Bank,....	112 @ 125 ..	@ ..	@ ..	130* @ 130
Shoe and Leather Bank,	75 @ 85 ..	103 @ 105 ..	103 @ 103½ ..	104 @ 106
Tradesmen's Bank,.....	90 @ 96 ..	103 @ 103 ..	@ ..	107* @ ..
Union Bank,.....	80 @ 83 ..	108 @ 108 ..	110 @ 110 ..	@ 113

* There were no sales in May (to 30th) of those marked with a star. The prices named are the quoted values, by brokers, at the latest dates.

THE ENGLISH MONEY MARKET.

SUBJOINED is a table affording a comparative view of the Bank of England returns, the bank rate of discount, the price of consols, the price of wheat, and the leading exchanges, during the first week in May of 1853, 1860, 1861, 1862 and 1863.

	May, 1853.	May, 1860.	May, 1861.	May, 1862.	May, 1863.
Bank Circulation,.....	£ 94,867,800	£ 22,604,100	£ 20,810,800	£ 21,752,900	£ 21,877,000
Public deposits,.....	4,265,400	7,264,400	6,088,600	7,504,000	7,241,700
Other deposits,.....	12,901,600	12,608,900	12,070,900	12,886,600	12,122,100
Government securities,.....	12,221,400	9,792,900	10,373,900	11,221,800	12,151,400
Other securities,.....	18,603,100	20,783,000	19,141,600	17,682,800	17,470,900
Reserve of notes and coin,...	8,755,800	7,967,400	7,172,900	10,867,100	9,017,700
Coin and bullion,.....	12,925,900	15,373,900	12,873,600	17,265,700	15,141,700
Bank rate of discount,.....	3 per ct.	4½ per ct.	5 per ct.	2½ per ct.	3 per ct.
Price of consols,.....	100½	95½	92	92½ x. d.	92½
Average price of wheat,.....	44s. 6d.	52s. 6d.	55s. 4d.	53s. 10d.	45s. 9d.
Exchange on Paris, (short),...	25.2½	25.19½	25.29½	25.22½	25.15
“ Amsterdam, (short),..	11.16½	11.18½	11.17½	11.15½	11.15
“ Hamburg, (8 months),	12.8½	12.8½	12.8	12.8½	12.7½

On the 23d April, the Bank of England reduced its minimum rate of discount from 4 to 3½ per cent., and on the 31st the directors further reduced the rate to 3 per cent. The first reduction was fully anticipated, but the suddenness with which this fresh alteration has been made has occasioned some surprise. Judging from the last bank return, there appears to be nothing in the changes there to warrant this second reduction in the rate of discount. Although the bank's liabilities to private depositors have been largely reduced, the falling off in the private securities is not important, while a decrease has taken place in both the bullion and the reserve. The assumption, therefore, for this movement is that the directors have been actuated merely by a wish to get business by competing with the other money dealers. If such has been the motive of the bank directors in reducing the rate of discount, their expectations have so far been realized, for there has been an increase of business at the discount office of that establishment. The terms in the general market, however, continue to range below those of the bank, good bills being taken at 2½ per cent. In consequence of the alteration at the bank, the joint-stock banks have reduced the rate allowed for deposits from 2½ to 2 per cent. The terms of the London and Westminster Bank, however, are only 1 per cent. for sums below £500. The discount establishments will henceforward give two per cent. (instead of 2½) “at call,” and 2½ (instead of 2½) at notice.

The Bank of France, on the 7th May, reduced its minimum rate from 4 per cent., (as fixed on the 28th March,) to 3½ per cent.

BOSTON SEMI-ANNUAL BANK DIVIDENDS.

Reported by JOSEPH G. MARTIN, Commission Stock Broker, No. 6 State-street, Boston. Author of "Twenty-one Years in the Boston Stock Market."

BOSTON BANKS.	Capital.	DIVIDENDS.		Amount April, 1863.	STOCK, DIVIDEND ON	
		Oct., 1862.	April, 1863.		Oct., 1862.	April, 1863.
Atlantic.....	\$ 500,000	2	2	\$ 10,000	90	84
Atlas.....	1,000,000	3	3	30,000	100	108
Blackstone.....	750,000	3	3½	26,250	100	108
Boston, (par \$50.).....	900,000	4	4	36,000	64	70
Boylston.....	400,000	4	4½	18,000	114	116
Broadway.....	150,000	3½	3½	5,250	98	102
City.....	1,000,000	3	3½	35,000	108½	105
Columbian.....	1,000,000	3	3	30,000	104	111
Commerce.....	2,000,000	3	3	60,000	104	105
Continental.....	300,000	3	3	9,000	95	99
Eagle.....	1,000,000	3	3½	35,000	107	110
Eliot.....	600,000	3	3	18,000	101	102
Exchange.....	1,000,000	4	4	40,000	117	118
Faneuil Hall.....	500,000	4	4	20,000	111	116
Freeman's.....	400,000	3	3	12,000	98	99
Globe.....	1,000,000	4	4	40,000	117	125
Granite.....	900,000	3	3½	31,500	104	112
Hamilton.....	500,000	4	4½	22,500	126	135
Hide and Leather.....	1,000,000	3	3½	35,000	98½	101½
Howard.....	500,000	3	3½	17,500	101	102
Market, (par \$70.).....	560,000	3½	3½	19,600	72	74
Massachusetts, (par \$250.).....	800,000	3	3½	25,600	257½	260
Maverick.....	400,000	3	3	12,000	101	100
Mechanics.....	250,000	4	4	10,000	112	114
Merchants'.....	4,000,000	3	3	120,000	94	99
Metropolis.....	200,000	3½	3½	7,000	90	99
Mount Vernon.....	200,000	3	3	7,000	80	99
Mutual Redemption.....	561,700	3	3	22,500	90	95
National.....	750,000	3	3	22,500	90	95
New-England.....	1,000,000	3½	4	40,000	110	115
North.....	860,000	3	3	25,800	92	96
North America.....	750,000	3	3	22,500	100	105
Republic.....	1,000,000	3	3	30,000	93	99
Revere.....	1,000,000	3	3½	35,000	100	108
Safety fund.....	1,000,000	3	3	30,000	100	109
Shawmut.....	750,000	3	3	22,500	95	95
Shoe and Leather.....	1,000,000	4½	4½	45,000	124	130
State, (par \$60.).....	1,800,000	3½	3½	63,000	68	73
Suffolk.....	1,000,000	5	5	50,000	133	143
Traders.....	600,000	3	3	18,000	75	86
Tremont.....	1,500,000	3½	4	60,000	113	115
Union.....	1,000,000	3½	4	40,000	112	116
Washington.....	750,000	3	3½	20,250	102	104
Webster.....	1,500,000	3	4	60,000	103½	105
Total, April, 1863.....	\$ 88,681,700			\$ 1,297,750		
Total, October, 1862.....	88,681,700			1,204,000		
Total, April, 1862.....	88,681,700			1,190,500		
Total, October, 1861.....	88,681,700			1,229,484		
Total, April, 1861.....	88,481,700			1,350,984		

* The dividend of the Massachusetts Bank is 3 1-5 per cent., (par \$250,) equal to \$6 per share.

The preceding table presents the capital of each bank, together with the last two semi-annual dividends, and the amount, payable on Wednesday, April *first*, the only exception, we believe, being the Tremont, April 6, on the "old style" of paying the "first Monday." Also, the market value of each stock, dividend on, October 1, 1862, and at the present time.

Bank shares have sold but seldom in the public market of late, and this, in connection with the very material increase in dividends, renders the pricing of the stocks correctly a matter of no little difficulty. It often makes a difference of 2 per cent. or more, whether the order is to buy or sell without limit.

Of the forty-four banks in the table, the dividends average 3.27 per cent. One bank divides 5 per cent.; three, 4½; nine, 4; twelve, 3½; fourteen, 3; one, 2. The Massachusetts Bank pays 3 1-5 per cent., or \$8 per share, and three pass their dividends.

Several of the banks increase their dividend payments, and most of them have been very successful the past six months, owing to large profits from investments in government securities. All the dividends are net, the banks paying the government tax of 3 per cent. Sixteen banks increase their payments, and the changes from October are as follows:

	Oct.	April.		Oct.	April.
Blackstone,.....	3	3½	Mount Vernon,.....	..	3½
Boylston,.....	4	4½	National,.....	..	3
City,.....	3	3½	New-England,.....	3½	4
Eagle,.....	3	3½	Revere,.....	3	3½
Granite,.....	3	3½	Tremont,.....	3½	4
Hamilton,.....	4	4½	Union,.....	3½	4
Hide and Leather,.....	3	3½	Washington,.....	3	3½
Howard,.....	3	3½	Webster,.....	3	4

The Metropolis passes its dividend at this time.

Interest is also due April 1 on Roxbury City 6 per cent. bonds, at treasurer's office, and the "Saint Mary's Falls Ship Canal Company" 7 per cent. bonds of 1864, payable in New-York, of which a portion is held in this vicinity.

The United States will pay, in coin, at sub-treasurer's office, the interest due April 1st on 7 3-10 per cent. Treasury notes. The City of Boston will pay interest, in coin, on the *first day* only of April, and after that, the equivalent of gold at the market price of that day.

A Singular Suit against a Savings Bank.—SAMUEL SALLIDAY, a policeman, sued the Brooklyn Savings Bank, in the City Court, for the recovery of \$100 which he alleges he deposited in the bank and received no credit for. SALLIDAY went to the bank on the 3d of July last, and handed his book and a roll of bills to the teller, and being in a hurry did not wait for the entry, but called again for his book. Some time after SALLIDAY discovered that he had been credited with only \$69, while, as he alleges, he gave the teller \$169.

The bank officers insisted that there was but \$69, and the suit was brought to settle the dispute. The testimony of plaintiff was all the evidence offered on his part. The defence rested on the testimony of the teller, who received the money, and of other officers of the bank, who explained the system of book-keeping, and the impossibility of a mistake, such as plaintiff alleges, passing undetected. The jury rendered a verdict for defendants.

PHILADELPHIA BANK DIVIDENDS,

NOVEMBER, 1862, AND MAY, 1863.

THE Philadelphia banks, with the exception of the Bank of North America, which divides in January and July, have announced their semi-annual dividends. We give below the dividend of each, compared with that made in November last, and the aggregate amount divided:

BANKS.	Capital.	DIVIDENDS.		Amount.
		Nov.	May.	
Philadelphia,.....	\$ 1,800,000 ..	4 ..	5 ..	\$ 90,000
Farmers and Mechanics',.....	2,000,000 ..	3½ ..	4 ..	80,000
Commercial,.....	1,000,000 ..	3 ..	4 ..	40,000
Mechanics',.....	800,000 ..	5 ..	5 ..	40,000
Northern Liberties,.....	500,000 ..	5 ..	7 ..	35,000
Southwark,.....	250,000 ..	7 ..	7 ..	17,500
Kensington,.....	250,000 ..	5 ..	5 ..	12,500
Penn Township,.....	350,000 ..	4 ..	6 ..	21,000
Western,.....	418,600 ..	4 ..	5 ..	20,930
Manufacturers and Mechanics',...	570,150 ..	4 ..	5 ..	28,507
Commerce,.....	250,000 ..	4 ..	5 ..	12,500
Girard,	1,000,000 ..	4 ..	4 ..	40,000
Tradesmen's,	150,000 ..	4 ..	5 ..	7,500
Consolidation,.....	267,550 ..	4 ..	5 ..	13,378
City,	443,850 ..	4 ..	4 ..	17,754
Commonwealth,.....	286,425 ..	3 ..	4 ..	11,457
Corn Exchange,.....	280,050 ..	4 ..	5 ..	14,007
Union,	208,410 ..	3 ..	5 ..	10,405
Total,.....	\$ 10,824,845 ..			\$ 512,438

Proposed Bank Alterations.—Some persons are again trying to have the banks change their hour of closing to three o'clock, in imitation of Wall-street. There was a bank meeting at the Clearing-House to consider the matter, and we doubt not that such a course will be adopted as will be the best, upon the whole, for bank managements, bank officers, merchants and brokers. The change has been attempted before, but the burden of evidence is so plainly on the side of the present hour of two o'clock, that no success has attended the efforts of the few malcontents. We have examined the matter with some care, and questioned any number of merchants, traders and others, as to their ideas and wishes. We cannot discover that any change is called for by the large majority of the commercial community. We have not yet met a respectable broker even who cared for the change. "State-street," says everybody, "is not Wall-street, and we dislike a change that will make us later in our bank business than at present. The lazy, unsystematic and ill-provided will always postpone and postpone, and find it as difficult to get in at three o'clock as at two. We want to get through our bank business as early as possible, and can usually accomplish it at one o'clock." Bank officers, of course, especially those who are forced to live in the suburbs, are opposed to any change that will detain them from their homes, unless it is to be attended by clear advantage to the corporations by which they are employed. No such advantage is claimed for the proposed change. As to the few brokers who are said to go for three o'clock, it is not likely that the present rush of business, by which they are coining money, will always continue. We opine that, in the long run, all the bank business of Boston can be leisurely accomplished from 10 to 2.—*Boston Post.*

BANK ITEMS.

NEW BANKING LAWS OF THE STATE OF NEW-YORK.—At the last session of the legislature, the following acts were passed:

I. "An act to incorporate the Onondaga County Savings Bank, in the City of Syracuse," passed April 10, 1855.

II. To amend an act entitled "An act to authorize the business of banking," passed April 18, 1838.

III. To incorporate the Emigrant Savings Bank, Brooklyn.

IV. To incorporate the Harlem Savings Bank.

V. To incorporate the Ithaca Savings Bank.

VI. To authorize the Albany Exchange Bank to reduce its capital stock and to lessen its number of directors.

VII. To authorize the Union Bank of Rochester to reduce its capital stock and reduce the number of directors.

VIII. To authorize the Bank of Coxsackie to reduce its capital stock.

IX. To change the corporate name of the "Monroe County Savings Institution," in the city of Rochester, N. Y., to the "Monroe County Savings Bank."

X. To incorporate the National Union Life and Limb Insurance Company of New-York.

United States Banks.—HUGH McCULLOCH, Esq., of Indianapolis, for many years President of the Bank of the State of Indiana, one of the ablest financiers and best bank officers in the country, has been appointed to and accepted the office of Comptroller of the Currency, under the new national banking law. SAMUEL T. HOWARD, Esq., late of Le Roy, N. Y., and Cashier of the Genesee County Bank, N. Y., from 1852 to 1861, has received the appointment of Deputy-Comptroller of the Currency.

NEW-YORK.—At a special meeting of the directors, May, 1853, Mr. HALSETT having declined a re-election on account of ill-health, CHARLES P. LEVERICE, Esq., was unanimously elected President, and JAMES H. BANKER, Esq. Vice-President.

Bank Frauds.—A woman was arrested at Sherburne, in Chenango County, N. Y., some two weeks since, for passing several altered drafts on banks in that vicinity. Two of the original drafts were respectively for \$9 88 and \$9 75, and were ingeniously altered to \$90 88 and \$90 75, and promptly paid by the banks where they were offered. The money, however, was subsequently recovered. The woman was placed in the custody of the deputy sheriff of the county, from whom, after some days, she managed to escape, though vigilantly watched.

Removal.—The Leather Manufacturers' Bank has removed from the building in William-street, so long occupied by it, to No. 80 Wall-street, the office recently vacated by the United States Assistant Treasurer. The London and Liverpool Insurance Company have bought the property long occupied by the above bank, and will this year erect a new and suitable building for their Fire and Life business.

Albany.—The Receiver of the Bank of the Capitol, Albany, has collected enough to pay all outstanding claims against the bank, and 10 per cent. dividend to the stockholders.

MAINE.—Mr. SAMUEL R. JACKSON, who has been president of the Maine Bank, Brunswick, Me., since its organization, has resigned his office on account of business engagements in Pennsylvania; and on 20th April N. T. PALMER, M. D., was elected in his place.

NEW-HAMPSHIRE.—Mr. J. A. STICKNEY has been chosen Cashier of the Great Falls Bank, of Somersworth, N. H., in place of D. H. BUFFUM, resigned, who has filled the position for seventeen years.

MASSACHUSETTS.—Mr. C. H. INGALLS, formerly Teller of the Adams Bank, North Adams, Mass., has been appointed Cashier of the Berkshire Bank, South Adams, in place of W. W. FREEMAN, resigned.

Boston.—The movement of the Boston banks in the year 1863, on a capital of \$38,231,700, is indicated by the following summary for the current year:

	<i>Loans.</i>	<i>Spects.</i>	<i>Due to Banks.</i>	<i>Deposits.</i>	<i>Circulation.</i>
Jan. 3,....	\$ 77,829,046 ..	\$ 7,673,928 ..	\$ 16,970,044 ..	\$ 38,372,648 ..	\$ 3,190,496
" 10,....	77,427,178 ..	7,751,138 ..	17,006,389 ..	38,068,750 ..	3,373,163
" 17,....	76,694,673 ..	7,710,686 ..	16,547,798 ..	38,363,048 ..	3,199,595
" 24,....	76,354,004 ..	7,710,673 ..	16,811,665 ..	38,847,017 ..	3,003,431
Feb. 7,....	78,420,940 ..	7,707,125 ..	16,982,299 ..	35,178,560 ..	3,074,147
" 14,....	78,431,146 ..	7,794,119 ..	17,070,742 ..	34,903,298 ..	3,000,972
" 21,....	78,732,746 ..	7,823,319 ..	17,331,354 ..	34,955,475 ..	3,002,333
" 28,....	79,127,483 ..	7,553,197 ..	17,523,482 ..	35,545,543 ..	3,019,767
Mar. 7,....	79,374,199 ..	7,583,027 ..	17,340,369 ..	35,215,371 ..	3,324,536
" 14,....	79,636,134 ..	7,609,233 ..	18,447,236 ..	32,955,149 ..	3,780,062
" 21,....	79,433,236 ..	7,595,063 ..	18,174,736 ..	32,572,926 ..	3,636,633
April 4,....	76,933,573 ..	7,703,736 ..	15,444,317 ..	32,634,356 ..	3,763,467
" 11,....	74,551,013 ..	7,812,895 ..	14,557,371 ..	32,494,523 ..	3,763,915
" 18,....	73,459,160 ..	7,799,315 ..	13,815,590 ..	33,209,742 ..	3,273,506
" 25,....	73,557,397 ..	7,833,235 ..	13,303,205 ..	32,731,538 ..	3,039,537
May 2,....	73,318,155 ..	7,854,731 ..	13,237,673 ..	31,949,763 ..	3,433,496
" 9,....	73,002,739 ..	7,847,349 ..	13,380,309 ..	31,309,995 ..	3,633,333
" 16,....	73,063,598 ..	7,794,046 ..	13,333,063 ..	32,192,770 ..	3,167,333

The items of deposits in the Boston statements do not include balances due to other banks and bankers. These are under a separate head, making together about forty-seven millions of gross deposits.

Banking under the National Law.—The movement in favor of the National Bank system of Mr. CHASE is evidently gaining strength and favor. Pennsylvania has passed a law authorizing the establishment of those institutions in her dominions. Mr. MUNROE, of the New-York Legislative Banking Committee, has reported in favor of a bill for similar adjustment between the present conflicting State and Federal authorities. Massachusetts will probably fall into line.

The bill which was introduced in the Massachusetts Legislature, in March, by Mr. CHANDLER, of Boston, to facilitate the present banks in changing to the national system, provides, 1. That any bank which shall become an association under the national currency act, shall be thereby deemed to have surrendered its charter; provided, that said association shall assume and be liable for all the debts of the said bank, and that the bank commissioners shall be satisfied and certify to the governor that the corporation can, as such association, continue its business with safety to the public. 2. That any such bank, before becoming such association, shall have the right, by a vote representing two-thirds of its capital, at a special meeting, to reduce its capital to such sum as they shall deem proper, and on becoming such association, shall do business only with its reduced capital.

Randolph.—Mr. SETH TURNER, for twenty-one years Cashier of the Randolph Bank, Mass., has been unanimously elected President of the institution in place of his father, ROYAL TURNER, recently deceased. HENRY STEPHENS has been appointed Cashier. For several years this bank has regularly declared an annual dividend of ten per cent.

New-Bedford.—The directors of the Marine Bank, in New-Bedford, have taken the initiative towards converting their institution into a banking association under the laws of the United States. A special meeting of the stockholders was held to consider the surrender of their present charter, &c.

CONNECTICUT.—There are 46 banks of discount in Connecticut, with an aggregate capital of \$21,849,148. Their deposits amount to \$9,573,074 82. Their circulation is \$12,850,453, and the amount of specie is \$1,466,857 13. The deposits have increased 57 per cent. during the year. There are 49 savings banks, holding deposits to the amount of \$23,146,936 95.

Stamford.—Mr. JOSEPH L. LEEDS, Teller of the Stamford, Conn., Bank, has been promoted to the cashiership of that institution, Dr. HUMPHREY, the former Cashier, having resigned to take the presidency of the new bank to be located in that village.

Philadelphia.—The business of the Philadelphia banks, for the year 1863, on a capital of \$11,814,845, was as follows:

	<i>Loans.</i>	<i>Specie.</i>	<i>Due to Banks.</i>	<i>Deposits.</i>	<i>Circulation.</i>
Jan. 3,....	\$ 37,679,675 ..	\$ 4,510,750 ..	\$ 6,943,735 ..	\$ 23,429,189 ..	\$ 4,504,115
" 10,....	37,588,751 ..	4,544,786 ..	6,890,968 ..	23,013,799 ..	4,450,676
" 17,....	37,416,694 ..	4,549,369 ..	7,050,847 ..	27,877,069 ..	4,332,521
" 24,....	37,479,712 ..	4,572,419 ..	6,755,990 ..	23,773,517 ..	4,234,947
" 31,....	37,268,394 ..	4,562,580 ..	6,693,210 ..	29,281,758 ..	4,181,508
Feb. 7,....	37,236,367 ..	4,319,706 ..	6,953,215 ..	28,363,164 ..	4,069,915
" 14,....	37,710,351 ..	4,272,847 ..	7,452,563 ..	23,759,049 ..	3,833,135
" 21,....	37,720,460 ..	4,376,761 ..	7,413,250 ..	29,342,596 ..	3,773,731
" 28,....	37,901,090 ..	4,267,626 ..	6,773,963 ..	30,173,518 ..	3,696,097
Mar. 7,....	38,608,371 ..	4,249,085 ..	6,549,423 ..	30,679,259 ..	3,603,370
" 14,....	39,306,023 ..	4,247,917 ..	6,738,213 ..	30,549,537 ..	3,534,330
" 21,....	39,453,334 ..	4,247,683 ..	7,413,482 ..	30,106,135 ..	3,295,309
" 28,....	38,957,612 ..	4,311,704 ..	6,504,753 ..	29,171,233 ..	3,369,194
April 4,....	37,516,520 ..	4,339,259 ..	5,763,553 ..	39,531,559 ..	3,374,413
" 11,....	36,259,409 ..	4,343,242 ..	5,953,309 ..	30,117,527 ..	3,296,635
" 18,....	36,395,644 ..	4,343,933 ..	5,306,509 ..	31,059,044 ..	3,135,042
" 25,....	36,432,058 ..	4,346,377 ..	5,443,124 ..	31,031,799 ..	3,073,921
May 2,....	36,537,294 ..	4,255,324 ..	5,323,393 ..	30,859,231 ..	2,939,423
" 9,....	36,593,179 ..	4,259,335 ..	4,975,939 ..	30,949,731 ..	2,901,600
" 16,....	36,337,301 ..	4,337,119 ..	4,640,622 ..	31,392,303 ..	2,566,121

PENNSYLVANIA.—The Pennsylvania Legislature, at its late session, re-chartered for five years the following banking institutions: Lancaster County Bank, Bank of Danville, Harrisburg Bank, Commercial Bank of Philadelphia, Farmers' Bank of Bucks County, the Bank of Delaware County, the Lebanon Bank, the Farmers' and Mechanics Bank of Easton, the York Bank, the Miners' Bank of Pottsville, the Montgomery County Bank, the York County Bank, the Bank of Chambersburg, the West Branch Bank, Wyoming Bank, and the Honesdale Bank. All attempts to engraft upon these bills the provisions of the free banking law failed. It is presumed, however, that the extension of their respective charters for the period of only five years was done to enable these institutions to deliberately, in their own convenient time, come under the provisions of the national banking law, which, there is scarcely a doubt, they will do long before the expiration of their extended charters.

NEW-JERSEY.—MATTHIAS W. DAY, Esq., Cashier of the Mechanics' Bank, Newark, N. J., died in that city on Saturday, 2d May, of typhoid pneumonia, in the 62d year of his age. He was a native of that place; his father, MATTHIAS DAY, Esq., (one of its most highly esteemed citizens,) having been postmaster there for many years. Mr. DAY's business life commenced in the State Bank at Newark, whence he was transferred to the Mechanics' Bank in New-York. In that institution, by his assiduity and business qualifications, he made himself so well and so favorably known as clerk and assistant to the Cashier through many years, that on the establishment of the Mechanics' Bank in his native place, he was selected as its first Cashier, and for more than thirty years held the position with credit to himself, and to the satisfaction of all interested in its affairs; repeatedly declining propositions from the institutions far and near to assume their management.

Camden.—Mr. JESSE TOWNSEND has been elected Cashier of the State Bank at Camden, N. J., in place of THOMAS ACKLEY, deceased.

OHIO.—The Western Reserve Bank, at Warren, Trumbull County, Ohio, first chartered in 1811-'12, is about to close its business. In May, 1863, the stockholders unanimously instructed the directors to settle up the affairs of the bank, and distribute the stock and assets among the stockholders. A Detroit paper says: "During all the years of its life, we have never heard that a dollar was ever lost to its creditors. Its circulation, even in the panic and crash of 1837-'40, has always been protected and as good as the gold."

Toledo.—The Marine Bank, of Toledo, has declared a semi-annual dividend of six per cent., free of tax. The directors of the bank have made application for a charter under the national law.

Painesville.—The directors of the Bank of Geauga, Painesville, Ohio, held a meeting 29th ult., to consider, 1st, the closing up of the affairs of the bank and dividing the capital among the stockholders; and 2d, organizing a bank, or the present bank, under the new national banking law. The stockholders are to decide on these propositions.

Youngstown.—At a meeting of the stockholders of the Mahoning County Bank, Youngstown, Ohio, held in April, it was resolved that the directors be authorized and directed to close the business of the institution, and divide the capital of the same, and any surplus there may be, among the stockholders, *pro rata*, on the amount held by each. The capital of the bank is \$200,000. The amount of stock represented at the meeting was \$174,000.

MICHIGAN.—The Ann Arbor (Mich.) City Bank, with a capital of \$200,000, the first instalment of which has been paid in, will soon commence business under the national banking law.

The Directors of the Ann Arbor (Mich.) City Bank, have elected CHARLES H. RICHMOND, Cashier, and J. W. KNIGHT, Assistant.

A new banking house will soon be commenced at Corunna, Mich., conducted by Judge McCURDY and JAMES B. WHEELER.

The banking firm of FISHER & PARSONS, in Detroit, was dissolved on the 17th inst., Mr. FISHER retiring.

A new bank of issue, under the Federal laws, is about to be started at Saginaw, Mich., by BROCKWAY, COOKE & Co.

WISCONSIN.—The Bank of Sheboygan, Wis., and the German Bank of Sheboygan, have each received permission to increase their circulation to \$25,000.

Milwaukee.—Hon. EDWARD D. HOLTON has resigned the presidency of the Farmers and Millers' Bank of Milwaukee, which he has held for nine years, and intends to make a year's tour in Europe to recover his health, which was seriously impaired in the discharge of the laborious duties of Allotment Commissioner among the Wisconsin soldiers in Mississippi. He has been for twenty-three years identified with the business of Milwaukee, a most effective pioneer in establishing rail-roads, long occupying a prominent position as a banker, and always using his influence against illegitimate banking, and a zealous advocate of all good enterprises. In his letter of resignation to the directors he remarks: "In view of the difficulties and dangers which have surrounded the banking business of the West for the last five years, (first, from the over issue of irredeemable currency; and second, from the immense depreciation of the stocks of seceding States which underlaid our currency,) the affairs of the bank are in a satisfactory condition."

Failed Banks.—The following banks in Wisconsin have closed their business. Their paper is redeemed in coin, at the following rates, to wit:

	Circulation outstanding.	Cents.		Circulation outstanding.	Cents.
Bank of Albany.....	\$ 821	.. 73½	Oconto County Bank,..	825	.. 75
“ of Appleton,....	1,006	.. 61½	Osborn Bank,.....	835	.. 65
“ of Beaver Dam,..	320	.. 57½	Portage County Bank,..	729	.. 70½
“ of Eau Claire,....	1,202	.. 84	Reedsburg Bank,.....	682	.. 75½
“ of Fond du Lac,..	1,130	.. 68½	Southern Bank,.....	240	.. 70½
“ of Portage.....	907	.. 78.6	Tradesmen's Bank,....	1,200	.. 51
Beloit Savings Bank,..	170	.. 46½	Waupun Bank,.....	935	.. 80
Dodge County Bank,..	1,239	.. 69.3	Waushara County Bank,	403	.. 73½
Hall & Brothers' Bank,.	1,126	.. 63	Winnebago Co. Bank,..	1,754	.. 57
Koshkonong Bank,....	816	.. 54½	Wisconsin Valley Bank,	935	.. 77
Mechanics' Bank,.....	370	.. 62½			
Mercantile Bank,.....	1,796	.. 79½	Total,.....	19,441	

Banks wound up, and their circulation will be redeemed on presentation at the Comptroller's Office in Treasury notes, at the following rates, to wit:

	<i>Circulation.</i>	<i>Received at</i>
Arctic Bank,.....	\$ 4,180	68.6
Bank of Horicon,.....	852	60
Bank of North America,.....	1,285	95.5
City Bank of Beaver Dam,.....	2,456	80.5
Citizens' Bank,.....	679	72
Chippewa Bank,.....	1,695	77.5
Katanyan Bank,.....	2,356	79
Laborers' Bank,.....	570	87
Lake Shore Bank,.....	739	77
Manitowoc County Bank,.....	1,162	93
Northwestern Bank,.....	948	66.5
State Stock Bank,.....	6,433	95
St. Croix River Bank,.....	1,655	75.5
Waupaca County Bank,.....	1,225	83
Wood County Bank,.....	1,381	77
Total,.....	\$ 27,666	

We understand that the presidency of the Farmers and Millers' Bank of Milwaukee has been conferred upon EDWIN H. BRODHEAD, in the place of E. D. HOLTZ.

Ripon.—EDWARD P. BROCKWAY has been elected President of the Bank of Ripon, Wis., vice HIRAM H. MEAD, and GEORGE L. FIELD, Cashier.

Savings Banks.—The Fairhaven Institution for Savings has declared a semi-annual dividend of three per cent., exclusive of the revenue tax.

The Savings Bank in New Britain, Conn., has been in operation seven months, and has been much more successful than was anticipated. Its deposits are now over \$30,000, a large portion of which has been invested in first class real estate securities.

At a meeting of the members of the Savings Bank for the County of Strafford, N. H., on 28th ult., trustees were elected for this year. GEORGE D. VITRUM was re-elected President, and CHARLES WOODMAN, Treasurer. The deposits now amount to \$516,000, showing an increase of \$37,000 during the last year, notwithstanding the almost entire suspension of the manufacturing business there during that period.

How to Check a Run on a Bank.—O'CONNELL is said to have checked a panic on a bank of which he was a director, by making the Cashier roast the gold that was given in exchange for notes. The crowd thought they were coining money in the back parlor, and that they could not break a bank which could supply its customers with gold like breakfast rolls. Besides, it was rather uncomfortable to pick up hot sovereigns, and the process of cashing was necessarily slow.

MISSOURI.—An act to authorize certain corporations to do a banking business under an act of Congress, approved February 25, 1863.

Be it enacted by the General Assembly of the State of Missouri as follows: Sec. 1. That any bank, savings institution, savings association or other corporations having banking powers in this State, or any which may hereafter be created, shall have power, and are hereby authorized, to form associations for the purpose of doing a banking business under and in pursuance of "An act to provide a national currency, secured by a pledge of United States stock, and to provide for the circulation and redemption thereof." Approved February 25, 1863, any law of this State to the contrary notwithstanding. This act to take effect and be in force from and after its passage.

LOUISIANA.—The New-Orleans *Era's* price current of the 4th April instant, gives the following quotations :

New-York sight banks and bankers,.....	2½ @ 3 per cent. prem.	
do. do. out-door,.....	1½ @ 2½	"
Sterling,.....		70 @ 85 prem.
Francs.....		3 00 @ 2 90
First-class mortgage paper,.....		8 per cent.
American gold,.....	58½ @ 62½	per cent. prem.
American silver,.....	60 @ 65	"
Mexican dollars,.....	50 @ 55	"
Five-franc pieces,.....		140 @ 145
Twenty-five franc pieces,		\$7 60 @ \$6 25
Sovereigns,.....		\$7 50 @ \$8 25
Spanish doubloons,.....		\$24 50 @ \$26 00
Patriot do.		\$24 50 @ \$25 50
Mexican do.		\$24 50 @ \$25 50
Northern banks,.....		5 per cent. dia.
Southern—Mobile,.....		25 "
Western—Missouri,.....		50 "
Tennessee (old),.....		10 "
Tennessee (new),.....	30 @ 35	"
Kentucky,.....		10 "
Alabama State Banks,.....		35 "
Montgomery, Ala.,.....		35 "
South Carolina,.....	30 @ 35	"
North Carolina,.....	30 @ 35	"
Georgia,.....	30 @ 35	"
Virginia,.....	30 @ 35	"

New-Orleans City Notes.—We observe in the New-Orleans *Era* a notice, that the old issue of city notes has been counterfeited by photograph. These notes are as great a curiosity in the way of "shinplasters" as the time has produced. The city procured by some means a large amount of the issues of some banks long since discontinued, for instance, of the United States Branch Bank of Pensacola. These were in sheets, and had never been signed. The plate for the city was then prepared, and the city notes printed on the back of old notes, but printed *crosswise*; so that two of the old notes furnished just enough paper for two city notes, and so that when the latter were cut apart, each of them had on its back the halves of two of the old notes. Thus, a one dollar city note, when turned over, would show, for example, the first halves of two tens of the old bank. To supply the deficiency of small change, the practice grew up of cutting the city notes themselves in halves, so as to make bills for fifty cents, or for a dollar and a half. The cut bill, therefore, would appear on one side to be half of a one dollar bill, for instance, and on the other, reading *crosswise*, the half of a five or ten. It was therefore necessary to look at both sides of the cut bill, and, if the taker did not stop to read the letter-press, to take it as of the smaller of the two denominations. The advantages of this singular expedient were, that the city managed to use excellent bank note paper, which it probably bought at a cheap rate, and that having an inferior plate of its own, it had on the back of every note a very excellently engraved design. It seems, however, that these notes have not been proof against counterfeiting by the photograph process, and accordingly they now, we believe, have figures stamped upon them in the "green tint." But how came there to be available so large a supply of the uncut bills of banks which have been closed for twenty-five years or so?

Banks to be Organized under the Act of Congress of February 25, 1861:—At New-ville, Pa., by Messrs. REA, GRACY & Co., and their associates.

At Auburn, Maine, by stockholders in the present Auburn Bank of that State.

At Huntington, Pa., by Messrs. R. R. BRYAN and their associates.

A National Bank at Cleveland.—The Cashier of the Bank of Commerce, at Cleveland, Ohio, has recently visited Washington, and made arrangements with Secretary CHASE to establish a new bank under the recent act for founding national banks. The capital of the Bank of Commerce will be merged in the new bank, and the capital of the latter is fixed at \$500,000, with power to increase it to a million. In a very short time it will be in operation.

The Rondout (N. Y.) *Courier* says, that THOMAS CORNELL, Esq., of that place, is about to organize a bank under the act of Congress of the United States, approved February 25th, 1863, to be located in the village of Rondout, and called the National Bank of Rondout, with a capital of \$200,000, \$125,000 of which is already subscribed.

Subscriptions are being made for a new bank in Springfield, under the new national law. JAMES KYRKHAM, late President of the Pyncheon Bank, heads the list; and nearly the required capital of \$100,000 has already been taken up.

The corporators of the first national bank to be organized at Norwich, under the new banking law, are the stockholders of the Eagle Armory of that city, comprising several well known New-York and Hartford capitalists.

The persons interested in the Morristown Bank, N. J., chartered last year, have decided to organize under the national law, and the institution is expected to be started soon.

Some parties are becoming impatient at what they think an unnecessary tardiness in arranging the preliminaries for the organization of the new national banks. In view of the magnitude and extent of the arrangements which have to be made before this great scheme can be fairly launched, it is not probable that the complete maturity of the organization can be expected for some time to come. Nor are we aware that any vital interests of the country are threatened by the indispensable delay. At least four months will be required to execute the circulating bills.

Bank and insurance shares at Hartford, April 11th:

BANK STOCK.

	Brokers' Quot.		Brokers' Quot.
Hartford,	140 @ 142	Mercantile,	70 @ 75
Phoenix,	101 @ 108	Ætna,	100 @ 102
Farmers and Mechanics', ..	113 @ 114	Merchants and Manufact., .	101½ @ 102
Exchange, (\$50 shares), ..	46 @ 48	State,	123 @ 125
City,	107 @ 108	Bk. of Hartf'd Co., (\$50 shs.,)	48 @ 50
Charter Oak,	97 @ 98	Conn. River, (\$50 shares), ..	72 @ 73

INSURANCE SHARES.

Ætna Fire Insurance Co., ..	220 @ 225	Charter Oak Insurance Co.,	70 @ 75
Hartford do. ..	225 @ 228	North American do.	95 @ 98
Phoenix do. ..	125 @ 130	Merchants' do.	108 @ 110
Connecticut do. ..	108 @ 110	New-England do.	55 @ 60
City do. ..	106 @ 107		

MISCELLANEOUS SHARES.

Connecticut State stocks, ..	114 @ 116	Hartford City bds., (Water,)	110 @ 112
Hartf'd Carpet Co., (div. off.)	147½ @ 150	Hartford and N. H. R. R.,	175 @ 180
Collins Co., (\$10 shares), ..	10 @ 11	do. 6 per cent. bonds,	108 @ 110
Hartford and N. Y. S'boat.,	100 @ 105	Hartford City 6 per ct. do.,	110 @ 112
Holyoke Water Power Co.,	120 @ 125	Hartford Gas Company, ..	120 @ 125
Prov., H. and F. R. R. bonds,	80 @ 85	Hartford Bridge Co.,	160 @ 165

BANK DIVIDENDS, APRIL, 1863.

	Capital.		Dividends, April, 1863.		Net Profits, Dec., 1862.
National Bank,	\$ 1,500,000	.. 4 ..	\$ 60,000	..	\$ 127,308
New-York Exchange Bank, ...	150,000	.. 3 ..	4,500	..	15,145
Shoe and Leather Bank,	1,500,000	.. 4 ..	60,000	..	133,600

Baltimore.—Marine Bank, 3 per cent.; Farmers and Merchants' Bank, 3½ per cent.

New-York Exchange.—The committee appointed by the public board to consider the relations of the board with the regular Stock Exchange, made the following report, which was unanimously adopted:

Your committee beg leave to offer the following report: The closed board of brokers, in opposition to the open board, have passed a resolution, the substance of which is, to subject such of their members who may transact business, directly or indirectly, at the rooms of this association, to immediate expulsion. This resolution inhibits the members of the closed board from visiting, during business hours, the rooms of the open board, as many of its members were in the practice of doing, and were subject to the rules and regulations thereof. Those members of the closed board contributed, along with the other members, to the support of the open board, and submitted to and recognised its laws. Your committee do not deem any action necessary to be taken by this association retaliatory in its effects or as an offset to the course adopted by the closed board. Both boards are independent organizations, and may pass or enact any absurd, ridiculous or sensible regulations, as in their judgment they may see fit. It is not the first time in the eventful history of the closed board that they have passed resolutions which have not met with public approval. The committee note with pleasure the course taken by the minority of that board, who voted against this measure. This minority was composed of a highly respectable portion of the board, comprising a large proportion of its wealth and influence. To those gentlemen we tender our thanks. And your committee, in conclusion, beg leave to recommend respectfully, as they deem the action of the other board unimportant, that no further notice be taken of the matter. Respectfully submitted.

At the public board, New-York, the armless soldier of the Twenty-first Massachusetts regiment was introduced, and a collection of \$1,800 was made for him, and the bulk of the money paid in the course of fifteen minutes.

NEW PUBLICATIONS.

I. HANSEN AND ANTOINE'S *List of Parities of Foreign Exchanges in the United States, based on the Premium of Gold.* 4to. eight pages. New-York: Published by LEWIS G. HANSEN. Price ten dollars.

This is a useful document for those dealing in or buying exchange on Europe. The computer shows in parallel columns the value of bills on London, Paris, Amsterdam, Hamburg, Frankfort, Bremen and Berlin. He represents bills on these cities as worth for gold at par, at 25 per cent. premium, 50 per cent. premium, and at 75 per cent. premium, and 100 per cent. premium, as follows:

	Par.	25 per cent.	50 per cent.	75 per cent.	100 per cent.
London,.....	\$ 110.55	.. \$ 138.18	.. \$ 165.82	.. \$ 193.46	.. \$ 221.10
Paris,.....	5,10.54	.. 4,08.43	.. 3,40.36	.. 2,91.74	.. 2,55.27
Amsterdam,.....	41.99	.. 52.49	.. 62.99	.. 73.49	.. 83.99
Hamburg,.....	37.17	.. 46.46	.. 55.75	.. 65.05	.. 74.34
Frankfort,.....	41.75	.. 52.19	.. 62.62	.. 73.06	.. 83.50
Bremen,.....	80.28	.. 100.35	.. 120.42	.. 140.50	.. 160.57
Berlin,.....	72.97	.. 91.21	.. 109.46	.. 127.70	.. 145.94

The compilers state that the par value and respective charges on gold remittances are computed in these tables on the following scale, viz:

London, sterling, par value of gold, 9½ p. c. prem., add charges, ½ p. c., prem., and ¼ p. c. on the gross amount,.....	110.550
Paris, franca, par value of gold, 5.17; charges, 1½ p. c.....	5,10.583
Amsterdam, Dutch guilders, based on sterling sight, in Amsterdam, at 11.70, and in New-York at 110.55,	41.994
Hamburg, banco marks, " " " Hamburg, at 18.8¼, do.	37.169
Frankfort, florins, " " " Frankfort, at 117.11-16, do.	41.749
Bremen, rix dollars, " " " Bremen, at 613, do.	80.288
Prussian thalers, " " " Berlin, at 6.92, do.	72.970

Notes on the Money Market.

NEW-YORK, MAY 25, 1863.

Exchange on London, at sixty days' sight, 158 @ 160.

THE month of May has been marked by considerable excitement, both in financial and commercial circles. Speculation at the stock board has been excessive throughout the month, accompanied by the most extraordinary fluctuations of values in the securities most dealt in.

The increasing activity of the money markets of the leading cities shows that, as heretofore, capital seeking employment augments and accumulates daily in our money-lending institutions, while the rate of interest continues to favor the borrower. The crowd of speculators is, therefore, receiving continual accessions, and a factitious demand is producing its usual effects on prices.

The rates of interest for loans are continually falling, and five per cent. is the highest rate for loans on demand. Large amounts have been temporarily placed at four per cent. during the past four weeks. Good news from the army has given an impulse to the market, and the large demand for five-twentys may give an increased impulse; but the rate will probably rule low till the middle of summer.

We find that a new direction is being given to the efforts of some of our most prudent men of business, and that our mining and mechanic arts are likely to receive considerable development during the present year.

The most favorable feature of the month has been the large absorption of the government five-twenty loan by capitalists. The subscriptions, through the numerous agents of the Treasury, for this loan, now exceed one hundred millions of dollars, which obviates the necessity for going into the market for a new loan. This amount was issued prior to the first week in May.

We annex the current cash quotations for leading rail-road shares in this market within the past two months. Those with a star [*] paid no dividend last year.

	Feb. 20th.	April 1.	11th.	20th.	May 1st.	11th.	18th.
N. Y. Central R. E. shares,.....	116½ .. 115	.. 115	.. 118¾ .. 116¾ .. 119½ .. 188				
*N. Y. and Erie R. E. shares,.....	79½ .. 78	.. 76¾ .. 78¾ .. 85 .. 88¾ .. 105½					
*Harlem R. E. shares,.....	88½ .. 83	.. 50 .. 58 .. 87 .. 98 .. 116½					
*Reading R. E. shares,.....	90½ .. 89	.. 89¾ .. 91 .. 95 .. 102½ .. 120					
*Hudson River R. E. shares,.....	100¾ .. 105	.. 105	.. 108½ .. 117¾ .. 129½ .. 142½				
Michigan Central R. E. shares,....	104 .. 101½	.. 101	.. 102 .. 106 .. 111 .. 124¾				
*Michigan Southern R.E. shares,...	60½ .. 51½	.. 59	.. 59¾ .. 70¾ .. 84½ .. 88				
Panama R. E. shares,.....	191 .. 187½	.. 187½	.. 194 .. 188 .. 186 .. 187				
Baltimore and Ohio R.E. shares,...	89 .. 86¾	.. 89	.. 89¾ .. 92 .. 85 .. 87½				
*Illinois Central R. E. shares,.....	92¾ .. 90¾	.. 89	.. 89¾ .. 95 .. 98¾ .. 116				
*Cleveland and Toledo R. E.,....	98 .. 97½	.. 96	.. 93¾ .. 110 .. 116 .. 115¾				
Chicago and Rock Island R. E.,...	94 .. 98¾	.. 89¾	.. 89¾ .. 97 .. 99¾ .. 103				
Galena & Chicago R. E. shares,...	98¾ .. 98¾	.. 91½ .. 92¾ .. 99¾ .. 104 .. 118¾					
Chicago, Burlington & Quincy,...	109¾ .. 108	.. 109	.. 110 .. 108¾ .. 111½ .. 120				
Pacific Mail Steamship shares,....	186¾ .. 191½	.. 191	.. 189 .. 191 .. 159 .. 189				

These comparisons of values are not merely interesting; it enables the reader to preserve, as a history of the times, a record of the fluctuations of values in these stocks, which represent nearly two thousand millions of dollars in value.

If we turn from the rail-road list to that of government and State bonds, we find in the latter more stability and uniformity, which forces us to conclude that speculation is the chief mover of the former. The highest price for Missouri six per cents in this market last year was 53, against 66, in May, 1863. There is now a regular demand for both government and State securities for permanent investment.

We annex the highest cash prices offered, for eight weeks past, at the dates named, for the government and leading State securities in this market:

	Mar. 10th.	30th.	Apr. 1st.	11th.	20th.	May 1st.	11th.	20th.
U. S. 6's, 1861, coupons,....	101½	104	105½	105½	105	167½	107½	107½
U. S. 5 per cents, 1874,....	98½	97	98½	97½	96	97½	97½	97½
Ohio 6 per cents, 1856,....	117	116	120	115	113	110	111	110
Kentucky 6 per cents,....	108	104	104	102	104	108	104	104
Indiana 6 per cents,....	101	100	100	99	99½	100	100	100
Pennsylvania 6 per cents,....	102½	108½	101	101½	102	106	105	105
Virginia 6 per cents,....	68	65	66	66	64	65	65	66
Georgia 6 per cents,....	..	..	80	80	81	..	..	..
California 7 per cents, 1877, 185	185	184	180	184	137	128	130	131
North Carolina 6 per cents,....	80	76	75	75	73	73	69	70
Missouri 6 per cents,....	62½	61½	61½	61	60½	63½	64	63
Louisiana 6 per cents,....	70	75	75	75	85	85	71	71
Tennessee 6 per cents,....	61½	61	60½	60	60	60	60	63

Since the opening of the year the loans of the New-York city banks have increased from \$178,810,000 to \$180,711,000. The deposits (including balances due to country banks) are now \$168,879,000, against \$175,689,000 in March, which was the highest point reached in the year, thus far.

The plethora of capital throughout the country has had its decided effect upon the stock market. Up to the 18th inst., there was an extraordinary rise in values, which culminated on that day, and makes a record unequalled in the stock history of New-York. N. Y. Central E. R. shares reached 138; N. Y. and Erie, 105½; Harlem shares, which sold in 1860-'3 at 6 @ 12, brought 116½; Reading, which brought in 1860 only 80 per cent., reached, in May, 120; Hudson River shares, which last year were dull at 85½ @ 76, have suddenly gone up to 143½. These sudden changes are in part the result of renewed confidence in the paying qualities of the leading lines, from the East to the West. Among the remarkable features of the share list is the great firmness of the Western stocks. This has been ascribed to two causes—first, to the good condition in which the roads have most of them been put, and to the excellent management of the principal companies, both as to their finances and their general business; but the advance is largely owing to mere speculation. A re-action occurred after the Board of the 18th—prices falling, during the week, from 6 @ 10 per cent.

The foreign exchanges are controlled by the prices of gold in the market. For the steamers of last week the rates were, London, commercial bills, at 60 days, 162 @ 163; bankers' bills, 166 @ 164. Paris, bankers' bills, 60 days, 8.50 @ 8.45; short sight, 8.45 @ 8.42½. On Amsterdam, 61 @ 61½; Bremen, 116½ @ 118; Hamburg, 54 @ 54½; Frankfort, 61 @ 61½; Prussian thalers, 105 @ 109; but the market has a downward tendency, in consequence of the fall in gold from 49 to 43 per cent. premium.

DEATHS.

At WATERTOWN, N. Y., April 23d, 1863, GEORGE C. SHEKMAN, Esq., President of the Bank and Loan Company, of Watertown, N. Y., who for years has been identified with that village as a lawyer, judge and banker.

At PITTSBURGH, PENN., Wednesday, May 6th, WILLIAM H. DENNY, Esq., aged sixty-six years, Cashier of the Merchants and Manufacturers' Bank of that city.

At NEWARK, N. J., Saturday, May 2d, aged sixty-two years, MATTHIAS W. DAY, Esq., Cashier of the Mechanics' Bank of that city.

At WESTCHESTER, PENN., Thursday, April 23d, aged eighty-one years, Dr. WILLIAM DARLINGTON, President of the Bank of Chester County during the past thirty years.

At WASHINGTON, D. C., Sunday, May 24th, aged seventy-four years, THOMAS CARRERT, Esq., President of the Bank of Washington from February, 1855, until his death.

THE BANKERS' MAGAZINE, AND Statistical Register.

EDITED BY J. SMITH HOMANS, JR.

"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 depend upon it, whether for support or for reformation."

JUNE, 1863. - CONTENTS.

Table listing contents with page numbers. Includes sections like 'BANK CIRCULATION OF EACH OF THE BANKS OF THE CITY AND STATE OF NEW-YORK', 'Bank Statistics', 'The Internal Revenue Act', 'Gold-Fields and Gold-Miners', etc.

NOTICE.—The Seventeenth Volume of the Bankers' Magazine, [from July, 1862, to June, 1863, inclusive,] is now completed, and a title page and general index of subjects contained in the volume may be found in the present number. Copies substantially bound will be furnished to order by the publisher, in exchange for numbers, at one dollar per copy.

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Cash Assets, \$2,150,000.

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It is strictly a benevolent institution for mutual protection, and entirely beneficent in all its workings and tendencies.

By the last report of the Massachusetts Insurance Commissioners, the surplus of assets over liabilities, was \$850,000, being proportionately greater than any Life Insurance Company in the United States. Expenses proportionately "less" than any other Company.

Economy, care in its risks, and prudent investments, characterize this Company.

This Company being purely mutual, insures at the lowest possible rates; and if the premiums paid exceed the actual cost, the surplus is returned to the parties insuring.

Every fifth year, at the time of declaring the dividends, the business is, as it were, closed, so that its actual position and solvency are made manifest at that time; and the surplus funds are divided *pro rata* among all the insured. This guards the assured against any possible loss from inefficiency on the part of the Company, and is a sure guaranty as regards the future.

The terms of payment are peculiarly advantageous to the insured. Premiums can be paid annually, semi-annually, quarterly, or one-half of the first five annual premiums on life policies loaned to the insured, if desired. Insurance may be effected for the benefit of married women, beyond the reach of their husband's creditors. Creditors may insure the lives of debtors.

Documents of an interesting character, showing the benefits of the mutual plan, explaining the different forms of policies, and the manner of making payments, forwarded gratis, by addressing

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June, 1862.



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CHILLED & WROUGHT IRON
Fire and Burglar Proof
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New Dodecagon Bank Locks,

Which have defied all Bank Lock competitors and Pick-locks for the last thirty days on the mammoth Safes just constructed for the Mercantile Bank, corner Broadway and Dey-street.

These locks are now offered to the public, and warranted pick-lock proof, at \$50 each.

LEWIS LILLIE, Troy.

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February 1863.

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BANKERS AND EXCHANGE BROKERS,
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We offer our services to Bankers and others wishing a reliable correspondent in this city; and also as Agents for the transaction of any business connected with General Banking, which will receive from us prompt attention at very favorable rates. Collections due in Boston and East of Boston, remitted for on the day we receive payment, by draft on New-York, Philadelphia or Baltimore. We deal extensively in Bank Notes Specie and Exchange.

REFERENCES.

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Offers his services in the purchase and sale of Foreign Exchange, Commercial Paper, Treasury Notes, Indebtedness, Certificates, Public Stocks and other securities.

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No. 38 WALL STREET, NEW-YORK.

Dealers in Exchange, Bank Notes, Treasury Notes and Coin.

Collections made on all accessible points, with prompt returns.
Stocks, Bonds and Commercial Paper bought and sold on commission.
Special attention given to the purchase and sale of all classes of Government Securities.
Banks, Bankers, Business Firms and others, opening accounts with us, will find their interests carefully consulted, and their orders promptly executed.
We are Agents for the sale of the United States Five Twenty year 6 per cent. Bonds, which we keep constantly on hand, for sale at the Government rate, viz., Par and Accrued interest.

SCHUCHARDT & GEBHARD,

BANKERS,

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NEW-YORK.

Draw in sums to suit at 3 or 60 days' sight on London, Paris, Amsterdam, Hamburg,
Bremen, Cologne, Berlin, Frankfort on the Main, Geneva and Zurich.

ISSUE LETTERS OF CREDIT ON EUROPE

July, 1861.

J. S. CRONISE.

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J. S. CRONISE & CO.

DEALERS IN BULLION AND SPECIE,

No. 27 WALL-STREET, NEW-YORK.

OPPOSITE U. S. ASSAY OFFICE.

SPECIE AND BANKING OFFICE

OF

GEO. D. ARTHUR & CO.,

UNION BANK BUILDING,

34 Wall Street, New-York.

Dealers in Bank Notes, Exchanges, Gold and Silver, and U. S. Treasury Notes.

REFER TO

UNION BANK.

ATLANTIC BANK.

SHOE AND LEATHER BANK.

June, 1862.

LEWIS M. BROWN.

HENRY S. WILSON.

**BROWN, WILSON & FISHER,
BANKERS AND BROKERS,****No. 19 Wall-street, New-York.**

Stocks, Bonds and Securities of all kinds bought and sold on Commission.
Dealers in United States Government Securities, Specie, Bank Notes, &c.

REFER, BY PERMISSION, TO

BANK OF THE COMMONWEALTH, N. Y.

SPOFFORD & TILSTON.

JOHN J. CRANE, N. Y.

MOSES TAYLOR.

Office of Lewis E. Brown.

EUGENE KELLY.

R. S. FRITZ.

J. A. DONOHUE.

W. C. HALSTON.

New-York,

San Francisco,

EUGENE KELLY & CO.,

DONOHUE, HALSTON & CO.,

EUGENE KELLY & CO.,

BANKERS AND EXCHANGE DEALERS,

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EXCHANGE ON SAN FRANCISCO.

Coupons of the Bonds of the State of California, and City and County of San Francisco, cashed or collected at current rates. Collections made in California, Oregon and Washington Territory.
May, 1862—1 year.

E. MORRISON.

A. SOHER.

E. MORRISON & CO.,

BANKING, EXCHANGE AND COLLECTION OFFICE,

No. 17 Nassau Street.

NEW-YORK CITY.

Government loans of all kinds, Gold and old Demand notes bought and sold. Stocks and Bonds bought and sold on commission. Sell drafts upon England, Ireland and Scotland. Buy and sell Specie and Bank Notes of all kinds. Collections made in all parts of the United States, Canadas and Europe.

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BANK OF THE COMMONWEALTH, New-York.

BANK OF NORTH AMERICA, New-York.

AMERICAN EXCHANGE BANK, New-York, and other banks.

DUNCAN, SHERMAN & CO.,

BANKERS,

CORNER OF PINE AND NASSAU STREETS,

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ISSUE CIRCULAR NOTES AND LETTERS OF CREDIT for travelers, available in all the principal cities of the world.

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United States and Canada.

**THE UNION BANK OF LONDON,**

AS AGENTS FOR MESSRS. DUNCAN, SHERMAN &amp; CO., BANKERS,

**NEW-YORK,**

Hereby give notice, that they will receive money on account of that firm, for which they will issue, free of charge,

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Of £10 and upwards, similar to those in such extensive use on the Continent of Europe and elsewhere, payable at all the principal cities and towns in the United States, Canada, &c.

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No. 8 BROAD-STREET, NEW-YORK,  
BANKERS AND DEALERS IN EXCHANGE,

On all the Principal Cities of the United States,

Offer their services to Bankers requiring a Correspondent in this City, and assure them that all business entrusted to them will have personal and prompt attention.

WILLIAM J. BELL.

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**BELL & COURTNEY,**

Commission Brokers in Stocks and Bonds,

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No. 17 WALL STREET,

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*Jan. 1862. M<sup>o</sup>. & A.*

**L. S. LAWRENCE & CO.**

BANKERS,

164 Nassau Street, New-York.

Dealers in Exchange, Bank Notes, Gold and Silver. Special attention given to Collections  
Stocks, Bonds and Government Securities bought and sold on Commission.

DRAW ON AND REFER TO

IMPORTERS AND TRADERS' BANK, New-York.

DREXEL &amp; Co., Philadelphia.

NASSAU BANK,

J. W. DAVIS, Boston.

*April, 1862—one year.*

SATHER &amp; CHURCH, San Francisco.

**JOHN MUNROE & CO.,**

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Issue Circular Letters of Credit for Travellers in all parts of Europe, &c., &c. Also, Commercial Credits on Paris, and Sterling Bills, in sums to suit.

**SAMUEL HALLETT & COMPANY,**

BANKERS,

**NEW-YORK CITY.**

Dealers in Foreign and Domestic Exchange, and Negotiators of State and Rail-Road Bonds.  
*R. M. & E. A.—1861.*

# BANK OF BRITISH NORTH AMERICA, LONDON.

Capital £1,000,000 Sterling. Incorporated by Royal Charter.

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*Canada*.—Quebec, Montreal, Toronto,  
Kingston, Hamilton, London, Brant  
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*Vancouver's Island*.—Victoria.

Drafts on the Bank of British North America, London, and the Branches above; on the Branches of the Provincial Bank of Ireland, and National Bank of Scotland.

Bills of Exchange purchased and collected, and credits negotiated with England, Ireland, Scotland, and the British Provinces of North America, by

R. C. FERGUSSON, F. H. GRAIN and JAMES SMITH,

No. 24 Pine Street, New-York.

## D. PLUMB & CO'S RECORD OF MERCANTILE CREDITS, No. 240 BROADWAY, NEW-YORK.

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This work is superior to all others of a similar kind, in that it not only gives the grade of Credit, but also states the MEANS that each firm is judged to possess, together with the ownership of Real Estate, where such ownership exists. The work, with a revised volume every six months, and weekly notification of changes, will be furnished to subscribers at ONE HUNDRED DOLLARS A YEAR. Orders are solicited.

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Jan., 1863.

D. PLUMB & CO.

## PEOPLE'S FIRE INSURANCE COMPANY.

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AND

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NEW-YORK.

W. F. UNDERHILL, Sec'y.

MATTHIAS CLARK, Pres't.

## BANKERS' BUSINESS CARDS,

Checks, Drafts, Letter Heads, Ink Stamps, Seals & Seal Presses,  
AND CANCELLING STAMPS.

*Wedding Cards* and Envelopes of the Latest Styles. Visiting and Business Cards, Door Plates, &c., furnished by

A. DEMAREST,

PRACTICAL ENGRAVER,

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# NATIONAL BANK NOTE COMPANY,

(Incorporated November, 1859.)

No. 1 Wall Street, corner of Broadway,

NEW-YORK.

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Engraving and printing of Bank Notes, Certificates, Drafts, Bills of Exchange, Bonds, Commercial Papers, &c., with all modern improvements of value, with special safeguards devised by the Company, and patented, to prevent frauds by photographic and other modes of counterfeiting and alterations. This Company possesses unsurpassed facilities for dispatch in the execution of orders in the first style of the art.

A variety of Bank Note and Bond Paper, of superior quality, always on hand.

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BANK NOTE ENGRAVING.

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## AMERICAN BANK NOTE COMPANY

MERCHANTS' EXCHANGE,

NEW-YORK.

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The business of this Company in New-York having been concentrated in the Merchants' Exchange, the several firm agencies of RAWDON, WRIGHT, HATWELL & EDSON, TOPPAN, CARPENTER & Co., DANFORTH, PERKINS & Co., BALD, COUSLAND & Co., JUCELYN, DRAPER, WELSH & Co., and WELLSTOOD, HAY & WHITING, are discontinued, and all communications may hereafter be addressed to the Secretary.

Offices at New-York, Philadelphia, Boston, New-Orleans, Cincinnati, Montreal and Chicago.

TRACY R. EDSON, *President.*

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ATTORNEYS AND COUNSELLORS AT LAW,

Office No. 114 Nassau Street,

NEW-YORK.

GEORGE O. MANCHESTER, }  
DANIEL NEMIRS, }

Particular attention paid to the collection of Claims sent us by parties residing out of the City.

COMMERCIAL BANK OF CANADA.

CAPITAL, — paid up, — \$4,000,000.

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| ENGLAND, .....       | THE LONDON JOINT STOCK BANK, .....     | London.    |
| SCOTLAND, .....      | THE COMMERCIAL BANK OF SCOTLAND, ..... | Edinburgh. |
| "                    | THE CLYDESDALE BANKING COMPANY, .....  | Glasgow.   |
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| "                    | THE MERCHANTS' BANK, .....             | Boston.    |
| "                    | THE NEW-YORK STATE BANK, .....         | Albany.    |
| "                    | THE LAKE ONTARIO BANK, .....           | Oswego.    |

Bills of Exchange and Promissory Notes collected at all the above points, and at every other town in Canada where there is a Bank Agent.

Bills and Notes collected in Detroit, and other points in Michigan, where there is a Bank Agent. Letters to be addressed to the Windsor Agent at Detroit.

Drafts issued and Credits negotiated on the United States, London, Edinburgh, Glasgow, Dublin, &c.

August, 1862.

**UNITED STATES**  
**FIVE TWENTIES,**  
**Or 20 Year Six Per Cent. Bonds,**

**PAYABLE AT THE OPTION OF THE GOVERNMENT AFTER FIVE YEARS.**

I am instructed by the Secretary of the Treasury to receive subscriptions for the above

**LOAN AT PAR,**

the interest to commence from date of deposit, and

**PAYABLE IN GOLD,**

at the Mint, or any Sub-Treasury or Depository of the United States, on the first days of May and November of each year.

**At the present Premium on Gold, these Bonds yield about**  
**Eight per cent. per annum.**

A full supply always on hand.

**JAY COOKE,**  
Subscription Agent,

At the Office of **JAY COOKE & CO., 114 South Third St., PHILADELPHIA.**

Subscribers to this Loan in the inland Cities and Towns will be furnished with the Bonds, or facilities for subscription by the Banks or Bankers in their respective neighborhoods.

JAY COOKE,  
H. D. COOKE.

WILLIAM G. MOORHEAD,  
H. C. FAHNESTOCK.

**JAY COOKE & CO.,**  
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No. 114 South Third Street,

**PHILADELPHIA,**

AND No. 452 FIFTEENTH STREET, OPPOSITE TREASURY BUILDINGS,

**WASHINGTON, D. C.**

**Dealers in Government Bonds, Treasury Notes,**

**CERTIFICATES, ARMY AND NAVY VOUCHERS,**

Coin, Currency and Exchange.

Careful attention given to collections upon the several Departments of the Government, and prompt returns made.

Jan 1868, A. & E. M.

**A. N. MEYLERT & CO.,**

EXCHANGE AND BANKING OFFICE,

**SCRANTON, LUZERNE COUNTY, PA.**

Particular attention paid to Collections; Remittances made at maturity, at current rate of exchange.

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Messrs. CLARK, DODGE & Co., "  
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SAMUEL WORK,

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Uncurrent Bank Notes, Coin, &c., purchased. Prompt attention given to Collections in Philadelphia and on all prominent points in the United States. Business paper negotiated. Interest allowed on balances as per agreement. Bills of Exchange bought and sold. Refer to READ, DREXEL & Co., New York, and to the Philadelphia Bank, Philadelphia.

**B. S. RUSSELL & CO.,**

BANKERS AND DEALERS IN EXCHANGE,

**TOWANDA, BRADFORD CO., PENN'A.**

Receive Deposits, make Collections on all accessible points, and furnish Drafts on the East, at current rates.

REFERENCES.

AMERICAN EXCHANGE BANK, New-York.

JOHN ARNOT, Elmira.

G. M. HOLLENBACK, Wilkes Barre.

*Mag. & A.*

HON. J. N. CONYNGHAM, Wilkes Barre.

E. W. CLARK & Co., Philadelphia.

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**JOHN S. GITTINGS & CO.**

Bankers, Exchange, Stock and Bill Brokers, No. 29 South Street,

**BALTIMORE, MD.**

We beg leave to hand you our card as above, and tender you our services in the transaction of any business you may have in this City. We transact all business appertaining to Banks or private Bankers, in their several departments. Buy and sell on Commission, Stock and Securities in this and other Markets. Purchase and sell Ground Rents. Make advances on Stocks, Real Estate, Notes and other Collaterals. Negotiate time Paper and Stock Loans. Receive deposits in Bankable and Uncurrent Funds, and give **special attention to Collections** on all accessible points in the United States and Canada, and can offer unrivalled facilities to correspondents. **Interest allowed on Balances, per agreement.**

*April, 1860—one year.*

HASLETT MC KIM,

JOHN H. MCKIM.

**BROTHERS M<sup>o</sup>KIM,**

BANKERS,

**BALTIMORE, MARYLAND,**

Deal in Foreign and Domestic Exchange, and issue Letters of Credit, available for all Commercial and Traveling purposes.

Stocks, Bonds and Commercial Paper bought and sold on Commission. Loans Negotiated—Collections made, and a general Banking business transacted.

*Jan., 1861—M. & A.*

**LEWIS JOHNSON & CO.,**

BANKERS,

WASHINGTON CITY, D. C.

Dealers in government securities, coin, uncurrent money and exchange.  
Special attention given to collections.

REFER TO

Park Bank, New-York.

JOHN D. BARROW.

JOHN C. MCKELDEN,

JOHN A. REFR.

**BARROW, MCKELDEN & CO.,**  
BANKERS,

No. 223 Penn. Av., Opposite Willard's Hotel,

WASHINGTON CITY, D. C.

Refer to Messrs. CLARK, DODGE &amp; Co., Bankers, N. Y. E. MORRISON &amp; Co., Bankers, N. Y. E. W. CLARK &amp; Co., Bankers, Philadelphia. SPENCER, VILA &amp; Co., Bankers, Boston.

March, 1863—one year.

**TALLANT & CO.,**

BANKERS,

SAN FRANCISCO, CALIFORNIA.

Collections attended to, and Remittances promptly made.

REFERENCES.

BANK OF THE STATE OF NEW-YORK, New-York City.  
RICHARD PATRICK, Esq., New-York City.

June, 1860—one year.

**J. W. DREXEL & CO.,**

BANKERS,

CHICAGO, ILLINOIS.

A general Banking Business transacted. Collections promptly made at lowest rates.

Draw on

READ, DREXEL &amp; CO.,

New-York.

DREXEL &amp; CO.,

Philadelphia.

June, 1862.

L. A. CHESNUT.

A. McKIM DUBOIS.

**CHESNUT & DUBOIS,**

BANKERS AND DEALERS IN EXCHANGE, BANK NOTES AND COIN,

CARLINVILLE, ILLINOIS.

Particular attention given to Collections, and proceeds promptly remitted at current rate of exchange.

REFER TO

PARK BANK, New York.

HALSTED &amp; GILMAN, New York.

CLARK, CHENEY &amp; Co., Bankers, Boston.

EDWARDS, NICHOLS &amp; RICHARDS, Boston.

POTTER, HITCHCOCK &amp; Co., Boston.

March, 1860.

SOUTHERN BANK, St. Louis.

W. H. BARSDALE &amp; Co., St. Louis.

GILMORE, DUNLAP &amp; Co., Cincinnati.

F. G. ADAMS, Chicago.

N. H. RIDGELY &amp; Co., Springfield, Illinois.

ALTON BANK, Alton, Illinois.

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**A. C. BADGER & CO.,**

**BANKERS,**

CORNER DEARBORN AND RANDOLPH STREETS,

**CHICAGO, ILLINOIS.**

*August, 1861—one year.*

**JAMES BOYD,  
BANKER AND BROKER,**

No. 38 Clark Street,

**CHICAGO, ILL.**

**DEALER IN WESTERN BANK NOTES.**

Collections payable in the Northwest promptly attended to.

*W. G. & A.*

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**J. BUNN,**

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ABRAHAM BELL'S SONS, New York.  
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GEORGE SMITH & Co., Bankers, Chicago.  
L. A. BENOIST & Co., Bankers, St. Louis.

PRICE, CONVERSE & Co., New Orleans.

*June 1853.*

**L. & C. H. BULL,**

BANKERS AND DEALERS IN EXCHANGE,

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All business connected with General Banking, Exchange and Collection, will receive personal attention and be faithfully transacted.

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CLARK, DODGE & Co., "  
CLARK, WILSON & Co., "  
S. B. CHITTENDEN & Co., "  
*July, 1862.*

DENNY, RICE & Co., Boston.  
TWOBELY & LAMSON, "  
TAPPAN, McBURNEY & Co., "  
FAY & STONE, "  
JAMES B. HOMER, Hartford.  
HENRY A. PERKINS, "

A. G. HAMMOND, Hartford.  
GEORGE P. BISSELL & Co., "  
C. B. BLAIR, Chicago.  
CHAPIN, WHEELER & Co., "  
L. D. OLMSTED & Co., "  
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**J. H. DANIELS,**

BANKING AND EXCHANGE OFFICE,

**WILMINGTON, WILL CO., ILLINOIS.**

Collections made and remitted at Current Rates.

REFERENCES.

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CATUGA COUNTY BANK, N. Y.

BANK OF VERNON, N. Y.  
BANK OF AUBURN, N. Y.

ILLINOIS SAVINGS INSTITUTION, Chicago.

V. D. CARPENTER,  
*Cedar Rapids.*

H. B. STIBBS,  
*Cedar Rapids.*

R. B. STIBBS,  
*Footst., O.*

## CARPENTER, STIBBS & CO.,

EXCHANGE AND DEPOSIT BANK,

### CEDAR RAPIDS, IOWA.

REFER TO

READ, DECKER & Co., Bankers, New-York.

HOFFMAN & GELPCKE, do. Chicago.

GILMORE, DUNLAP & Co., Bankers, Cincinnati.

CRONINE & Co., Bankers, Philadelphia.

KRAHNEE & KHAM, Bankers, Pittsburgh.

CLARK, CHENEY & Co., Bankers, Boston.

STATE SAVINGS ASSOCIATION, St. Louis.

Jan., 1861—1 year.

## LOUIS A. MACKLOT,

BANKER,

### DAVENPORT, IOWA.

Collections made and Proceeds remitted promptly at Current Rates of Exchange. Loans negotiated. Bills of Exchange on all the principal cities of the United States and Europe bought and sold.

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AMERICAN EXCHANGE BANK, New-York.

SNOD AND LEATHER BANK, "

Messrs. LE HURAY & Co., "

" KRAM & TAYLOR, "

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STATE SAVINGS INSTITUTION, St. Louis, Mo.

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## BANKING AND COLLECTION OFFICE.

WM. THOMPSON.

### WM. THOMPSON & CO.,

D. W. BAILEY.

(Successors to Hatch & Thompson.)

Corner Main and Second Sts.,

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Particular attention paid to the collection of paper payable in Keokuk, or at the principal accessible points in Iowa and adjoining States. Collections made in this city promptly remitted at current rate of Exchange.

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Van Vleet, Read & Drexel, N. Y.

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Southern Bank, St. Louis.

Simonds & Taylor, "

Merchants' Bank, Baltimore.

McKim & Co., Baltimore

H. S. Taylor, Esq., "

Davis & Birney, Philadelphia.

Shawmut Bank, Boston.

Converse, Harding & Co., Boston.

S. H. Bullen, Cash'r Bk of Kentucky.

Northern Bank of Ky., Lexington.

Farmers' Bank of Ky., Frankfort.

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EXCHANGE, BANKING AND COLLECTION OFFICE OF

## ARTHUR BLAND,

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### LOUISVILLE, KENTUCKY.

Special attention paid to Collections, and proceeds promptly remitted at current rate of Exchange.

Particular attention paid to all commissions appertaining to Banking.

The very highest rates paid for Southern Bank Notes.

*Mag. & A.*

## R. C. PAINE,

BANKER,

### NILES, MICHIGAN.

Collections in Michigan and Northern Indiana promptly made and remitted for at current rates of Exchange.

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*Mag. and Reg.*

THOMAS ALLEN.

SAMUEL COPP, Jr.

ROBERT N. NISBET

## ST. LOUIS EXCHANGE, COLLECTION &amp; BANKING HOUSE

ALLEN, COPP &amp; NISBET,

BANKERS AND EXCHANGE DEALERS.

ST. LOUIS, MO.

COLLECTIONS payable in ST. LOUIS, and at all accessible points in the West, faithfully attended to upon the most favorable terms, and proceeds promptly remitted on the day we receive payment at the Current Rate of Exchange.

SIGHT EXCHANGE on the principal Cities of the Union for Sale in sums to suit.  
August, 1858.

TESSON & DANJEN,  
BANKERS AND EXCHANGE DEALERS,  
ST. LOUIS, MO.

Strict attention given to Collections, and proceeds remitted promptly at current rates of exchange, free of charge.

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RIGGS & Co. " "  
SCHUGHARDT & GERHARD, " "  
P. CHOUTEAU, JR., & Co., " "

MENARD, TESSON & Co, New Orleans.  
BANK OF COMMERCE, Philadelphia.  
BANK OF MISSOURI, St. Louis.

May, 1858.

STATE SAVINGS ASSOCIATION,  
ST. LOUIS, MO.

AUTHORIZED CAPITAL, \$1,000,000.

With individual liability of Stockholders.

JOHN HOW, President. L. J. CIST, Ass't Cash., ISAAC ROSENFELD, Jr. Cashier.

Correspondents may rely on careful attention to their business. Collections on all points promptly made to, and returns made on day of payment. Exchange, Coin and Bank Notes bought and sold at best market rates. Deposits received and interest allowed only on deposits for a fixed time.

## CORRESPONDENTS IN

New-York—AMERICAN EXCHANGE BANK.

" MESSES. GILMAN, SON &amp; Co.,

Philadelphia—FARMERS AND MECHANICS' BANK.

Boston—BANK OF COMMERCE.

New-Orleans—CITIZENS' BANK OF LOUISIANA.

London—Messrs. SMITH, PAYNE &amp; SMITH.

Paris—De ROTHSCHILD FRERES.

## CATES, ATWATER &amp; CO.,

BANKERS,

Corner of Main and Locust Streets,

SAINT LOUIS, MO.,

A general banking business transacted. Collections promptly made at lowest rates.

REFER, BY PERMISSION,

TO ALL THE BANKS IN SAINT LOUIS.

**GEORGE H. LOKER & BROTHER,  
BANKERS AND DEALERS IN EXCHANGE,  
ST. LOUIS, MISSOURI.**

Buy and sell sight and time bills on the principal Cities in the Union, at the most favorable rates. Eastern collections received and proceeds promptly remitted at the Current Rates of Exchange.

## REFER TO

SENGER, VILA & Co., Bankers, Boston.  
A. G. FARWELL & Co., Boston.  
BANK OF THE STATE OF NEW YORK, New York City.  
ST. NICHOLAS BANK, New York City.  
CRONISE & Co., Bankers, Philadelphia, Pa.  
CITIZENS' BANK, Baltimore, Md.

T. J. CARSON, Baltimore, Md.  
S. JONES & Co., Bankers, Pittsburgh, Pa.  
GILMORE & BROTHERTON, Bankers, Cincinnati, O.  
A. D. HUNT & Co., Bankers, Louisville, Ky.  
MECHANICS' BANK, St. Louis, Mo.  
MERCHANTS' BANK, St. Louis, Mo.

July, 1858.

JAMES GILMORE,  
WILLIAM J. DUNLAP.

THOMAS G. ROBINSON,  
EDWARD W. MULLENB.

**GILMORE, DUNLAP & CO.,  
BANKERS.**

*Dealers in Exchange, Uncurrent Bank Notes and Coin,  
CINCINNATI, OHIO.*

COLLECTIONS WILL RECEIVE PROMPT ATTENTION.

B. HOMANS, JR.,

J. SMITH HOMANS, JR.,  
New York.

**HOMANS & CO.,  
Bankers,**

No. 23 West Third Street,

**CINCINNATI, OHIO,**

## DEAL IN

Domestic and Sterling Exchange, Bank Notes and Coin.

~~~~~  
COLLECTIONS

Payable in Cincinnati, or its vicinity, promptly attended to, and proceeds remitted on the day we receive payment, at current rates of Exchange, without further charge.

~~~~~  
**Refer to**

ST. NICHOLAS BANK, New York.

ABRAHAM BELL'S SONS, "

J. T. VAN VLECK, Banker, "

LEE, HIGGINSON & Co., Boston.

CHAS. EMORY & Co., Philadelphia.

BAKER, WESCOTT & Co., "

ALLEN, COPP & NISBET, St. Louis.

JOSEPH F. LARKIN.

THOMAS FOX.

**LARKIN, FOX & CO.**  
BANKERS,  
CINCINNATI, OHIO.

☞ COLLECTIONS PROMPTLY REMITTED.

H. O. MOSS,  
*New-Berlin, N. Y.*

A. H. MOSS,  
*Sandusky, Ohio.*

**MOSS BROTHERS' BANKING HOUSE,**  
OFFICE OF DISCOUNT, DEPOSIT AND COLLECTION,  
COLUMBUS AVENUE,  
SANDUSKY CITY, OHIO.

NEW-YORK CORRESPONDENTS ARE

BANK OF THE STATE OF NEW-YORK.

Messrs. Rich'd PATRICK & Co.

R. D. HARSHMAN.

J. H. GORMAN.

**HARSHMAN & GORMAN,**  
Bankers, Dealers in Exchange, Uncurrent Bank Notes and Coin,  
DAYTON, OHIO.

Collections will receive prompt attention.

REFER TO

MANHATTAN BANKING COMPANY, New-York. | DREXEL & Co., Bankers, Philadelphia.  
BANKS AND BANKERS generally in Cincinnati, O.

Jan., 1861—1 year.

W. S. LADD.

C. E. TILTON.

**LADD & TILTON,**  
BANKERS,  
PORTLAND, OREGON.

Collections, and all business connected with General Banking, will receive prompt attention.

REFERENCES:

ALSO & Co., BOLTON, BARRON & Co., PARROT & Co., JAMES PATRICK & Co., San Francisco, Cal.;  
DUNCAN, SHERMAN & Co., WAKEMAN, DIMON & Co., A. E. & C. E. TILTON, VICTOR BARBALOU, New-York;  
Geo. W. CROCKETT, President Bank North America, F. GUILD, President Blackstone Bank, SEARS & Co.,  
Boston; S. F. HERSEY, President Market Bank Bangor, Maine; GEO. MINOT, President Mechanics' Bank,  
Concord, N. H.; ASA P. CATE, President Citizens' Bank, Sanbornton, N. H.; BROWN, JOHNSON & Co.,  
New-Orleans, La.; NOBLE, HAMIT & Co., Philadelphia, Pa.; H. A. TUCKER & Co., Chicago, Ill.; N. CON-  
WITH & Co., Galena, Ill.

SAMUEL MARSHALL.

CHARLES F. ILSLEY.

J. ALDER ELLIS.

**MARSHALL & ILSLEY, BANKERS,**  
**MILWAUKEE, WISCONSIN.**

REFER TO

BANK OF NORTH AMERICA, New-York City.  
MECHANICS' BANK, "  
LEATHER MANUFACTURERS' BANK, "  
KISSAM & TAYLOR, Bankers, "  
READ, DREXEL & Co., "  
BENEDICT & Co., Bankers, "  
EXCHANGE BANK, Boston, Mass.  
FARMERS AND MECHANICS' BANK, Buffalo.

E. W. CLARK & Co., Bankers, Philadelphia.  
DREXEL & Co., Bankers, "  
JOSHUA LEE & Co., Bankers, Baltimore.  
N. HOLMES & SONS, Bankers, Pittsburgh.  
E. G. BURKHAM & Co., Bankers, Cincinnati.  
A. D. HUNT & Co., Bankers, Louisville.  
L. A. BENOIST & Co., St. Louis, Mo.  
SPOONER, ATWOODS & Co., Bankers.

OFFICE OF THE

# COLUMBIAN (MARINE) INSURANCE CO.

CORNER OF WALL AND NASSAU STS.

NEW-YORK, JANUARY 27, 1868.

Statement of the Affairs of the Company for the fifth fiscal year ending Dec. 31st, 1867:

|                                                                                                                  |                       |
|------------------------------------------------------------------------------------------------------------------|-----------------------|
| Premiums on unexpired risks, December 31st, 1861.....                                                            | \$219,723 20          |
| Premiums received from that date, to December 31st, 1862.....                                                    | 815,591 44            |
| <b>Total amount of Premiums.....</b>                                                                             | <b>\$1,035,314 64</b> |
| Premiums marked off, as earned during the year, (less Return Premiums) and Interest received on Investments..... | \$725,386 39          |
| Losses paid during the year.....                                                                                 | \$411,018 61          |
| Re-insurance, Expenses, and Taxes.....                                                                           | 85,603 64             |
| <b>Net Profit.....</b>                                                                                           | <b>\$228,769 14</b>   |

**The Company have the following Assets:**

|                                                                         |                       |
|-------------------------------------------------------------------------|-----------------------|
| United States and New-York City Stocks.....                             | \$162,800 00          |
| Loans on demand, on Gold.....                                           | \$129,000 00          |
| Cash in Banks.....                                                      | 71,661 43             |
| Interest due January 1, 1868, on Investments, and Cash with Agents..... | 25,296 59             |
| <b>Re-insurance and Salvage Claims and Unpaid Premiums.....</b>         | <b>226,057 79</b>     |
| Bills Receivable.....                                                   | 45,574 74             |
| Scrap of Insurance Companies, Sundry Claims due the Company, &c.....    | 677,259 85            |
| <b>Total amount of Assets.....</b>                                      | <b>\$1,185,540 73</b> |

Dealers with this Company will be allowed the option (to be signified at the time of application for insurance) of receiving in lieu of scrip, at the end of each year, Returns in Cash, of premiums paid and earned during the year, upon all new risks under the New-York form of policy, as follows:

- 1st. Upon every OPEN policy (CARGO RISKS) upon which there shall have been earned and paid \$300 and upwards, a return of TWENTY PER CENT.
- 2d. Upon other voyage risks upon CARGO and FREIGHT, a return of FIFTEEN PER CENT.
- 3d. Upon TIME risks upon HULLS and FREIGHT, a return of TEN PER CENT.

Such privilege, however, being confined to persons and firms, the aggregate of whose premiums upon such policies earned and paid during the year, shall amount to the sum of One Hundred Dollars.

**DIRECTORS.**

|                           |                                          |                         |                                       |
|---------------------------|------------------------------------------|-------------------------|---------------------------------------|
| EDWARD ROWE.....          | Of C. Doed & Co.                         | DANIEL W. TELLER.....   | Of Galwey, Canada & Teller.           |
| JOHN S. DICKERSON.....    | " Dickerson, Reed & Co.                  | JOS. MORRISON.....      | " "                                   |
| GEORGE MILN.....          | " "                                      | WM. H. POPHAM.....      | " Popham & Harton.                    |
| ABEL DENISON.....         | Denison, Blass & Co.                     | DAVID OGDEN.....        | " Caldwell & Monk.                    |
| THOS. A. C. COCHRANE..... | " Harbeck & Halsey.                      | B. C. MORRIS, JR.....   | " Wilson & Casmann.                   |
| WILLIAM H. HALSEY.....    | " R. G. Mitchell & Co.                   | EZRA NYE.....           | " Lawrence Myers & Co.                |
| THOMAS BARRON.....        | " Coffin, Bruce, Bishop & Co.            | HENRY J. CAMMANN.....   | " Bowne & Co.                         |
| ROLAND G. MITCHELL.....   | " A. E. Kent & Co., CHICAGO.             | THOMAS LORD.....        | " Satterlee & Co.                     |
| B. C. MORRIS.....         | " Vandervoort, Dickerson & Co., CHICAGO. | LAWRENCE MYERS.....     | " Bates & Co., Boerov.                |
| ALBERT G. LEY.....        | " Pres't. N. Western R. Co., CHICAGO.    | ROBERT BOWNE.....       | " J. M. Richmond & Co., BOSTON.       |
| ALBERT E. KENT.....       | " Pres't. Milwaukee Co. Bank, MILWAUKEE. | GEO. B. SATTERLEE.....  | " "                                   |
| THOS. S. DICKERSON.....   | " Vice-Pres't do. do.                    | JOHN D. BATES, JR.....  | " "                                   |
| WILLIAM B. OGDEN.....     | " Pres't Bank of Buffalo, ALYCA.         | JEWITT M. RICHMOND..... | " "                                   |
| JOHN ARMSTRONG.....       | " "                                      | MOSES MERICK.....       | " "                                   |
| WILLIAM YOUNG.....        | " "                                      | DAVID J. ELY.....       | " Of Reynolds, Ely & Co., CINCINNATI. |
| ANDREW J. RICH.....       | " "                                      |                         |                                       |

B. C. MORRIS, *President.*

THOMAS LORD, *Vice-President.*

WILLIAM M. WHITNEY, *Secretary.*



# THE MUTUAL LIFE INSURANCE COMPANY

## OF NEW-YORK.

OFFICE, No. 94 BROADWAY.

This Company, in addition to its Cash Accumulations, amounting to upwards of  
**Seven Millions of Dollars,**  
 also presents in every other feature a guarantee of SECURITY and STABILITY, affording superior inducements to persons to insure their lives. It has already paid nearly  
**Four Millions of Dollars**  
 to the heirs and representatives of the insured, nearly  
**300,000 Dollars**  
 of which were profits or dividends.

The following descriptions of Policies are issued by this Company, the premiums on which are payable yearly, half yearly or quarterly, at the option of the party insured :

1st.—LIFE POLICIES.—These are issued for the whole term of life, payable, together with the declared profits, after the death of the party assured, to the person entitled to receive the same.

2d.—LIFE POLICIES, with payments of Premium to cease at given ages.—These are also payable, with the profits, at the death of the assured, but the entire premiums necessary cease at the stipulated age.

3d.—ENDOWMENT ASSURANCE POLICIES.—These are issued to persons desirous of making provisions for advanced life, or any other purpose, and are payable to the assured party on attaining a certain age, say 50, 55, 60 or 65, or in case of his death before arriving at that age, to his heirs or assigns.

4th.—ENDOWMENT POLICIES FOR CHILDREN.—These are payable when a child attains the age of 18, 21 or 25 years, or upwards, either with or without the return of the total premium paid, in case the party assured does not attain the specified age.

THE ASSETS of the Company are invested exclusively on Bond and Mortgage on Real Estate in the City and State of New-York, worth in each case at least double the amount loaned, and bearing interest at seven per cent.; the solidity and security of this disposition of the Company's Funds cannot be over-rated.

### NOTICE

The business of this Company is conducted on the *mutual* principle, in the strictest sense of the term; the entire surplus, deducting necessary expenses alone, being equitably divided among the assured.

### BOARD OF TRUSTEES.

FREDERICK S. WINSTON,  
 JOHN V. L. PRUYN,  
 WILLIAM MOORE,  
 ROBERT H. M'OURDY,  
 ISAAC GREEN PEARSON,  
 JOHN H. SWIFT,  
 WM. J. BUNKER,  
 WILLIAM BETTS,  
 JOHN E. YELVERTON,  
 JOHN WADSWORTH,  
 ALFRED EDWARDS,

ALEX. W. BRADFORD,  
 JOHN M. STUART,  
 GEORGE R. CLARK,  
 SAMUEL E. SPROULLS,  
 SAMUEL M. CORNELL,  
 LUCIUS ROBINSON,  
 W. SMITH BROWN,  
 RICHARD PATRICK,  
 WILLIAM H. POPHAM,  
 LYCURGUS EDGERTON,  
 EZRA WHEELER,

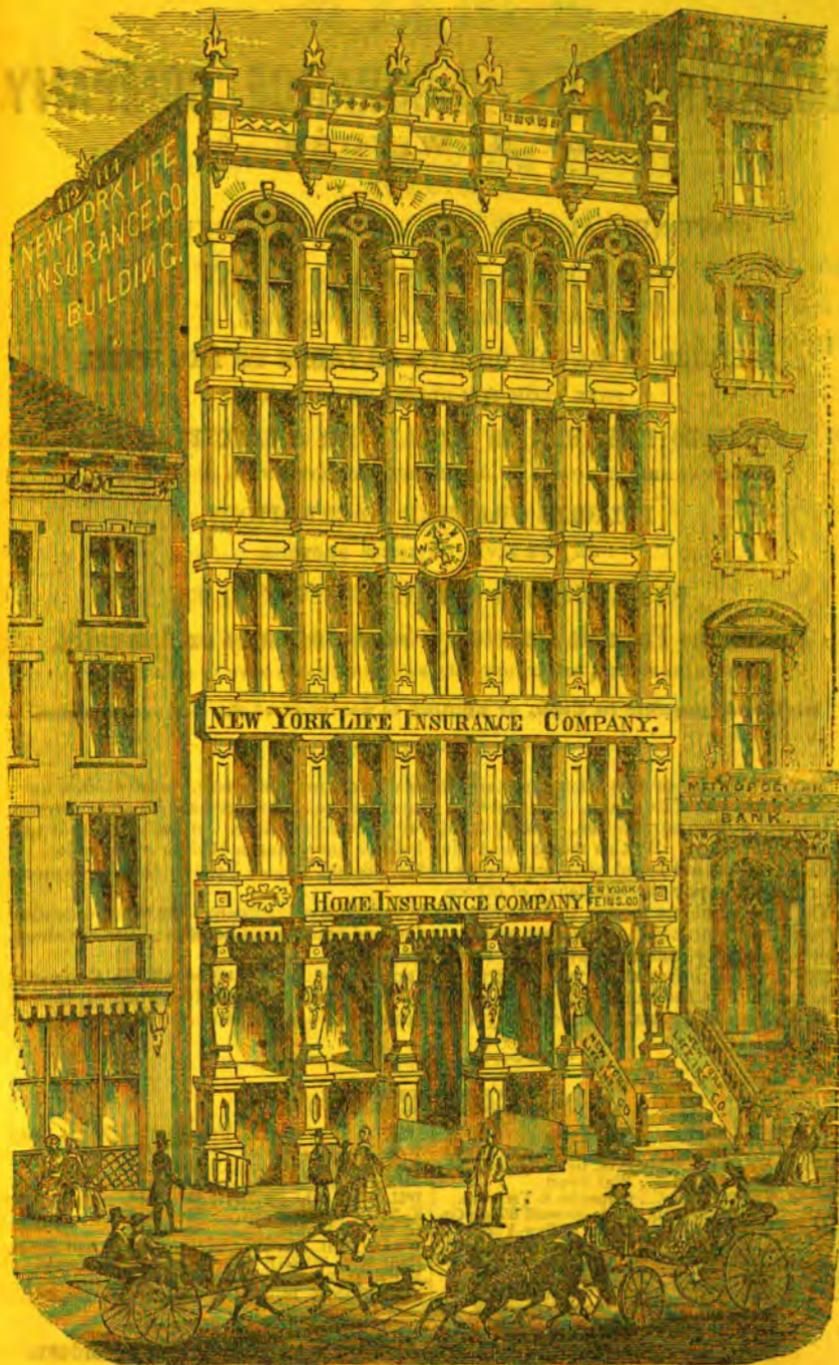
MILLARD FILLMORE,  
 SAMUEL D. BARCOCK,  
 HAMLIN BLAKE,  
 DAVID HOADLEY,  
 HENRY A. SMYTHE,  
 WILLIAM V. BRADY,  
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 GEORGE S. COE,  
 WM. K. STRONG,  
 NATHANIEL HAYDES,  
 WILLIAM M. VERMILTE,  
 JOHN E. DEVELIN.

SHEPPARD HOMANS, *Actuary.*  
 MINTURN POST, M. D., *Medical Examiner.*

FREDERICK S. WINSTON, *President.*  
 ISAAC ABBATT, *Secretary.*

\*.\* Parties intending to insure are respectfully requested to obtain this Company's Publications, which afford a variety of information beyond the limits of an advertisement. They can be had (gratis) at the principal Office, No. 94 Broadway, or from any of the Company's recognised Agents.

# NEW-YORK LIFE INSURANCE COMPANY,



Nos. 112 AND 114 BROADWAY, NEW-YORK.

PLINY FREEMAN,

Actuary.

MORRIS FRANKLIN,

President.

THE  
**GUARDIAN LIFE INSURANCE COMPANY**  
 OF NEW-YORK,

OFFICE IN  
 CONTINENTAL FIRE INSURANCE CO.'S BUILDING,  
 No. 102 BROADWAY,

ISSUE POLICIES AS FOLLOWS, VIZ:

**POLICIES IN FAVOR OF AND PAYABLE TO THE WIFE,**  
 FREE FROM THE CLAIMS OF CREDITORS.

**POLICIES PAYABLE ON ATTAINING A SPECIFIED AGE,**  
 OR PAYABLE IN CASE OF DEATH BEFORE ATTAINING SUCH AGE.

**POLICIES GRANTED TO CREDITORS,**  
 ON THE LIVES OF THEIR DEBTORS.

**POLICIES GRANTED FOR ANY NUMBER OF YEARS.**

**Premiums Payable Quarterly, Semi-Annually or Annually,**  
 AND WHERE PARTIES DESIRE, ONE-HALF MAY BE PAID IN A NOTE AT FIVE YEARS.

**Dividends payable in Cash, or applied to payment of the five years' notes.**

THE ADVANTAGES OF THIS INSTITUTION are, those who are most interested in its welfare have the management of its affairs. This interest guarantees good management for all concerned.

It is not a close corporation. Every \$2,500 of insurance entitles the holder thereof to a vote for Directors. By this means the Policy holders have charge of their own funds.

Its Premiums are based upon experience to the present time. No one class of insurers are required to pay the deficiency of others.

The Policy holders receive their Dividends in cash every five years. By this means they obtain their insurance at the lowest possible price, and receive the benefits of the Dividend, which materially assists in paying the future premiums.

Further information will be given on application at the office of the Company, Continental Fire Insurance Company's Building, No. 102 Broadway, New-York, or to any of its authorized Agents. All necessary documents can be obtained as above, (gratis.)

**DIRECTORS.**

|                         |                               |                         |                      |
|-------------------------|-------------------------------|-------------------------|----------------------|
| Hon. JOHN A. DIX,.....  | New-York.                     | WM. TAYLOR HALL, Firm   | Hall & Looney, Est.  |
| JAMES BARNES,.....      | Pres. Merch. Ex. Bank.        | WM. WILKENS,.....       | " W. Wilkens & Co."  |
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| WM. M. VERMILYE,.....   | Carpenter & Vermilye.         | WILLIAM ALLEN,.....     | Merchant.            |
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| Hon. GEO. OPDYKE,.....  | Mayor of New-York.            | H. W. T. MALL,.....     | Merchant.            |
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| THOMAS RIGNEY,...       | " Thos. Rigney & Co.          | Hon. WM. WRIGHT,.....   | Newark, New-Jersey.  |
| JOHN T. AGNEW,....      | " Wm. Agnew & Sons,           | JOHN H. SHERWOOD,...    | Park Place.          |
| E. V. HAUGHWOUT, "      | " E. V. Haughwout & Co.       | FREDERICK W. MACY, Sec. | Goodhue Ins. Co.     |
|                         | GEORGE W. FARLEE, Counsellor. |                         |                      |

**WALTON H. PECKHAM, President.**  
**HENRY V. GAHAGAN, Secretary.**  
**JOSEPH COLT, Assistant Secretary.**

**HENRY WHITE, General Agent.**

# HOME INSURANCE COMPANY,

**OFFICES, Nos. 112 & 114 BROADWAY.**

|                                      |                       |
|--------------------------------------|-----------------------|
| <b>Cash Capital,</b> .....           | <b>\$1,000,000 00</b> |
| <b>Assets, 1st July, 1862,</b> ..... | <b>1,585,679 16</b>   |
| <b>Liabilities,</b> .....            | <b>57,826 32</b>      |

THE HOME INSURANCE COMPANY continues to insure against loss or damage by FIRE and the dangers of INLAND NAVIGATION and TRANSPORTATION, on favorable terms.

The Company was organized in 1853, and its business, steadily increasing from year to year, has been conducted with a success not exceeded by that of any other Company in the same period.

The attention of business men and property-holders generally, who desire the protection of reliable insurance, is specially invited to the large amount of assets possessed by this Company, all safely invested, and affording ample security for all its contracts.

**Losses equitably adjusted and promptly paid.**

## ABSTRACT OF THE EIGHTEENTH SEMI-ANNUAL STATEMENT,

Showing the Condition of the Company on the first day of July, 1862.

### ASSETS.

|                                                                                                                                        |                       |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Cash, balance in Bank,.....                                                                                                            | \$143,489 66          |
| Bonds and Mortgages, being first lien on Real Estate,.....                                                                             | 818,694 53            |
| Loans on Stocks, payable on demand, (market value of securities, \$162,030.).....                                                      | 116,769 81            |
| United States Stocks, (market value,).....                                                                                             | 155,750 00            |
| State and Municipal Stocks and Bonds, (market value,).....                                                                             | 70,206 00             |
| Bank Stocks, (market value,).....                                                                                                      | 78,600 00             |
| Real Estate,.....                                                                                                                      | 60,207 55             |
| Interest due 1st July, 1862, (of which \$24,162 84 has since been received,).....                                                      | 27,550 87             |
| Balance in hands of Agents and in course of transmission from Agents on 1st July, (of which \$14,849 73 has since been received,)..... | 59,024 74             |
| Bills Receivable, (for Premiums on Inland Risks,).....                                                                                 | 44,012 07             |
| Other Property, Miscellaneous items,.....                                                                                              | 10,097 54             |
| Premiums due and uncollected on Policies issued at Office,.....                                                                        | 1,326 89              |
| Total,.....                                                                                                                            | <b>\$1,585,679 16</b> |

### LIABILITIES.

|                                                    |             |
|----------------------------------------------------|-------------|
| Claims for Losses outstanding 1st July, 1862.....  | \$57,456 32 |
| Due Stockholders on account former Dividends,..... | 370 00      |

**CHARLES J. MARTIN, President.**

**A. F. WILLMARTH, Vice-President.**

**JOHN M'GEE, Secretary.**

## Safest and Cheapest System of Insurance.

Scrip Dividend for 1861,.....60 per cent.  
Scrip Dividend for 1862,.....60 per cent.

### WASHINGTON INSURANCE COMPANY,

172 BROADWAY, Cor. Maiden Lane.

|                                |              |
|--------------------------------|--------------|
| Assets Feb. 1, 1863,.....      | \$528,521 51 |
| Contingent Liabilities,.....   | 5,000 00     |
| Cash Capital and Surplus,..... | \$523,521 51 |

Insures Buildings, Merchandise, Furniture, Rents, Leases, Cargoes and other Insurable property, against loss or damage by Fire, and

### INLAND MARINE RISKS,

ON THE LAKES, RIVERS AND CANALS.

Three-fourths of the Profits divided annually to the insured without their incurring any liability whatever.

**GEORGE C. SATTERLEE, President.**

**HENRY WESTON, Vice-President.**

**WM. K. LOTHROP, Secretary.**

## THE GEBHARD FIRE INSURANCE COMPANY,

OFFICE, No. 1 PINE-STREET,

Branch Office, Bull's Head Bank Building,

COR. E. 25TH STREET AND THIRD AVENUE.

CASH CAPITAL, \$200,000.

### DIRECTORS.

**WILLIAM D. WADDINGTON, President.**

FRDDERICK SCHUCHARDT,  
ADRIAN ISELIN,  
EDWARD JONES,  
EDWARD BURCKHARDT,  
JAMES W. BEEKMAN,  
N. W. STUYVESANT,  
CHARLES DE RHAM,  
A. McL. AGNEW,  
WM. H. GEBHARD,  
WILLIAM BLOODGOOD,

WILLIAM F. CARY, Jr.,  
GEORGE A. ROBBINS,  
SAMUEL L. MITCHILL, Jr.,  
DAVID JONES,  
JAQUES GUEDIN,  
J. P. GIRAUD FOSTER,  
EDWARD COOPER,  
E. VON DER HEYDT,  
S. M. BECKLEY,

JAMES S. WADSWORTH,  
CORNELIUS DU BOIS,  
WILLIAM SCHALL,  
GEORGE GREISWOLD, Jr.,  
MARTIN ZABRZEISE,  
FRANKLIN H. DELANO,  
HAMILTON BLYDENBURGH,  
JOSIAH H. BURTON,  
R. L. SCHIEFFELIN.

**JOHN R. SMITH, Secretary.**

Published February, 1863.

THE  
MERCHANTS AND BANKERS'  
ALMANAC,

FOR

1863.

CONTAINING

- I.—A List of the Banks, arranged alphabetically, in every State and City of the Union, —Names of President and Cashier, and Capital of each. (Corrected January, 1863.)
- II.—A List of Private Bankers in the United States. (Corrected January, 1863.)
- III.—A List of the Banks in Canada, New-Brunswick and Nova Scotia—their Cashiers, Managers and Foreign Agents.
- IV.—Governor, Directors and Officers of the Bank of England, 1862.
- V.—List of Banks and Bankers in London, December, 1862.
- VI.—List of Bankers in Europe, Asia, South America, Australia, West Indies, &c.
- VII.—Alphabetical List of Sixteen Hundred Cashiers in the United States.
- VIII.—Bank Capital of Towns and Cities.
- IX.—Bank Statistics.—New-York City Banks, Boston Banks, Philadelphia Banks, New-England Banks.
- X.—Statement of the Banks in the United States.
- XI.—Dividends of Philadelphia Banks.
- XII.—Lowest and Highest Quotations of Stocks at New-York, each month, 1862.
- XIII.—Sovereigns of Europe.
- XIV.—British Colonies.
- XV.—Licenses and Stamp Duties.
- XVI.—United States Census of 1860.
- XVII.—The Usury Laws and Laws of Damages on Bills, of each State in the United States.
- XVIII.—European Finances and Commerce.
- XIX.—Currency Laws of the United States.
- XX.—Revenue Stamps, Taxes, etc.—Revenue Decisions, etc.
- XXI.—The Mint of the United States—Foreign Coins.

To be Continued Annually.

PUBLISHED BY

J. SMITH HOMANS, JR., OFFICE OF THE BANKERS' MAGAZINE,  
CHAMBER OF COMMERCE AND UNDERWRITERS' BUILDING,  
Nos. 61 AND 63 WILLIAM-STREET, N. Y.

1863.

Copies mailed to order—Price, \$1 25.

# NAMES OF PRIVATE BANKERS

AND OTHERS,

Whose Cards (with their references) may be found on the cover of "The Bankers' Magazine" for 1863, or "The Merchants and Bankers' Almanac" for 1863.

- New-York**,... **American Bank Note Co.**  
 ".....National Bank Note Co.  
 ".....J. S. Cronise & Co., 27 Wall.  
 ".....Eugene Kelly & Co., 207 B'dway.  
 ".....Geo. D. Arthur & Co., 84 Wall.  
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 ".....Bell & Courtney, 17 Wall.  
 ".....W. T. Hooker, 21 Wall.  
 ".....Bradstreet's Reference Guide.  
 ".....L. S. Lawrence & Co., 164 Nassau.  
 ".....A. H. Nicolay, 52 William.  
 ".....Sarony, Major & Knapp.  
 ".....Lillie, Lewis, 198 Broadway.  
 ".....A. Demarest, 152 Broadway.  
 ".....Tapscott Brothers & Co., 86 South.  
 ".....A. J. Davis, Architect.  
 ".....Manchester & Nemris, 114 Nassau.  
 ".....Bk. of British N. A. (Agency.)  
 ".....Guardian Life Insurance Co.  
 ".....New-York Life Insurance Co.  
 ".....Columbian Marine Ins. Co.  
 ".....Union Mutual Insurance Co.  
 ".....Home Insurance Co.  
 ".....Gebhard Fire Ins. Co., 1 Pine.  
 ".....Mercantile Mutual Ins. Co.  
 ".....Washington Fire Ins. Co.  
 ".....Mutual Life Insurance Co.  
 ".....New-England Mutual Ins. Co.  
 Troy.....Lewis Lillie.
- Mass.—Boston**, **Burnett, Drake & Co.**  
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TOTALLY EXCLUDE RAIN, WIND, DUST AND NOISE  
FROM THE TOPS, BOTTOMS, SIDES AND CENTRES  
OF DOORS AND WINDOWS  
OF EVERY DESCRIPTION.

These simple, useful and economical contrivances are made of Vulcanized India Rubber, the properties of which are well-known for yielding and adapting itself to uneven surfaces, and which is not affected by the extremes of heat or cold, and is also impervious to rain and snow; being bound with metal, there is no shrinking or warping, no splitting in nailing it on; it is, therefore, permanent and durable.

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This stock is large in amount, and of unsurpassed quality It includes all the standard sorts of

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Oct., 1862.

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FOR SPRING OF 1863.

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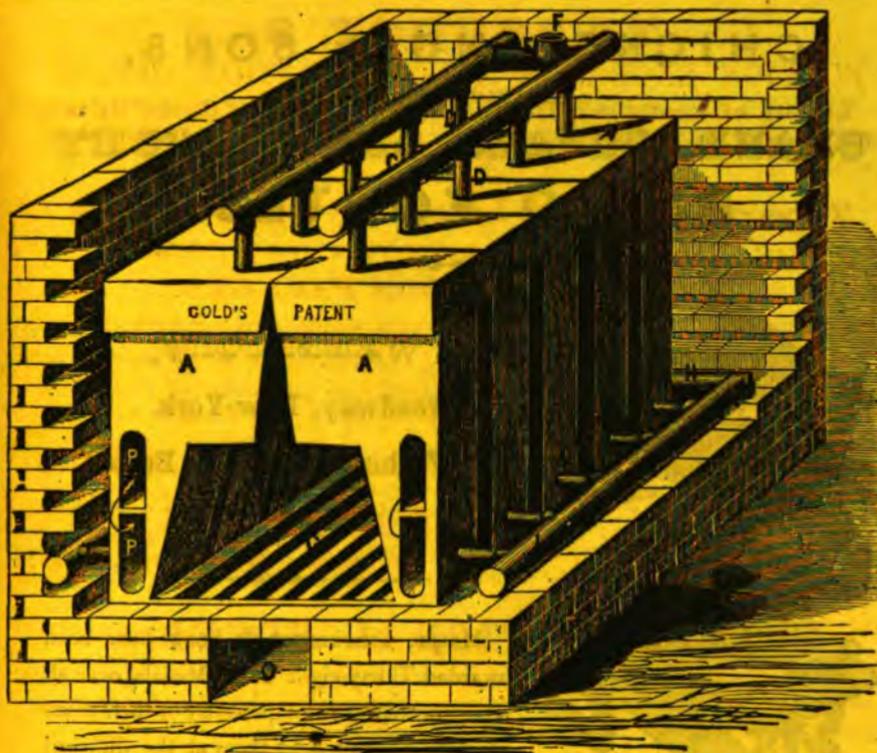
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Superior to all others, for the following reasons:

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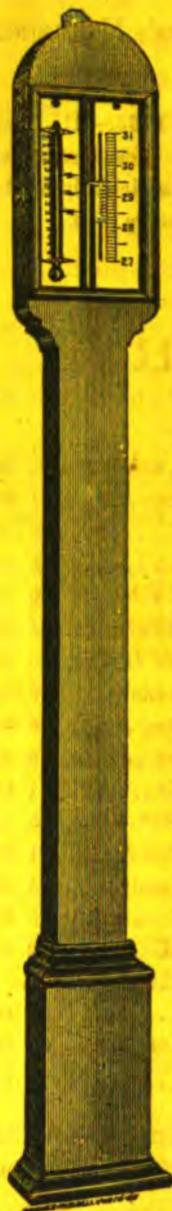
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January, 1863.